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وهزاره‌تى داد ده‌رى ده‌كات



Legislation

No. 21

Selling and Renting State Property Law

No. (21) of 2013

With its amendment & two related court rulings

قانون بيع وايجار اموال الدولة

مع تعديله وحكمى محكمة يخصه

Translated in

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Laws

In the name of the people

Presidency of Republic

RESOLUTION NO. 20

Based on what had been approved by the Parliament, in accordance with the provisions of Item (First) of Article (61) and Item (Third) of Article (73) of the Constitution, the president of Republic decided on August 12, 2013 issuing the following law:

NO (21) OF 2013

SELLING AND RENTING STATE PROPERTY LAW

CHAPTER FIRST

BASIC PRINCIPLES

ARTICLE 1

First: The provisions of this law shall be applied to movable and immovable state property, when selling or renting them, unless the law stipulates otherwise.



Laws

Second: The term “state property” includes public sector property wherever it mentioned in this law.

ARTICLE 2

State property may not be sold or rented, unless the competent minister, the head of the ministry-non-affiliated entity or whomever is authorized by either of them decides to sell or rent them, when the public interest is achieved, provided that the decision specifies the types, description and quantities of property to be sold or rented

ARTICLE 3

The sale and rent of state property shall be take place through auction in accordance with the procedures drawn up in this law, unless the law stipulates otherwise.

ARTICLE 4¹

Employees of ministries, the ministry-non-affiliated entities or the public sector who have taken a decision to sell or rent the property of the entity to which they belong, as well as members of the two estimation, sales and lease committees, may not buy or rent these property by auction, and this shall be applied to their spouses and relatives up to the fourth degree.

ARTICLE 5

It shall not be permissible for a non-Iraqi to buy property from the state's immovable property, subject to the provisions of Investment Law No. (13) Of 2006 (amended).



Laws

CHAPTER TWO **SELLING AND RENTING IMMOVABLE** **STATE PROPERTY THROUGH AUCTION**

SECTION ONE **ESTIMATION, SALE AND RENT** **COMMITTEES**

ARTICLE 6

The state's immovable property shall be sold and rented by committees formed by a decision of the competent minister, the head of the ministry-non-affiliated entity or whomever is authorized by either of them.



Laws

ARTICLE 7²

- First: The estimation committee shall be formed of (3) three experienced employees; none of them shall be less than the fifth-rank.
- Second: The committee stipulated in Item (First) of this Article shall be accompanied by an employee from the Real Estate Registration Department and an accounting employee from the employees of the Finance Ministry.
- Third: The committee may seek the assistance of a competent expert.

ARTICLE 8

The committee stipulated in Article (7) of this law shall undertake the following:

- First: Conducting an inspection of the immovable property to determine its number, location, category, type, limits, descriptions, extensions and area, and writing down the new additions, farms or planting that have been established on it.
- Second: Estimating the value of immovable property or its rental allowance. The committee shall be guided by the value estimated for it by the Real Estate Registration Department and the values of neighboring or similar real estate or their actual or estimated annual sale or rent for tax purposes. It may seek the assistance of experts it deems appropriate and take its decision by agreement or majority.
- Third: The committee shall prepare a report that includes the information stipulated in Items (First) and (Second) of this Article, to be signed by the committee members, the real estate registration employee, and experts, if any. This estimate shall not be considered final unless it is certified by the competent minister, the head of the ministry-non-affiliated entity or whomever is authorized by either of them.



Laws

ARTICLE 9

The Sale and Rent Committee shall be composed of (3) three experienced employees, the job title of none of whom shall be less than a manager or chief supervisor, or who has a functional service of not less than (10) ten years. It shall undertake the procedures of selling or renting immovable property in accordance with the provisions of this law.

ARTICLE 10

It shall not be permissible to combine the membership of the (estimation) committee formed in accordance with Article (7/ First) and the (sale and rent) committee formed in accordance with Article (9) of this law.

ARTICLE 11^a

First: Service fees of 2% (two per cent) of the sale and renting allowances of property covered by the provisions of this law shall be collected from the buyer or lessee.

Second: All expenses necessary for the preparation of property for sale or rent, including announcement and call fees, and the fees of the disclosure, estimation, sale and rent committees, shall be deducted from the amount stipulated in Item (First) of this Article.

Third: The members of the committees of detection, estimation, sale and rent of movable and immovable state property that are being estimated, sold or rented shall be granted wages of (10,000) ten thousand dinars for each, and (5,000) five thousand dinars for each of the employee of the Real Estate Registration Department and the



Laws

representative of the Ministry of Finance if the property does not belong to the Ministry of Finance, the expert, the secretary of the committee, the treasurer and the driver accompanying the committee for each certified estimation report organized by the committee or an auction list organized by the Sale and Rent Committee, and it shall not be permissible to the total wages granted to each member of the committees stipulated in this Item to exceed (300,000) three hundred thousand dinars per month and (150,000) one hundred and fifty thousand dinars per month for each companion.

Fourth: The caller who makes a call for the purpose of selling or renting movable and immovable state property shall be granted a call fee of (5,000) five thousand dinars for each case of sale or rent, provided that it does not exceed (150,000) one hundred and fifty thousand dinars per month.

Fifth: The Council of Ministers may amend the wages provided for in Items (Third) and (Fourth) of this Article whenever necessary.

Sixth:

- a. The remaining service wages shall be distributed to the employees of the department that undertakes the sale and rent of money and the supporting employees in accordance with the controls issued by the competent minister, and these wages may not be combined with any other similar wages received by the employees of that department, after deducting the wages and expenses stipulated in Items (Second), (Third) and (Fourth) of this Article, as well as the wages and expenses mentioned in cases where the sale and rent are not carried out in the event that the person wishing to sell or rent.
- b. The fees for publishing and announcing shall be collected from the aforementioned percentage in paragraph (a) of this Item for cases in which the sale or rent is not carried out because of the lack of a willing person and since the repeal of the decision of the Revolutionary Command Council (dissolved) No. (163) of 1998 until the entry into force of this law.



Laws

Seventh: The provisions of this Article shall be applied to the committees for estimating, selling and renting movable and Immovable property formed in the Endowment Offices and to the employees accompanying these committees.



Laws

SECTION TWO **PROCEDURES FOR SELLING AND** **RENTING** **IMMOVABLE PROPERTY**

ARTICLE 12

The procedures for selling and renting immovable property shall be as following:

First: The Immovable Property Sale and Rent Committee shall organize a bidding list in light of the property descriptions determined by the Estimation Committee.

Second: If there are many immovable property to be sold or rented, a bidding list shall be organized for each of them.

Third:

- a. The sale or rent of immovable property shall be announced by auction in a daily newspaper issued in Baghdad, and a copy of the announcement shall be posted in the department that sells or rents it, and another one at its entrance. The committee may decide to publish and broadcast the announcement through other means of announcement if it deems the public interest calls for so.
- b. The immovable property whose allowance rent is less than (500,000) five hundred thousand dinars shall be excluded from the announcement in the newspapers.



Laws

Fourth:

- a. The announcement shall include all descriptions of the immovable property recorded in the minutes organized by the estimation committee, the day, hour and date of the auction, the conditions for participating in it, the place where the auction takes place and the amount of the guarantees to be deposited.
- b. The immovable property shall be sold or rented in accordance with its sequence mentioned in the announcement.

Fifth: The auction list shall be deemed open for a period of (30) thirty days starting from the day following the publication of the announcement, and those who wish to buy or rent, who have the right of ownership or rent shall review the competent department to express their desire to buy or rent, provided that each of them deposits, before participating in the auction, guarantees of no less than (20) twenty percent of the estimated value in the case of sale, or of the rent allowance for its entire period in the case of rent.

Sixth: An auction for sale or rent shall not take place except within the administrative unit in which the immovable property is located. The competent minister or the head of the ministry-non-affiliated entity or whomever is authorized by either of them may decide, when necessary, to conduct the auction in the centre of the governorate in which the immovable property is located.

Seventh: A call (in auction. Translator) shall be made on the day following the end of the period stipulated in Item (Fifth) of this Article at the time and place specified for sale or rent to participate in the auction, provided that the call includes a full description of the immovable property to be sold or rented.

Eighth: The bidding shall take place publicly and not opened at less than (70%) seventy per cent of the estimated value, then the Sale or Rent Committee shall decide to assignment to the last bidder, after five minutes, if no bid arises, the last bid shall be deemed the end of the auction



Laws

Ninth:

- a. It shall be permissible to join the last bidding allowance within (5) five days from the date of assignment, provided that it is not less than (15%) fifteen per cent of the last bidding allowance reached, and then a new auction shall be announced to be opened for a period of (7) seven days starting from the day following the publication of the announcement in the newspaper, afterwards the assignment shall take place, and it shall not be permissible joining the last bidding allowance.
- b. The application to join the auction shall not be accepted unless the legal guarantees are met in accordance with the specified percentages of the allowance offered by the joining applicant.

ARTICLE 13

First: If the allowance for selling or renting the immovable property as a result of the auction does not reach the value estimated for it by the Estimation Committee, the auction shall be extended for a period of (15) fifteen days starting from the day following the publication of the announcement in the newspaper or the date of its issuance in the event that it is not subject to publication.

Second:

- a. If the allowance for selling or renting the immovable property as a result of the second auction does not reach (80%) eighty per cent of the estimated value for it, it shall be re-estimated by another estimation committee formed in accordance with the provisions of Article (7) of this law and a new auction shall be announced.
- b. When the allowance for selling or renting does not reach (80%) eighty per cent of the re-estimated value again, the matter shall be presented to the minister or the head of the ministry non-affiliated entity to find out the reasons and treat them.



Laws

ARTICLE 14

The assignment when selling or renting shall not be considered final unless ratified by the competent minister, the head of the ministry-non-affiliated entity or whomever is authorized by either of them.

ARTICLE 15

First: ⁴

- a. Subject to the provisions of Article (12) of this law, it shall be announced the sale of houses, apartments or residential lands whose area does not exceed (300) m three hundred square meters belonging to the state, including the state property belonging to the endowment offices, with the exception of entity-endowed lands or offspring-endowed lands that endowed to married employees of the state or the public sector who, their spouses or minor children or those who support others don't have, by virtue of a final judicial decision, a house, an apartment or a residential land independently and they have not obtained a housing unit or a plot of residential land from the state or cooperatives, and the sale shall take place between the employees of the same ministry, with precedence given to the employees of the department that the houses, apartments or residential lands returns to them first, if no one of the employees of the ministry or the concerned department or part of them remains, they shall be re-announced for sale to the employees of the state in general, and it shall be indicated in the announcement that in the event that there is not willing to buy from them or a part of them remains, some of them shall be re-announced for sale to all citizens who meet the conditions for ownership.
- b. The provisions of paragraph (a) of Item (First) of this article shall be applied to employees who occupied housing units belonging to certain departments and then transferred to other



Laws

departments within the same ministry based on work requirements as long as they are occupying those houses.

Second: The retired employee may participate in the auction for all state employees for selling residential real estate set forth in paragraph (a) of Item (First) of this Article if its conditions are met by him/ her, but if he/ she is actually occupying the property duly at the time of selling the property, he/ she shall be treated as the employees of the department to which the property belongs regarding the participation in an auction, if he/ she is affiliated with it immediately prior his/ her retirement, provided that he/ she undertakes in writing to vacate the property within a period of (6) six months as of the date the decision to refer the auction to others acquires the final degree. Otherwise, the property shall be forcibly vacated by the competent Execution Directorate without further grace.

Third: The common shares in non-sortable residential real estate shall be excluded from the provision of Item (First) of this Article, where it shall be announced that they shall be sold to all citizens.

ARTICLE 16⁵

The competent minister, or the ministry-non-affiliated entity may, or whomever is authorized by either of them, have the authority to announce the establishment of Musataha (long-term investment usufruct. Translator) rights over immovable property for the purposes of commercial, industrial and investment activities by auction under the same procedures stipulated in Article (12) of this law, as follows:

- a. The Musataha period shall not exceed (twenty-five) non-renewable years, after that, the structures shall be returned to the owner without allowance.
- b. The Musataha allowance shall be collected annually, provided that the allowance is reviewed every five years as of the date of concluding the Musataha contract.



Laws

- c. The Musataha contractor shall commit to the establishment of structures during the period specified in the Musataha contract and associated with the approval of the competent minister or the head of the ministry-non-affiliated entity, with the provision of a guarantee amount for construction equivalent to the Musataha allowance for that period, and in the event of non-construction during this period, the amount of the guarantee shall be confiscated and the Musataha contract shall be deemed void and the existing structures shall devolve to the owner free of charge.
- d. If the Musataha contractor is late in paying the annual allowance on time, the minister or head of the ministry-non-affiliated entity may postpone the collection of this allowance for an appropriate period as of the date of its maturity, in this case the Musataha shall bear a fine equivalent to the bank interest rate in relation to the due allowance, if this repeats, the competent minister or the head of the ministry-non-affiliated entity may cancel the Musataha contract and the existing structures shall be devolved to the owner without allowance.



Laws

SECTION THREE

PAYMENT OF THE ALLOWANCE

SUB-SECTION ONE

PAYMENT OF THE IMMOVABLE PROPERTY SALE ALLOWANCE

ARTICLE 17

First: The buyer shall be obliged to pay the allowance for the sale of immovable property in one payment within (30) thirty days as of the date of the peremptory assignment.

Second: The competent minister, the head of the ministry-non-affiliated entity or whomever authorized by either of them may approve the payment of the sale allowance in installments in accordance with the following:

- a. Half of the sold real estate allowance and full expenses within (30) thirty days from the date of the Peremptory assignment.



Laws

- b. The rest of the sale allowance in installments not exceeding (5) five installments and the term of the last installment shall not extend to more than three years as of the date specified in Paragraph (a) of this Item.

Third: The following provisions shall, when selling residential real estate belonging to the state or the public sector to its employees, be applied upon payment of the sale allowance:

- a. The insurance rate shall be (5%) five per cent of the estimated value of the unit or residential plot.
- b. (5%) Five per cent of the sold real estate allowance shall be collected as a down payment and the rest shall be paid in equal annual installments for period of (20) years as of the date of sale.

Fourth: The Prime Minister or whomever he/she authorizes may reschedule the installments due on industrial and agricultural projects sold in accordance with the provisions of this law in a manner that secures the increase in installments if it is supported, based on the recommendation of a specialized committee formed by order of the Prime Minister or whomever he/ she authorizes, that there are justifications or circumstances that require this with the delay interest collected by the state banks in accordance with kind of the sold estate.

ARTICLE 18

First: If the buyer delays in paying one of the installments on time, the minister or the head the ministry-non-affiliated entity may postpone the payment of this installment at the request of the buyer for an appropriate period as of the date of its maturity, and in this case, he/ she carries the delay interest collected by state banks in accordance with the nature of the use of the property for the due installment.



Laws

Second: If the payment is repeatedly delayed, the competent minister, the head of not-affiliated-with-the ministry entity or whomever is authorized by either of them may decide either to accept the payment of the late installment or installments, with the loading of the late installment or installments with the interest stipulated in Item (First) of this Article when it is found necessary to do so or canceling the installment and collecting the rest in one payment.

Third: ⁶ If the late installments cannot be collected and a decision is issued by the competent minister or the head of the not-affiliated-with-a ministry to cancel the installment and collect the rest in one payment, the following action shall be taken:

- a. If the property is not registered in the name of the buyer in the competent real estate registration department, it shall be sold by the owner in accordance with the provisions of this law, and in this case, the second buyer shall pay the sale allowance in one payment and the remaining installments shall be collected from its price in the first buyer's liability with late interest and the expenses of the second sale. The first buyer shall be delivered the amounts paid from him/ her and the remaining amount shall be credited as revenue to the owner.
- b. If the property is registered in the name of the buyer, it shall be sold in accordance with the provisions of the Real Estate Registration Law No. (43) of 1971 as it is reserved by virtue of the insurance mortgage in exchange for the remainder of the sale allowance, and the remaining installments of its price shall be collected with interest, and the rest of the price shall be delivered to the buyer from the competent Real Estate Registration Directorate in accordance with the law.
- c. The buyer or his/ her heirs shall be obliged to pay the remaining installments of the sale of real estate sold before 2003, that he/ she did not commit to pay on time denominated in the price of gold for the purpose of registering them in the name of the buyer or his/ her heirs, with the lifting of the seizure sign placed in exchange for those installments.



Laws

ARTICLE 19

The sold real estate shall be registered in the Real Estate Registration Department in the name of the buyer and delivered to him/ her after the final assignment and payment of the allowance and expenses in full, or the part obligated to pay it with full expenses, after approving the installment, and the payment of the rest of the allowance shall be regulated in accordance with the provisions of this law, and the seizure sign shall be placed on the real estate in the competent Real Estate Registration Department, and this sign shall be deemed by virtue of the insurance mortgage.



Laws

SUB-SECTION TWO **PAYMENT OF IMMOVABLE** **PROPERTY RENT ALLOWANCE**

ARTICLE 20

First: The lessee shall be obligated to pay the rent allowance with the full expenses within (30) thirty days from the date of the peremptory assignment, if the lease contract does not exceed one year, and the competent minister supreme, head of the ministry-non-affiliated entity or whomever is authorized by either of them may approve the payment of the rent allowance in installments as follows:

- a. One third of the annual rent allowance within (30) thirty days from the date of the peremptory assignment.
- b. The rest of the annual rental allowance shall be in installments not exceeding (4) four installments of which the term of the last installment does not extend to more than (9) months as of the date of the start of the lease contract term.

Second: If the term of the deployment contract exceeds one year, the lessee shall be obliged to pay the allowance in full with all expenses within (30) thirty days from the date of the peremptory assignment, and the competent minister or the head of the ministry-non-



Laws

affiliated entity or whoever is authorized by either of them may approve the payment of the rent allowance in installments as follows:

- a. One third of the full rent allowance within (30) thirty days as of the date of the peremptory assignment.
- b. The rest of the allowance in installments shall not exceed twice the years of rent, provided that the last installment is paid at least (6) six months before the end of the rent period.

ARTICLE 21

If the lessee is late in paying one of the installments on time, the late installment shall be borne a fine equivalent to the late interest rate collected by state banks in accordance to the nature of the use of the property, and if it is repeated, the competent minister, the head of the head of the ministry-non-affiliated entity or whomever is authorized by either of them may, after warning the lessee cancel the installment and collect the remainder of the rent allowance and the fine equivalent the due interest rate in one payment, in accordance with the Government Debt Collection Law.

ARTICLE 22⁷

The rented property shall not be delivered to the lessee before paying the rent allowance in accordance with the provisions of Article (20) of this Law.



Laws

SECTION FOUR **THE RECOILING OF THE BUYER** **OR THE LESSEE**

ARTICLE 23

First: If the assignee reneges to pay the sold real estate allowance and expenses in the case of sale and the rent allowance and expenses in the case of rent, the immovable property shall be presented to the last bidder who stopped his/ her bidding before the assignee reneger (the person who reneges. translator) with the allowance that he/ she had offered, and if the last bidder agrees to take it and pay the legal insurances in accordance with the specified percentages of the allowance that he/ she offered, the reneger shall guarantee, by a decision of the Sale or Rent Committee, the difference between the two allowances of his/ her insurance, if not enough, it shall be guaranteed from his/ her other property, and this shall be collected in accordance with the provisions of the Government Debt Collection Law.

Second: If the bidder refuses before the reneger taking the immovable property with the allowance that he/ she had offered, the bidding shall take place again for a period of (15) fifteen days starting from the day following the publication of the advertisement in the newspaper, and the reneger shall guarantee by a decision of the Sale and Rent Committee the difference between the two allowances and the expenses of re-bidding, and this shall be collected from his/ her insurances, if not enough, from his/



Laws

her other property, in accordance with the provisions of the Government Debt Collection Law.

Third: If there is not a person wishing to buy immovable property in the case of sale or a tenant in the case of rent, the insurances paid by the reneger shall be deemed as revenue for the part owning the immovable property, if it is less than the expenses of the two biddings, the reneger shall guarantee paying the difference between them and this shall be collected from his/ her fund in accordance with the provisions of the Government Debt Collection Law.

Fourth: The reneger may not participate in the bidding that his/ her recoiling causes bidding to be repeated.



Laws

CHAPTER THREE **SALE AND RENT OF IMMOVABLE** **STATE PROPERTY WITHOUT** **AUCTION**

SECTION ONE **SALE OF IMMOVABLE PROPERTY**

ARTICLE 24

First: Immovable property may be sold without auction by a decision of the competent minister or the head of the ministry-non-affiliated entity with an appropriate allowance, provided that it is not less than (50%) fifty per cent of the current real estate allowance and in accordance with the prevailing prices for its counterparts and neighboring ones, which is estimated by the Estimation Committee and approved by the competent minister or the head of the entity not associated with a ministry to the state departments and the public sector in the event that the real estate is used for the official purposes of the department.



Laws

Second: Residential real estate may be sold to state departments and the public sector without auction at the real price and in accordance with the prevailing prices for similar and neighboring ones, which is estimated by the Estimation Committee and approved by the competent minister or the head of the ministry-non-affiliated entity for the purpose of selling them to its employees by public auction

Third: ⁸ Abolished

Fourth: The competent minister or the ministry-non-affiliated entity through a report of disclosure with the Real Estate Registration Department, may decide:

- a. Selling road-remainder plots and remainder plots resulting from any other source that have areas are less than the minimum sortation or that cannot be sorted.
- b. Selling the plot of land sorted by an independent bond or that can be sorted and has an outlet on the public road by auction as an independent plot in accordance with the provisions of this law, provided that the adjacent plots are not blocked.



Laws

SECTION TWO RENT OF IMMOVABLE PROPERTY

ARTICLE 25

First: Immovable property may be leased, at the real allowance and in accordance with the prevailing and adjacent rental allowances for its counterparts without public auction by a decision of the competent minister, the head of the ministry-non-affiliated entity or whomever is authorized by either of them, to the following parts:

- a. Affiliates of the state departments and the public sector as for state-owned housing units.
- b. State departments, the public sector, syndicates, unions, organizations and associations for the purpose of exploiting immovable property leased as a department or headquarters of their work or for their purposes stipulated in the laws.
- c. Tenants of army shops located in barracks, warehouses, schools, military hospitals and others and tenants of shops in state departments and the public sector that have special circumstances that require taking into account accuracy in choosing the tenant.
- d. Owners of property adjacent to state-owned beaches if the beaches to be rented are connected to them and have no road to pass except through these property.
- e. Tenants of real estate designated for the production of bread and Sammoun (Sandwich bread. Translator) after the expiry of the first lease contract concluded as a result of the auction.



Laws

- g. Tenants of state-owned lands for the purpose of establishing rest stations and filling stations located on external roads outside the municipality's scope of power covered by the controls of leasing lands on external roads for the construction of rest stations for the first time only and shall be subject to auction procedures after the end of the rent period.
- h. Private-sector companies specialized in telecommunications systems that have obtained the original license and contracted with the competent authorities for the purpose of establishing towers of the mobile phone project, halls for the wireless telephone project and halls for the use of (VSAT) stations that are linked to the communication exchanges.

Second:

- a. The Minister of Commerce shall empower renting out the lands on which the ovens, mills, garages and repair workshops belonging to these facilities to the persons who are awarded the auction of the sale of these facilities. (We believe that there is an error in the formulation of the text in terms of the logic, but legal responsibility requires that we adhere to the original text in translation. Translators)
- b. The lands mentioned in paragraph (a) of this Item shall be rented as an exception to the bidding procedures, and the rental allowance shall be determined in advance by the Estimation Committee formed under Article (7) of this law.

Third: The competent minister, the head of the ministry-non-affiliated entity or whomever is authorized by either of them may, at the request of the tenant, extend the lease contract for non-residential real estate, provided that the real allowance is reassessed every (3) three years.

Fourth:

- a. The competent minister, the ministry-non-affiliated entity or whomever is authorized by either of them may, at the request of the tenant, extend the lease contract for non-residential real estate rented by auction if the original lease period is less than (10) ten years, provided that the original period and the extension period do not exceed (10) ten years.



Laws

- b. The tenant shall submit a written request when he/ she wishes to extend (3) three months before the expiry of the original lease contract, otherwise his/ her right to request an extension shall be forfeited.
- c. Upon approval of the extension request, an increase shall be imposed on the rent allowance named in the contract by (10%) ten per cent of the rent of the year preceding the extension for each year of the extension in accordance with to a numerical sequence.

ARTICLE 26

The Minister of Finance may, based on the request of the Ministry of Foreign Affairs and with the approval of the Prime Minister, rent out state-owned lands to foreign countries to establish headquarters for their political or consular representations, or for the purpose of establishing residences on them or offices for their attaché, for a period not exceeding the permitted rent period in the country of the other party, for allowance estimated by a special committee formed by Minister of Finance or without allowance, on condition of reciprocity.

ARTICLE 27

The rental allowances for immovable property shall be determined by the assessment committees and these allowances shall not be final except with the ratification of the competent minister, the head of the ministry-non-affiliated entity or whomever is authorized by either of them, unless there is a legal provision stipulating otherwise.



Laws

CHAPTER FOUR **SELLING AND RENTING** **MOVABLE STATE PROPERTY** **BY AUCTION**

SECTION ONE **SELLING MOVABLE** **PROPERTY**

ARTICLE 28

First: The value of the property to be sold shall be estimated by the Estimation Committee formed in accordance with the provisions of the Article (7) of this law, with the exception of the representative of the Real Estate Registration Department. In estimating property's value, the procedures stipulated in the article (8) of this law shall be followed, taking into account the nature of movable property.

Second: The committee shall organize a report that includes descriptions of the movable property and its estimated value, to be signed by the members of the Estimation Committee and experts, if any, and this estimation shall not be considered final,



Laws

unless it is certified by the competent minister, the head of the ministry-non-affiliated entity or whomever is authorized by either of them.

ARTICLE 29

The Sale and Rent Committee formed in accordance with the provisions of Article (9) of this law shall undertake the sale of the movable property pursuant to the following procedures:

- First: An auction list shall be organized in the light of the descriptions of the property to be sold, which are recorded in the minutes of the Estimation Committee. It shall announce the placement of the property in auction for a period of no less than (7) seven days and not more/ than (30) thirty days as of the day following the publication of the announcement in a daily newspaper issued in Baghdad. A copy of the announcement shall be posted in the department that sells it and another in the place designated for sale, and the committee may decide to publish the announcement by other means of announcement if it deems that the public interest requires that.
- Second: The announcement shall include all descriptions of the property to be sold, the day and date of the auction, its time, the conditions for participating in it, the amount of the guarantees to be deposited and its place.
- Third: The auction list shall be deemed open as of the day following the publication of the announcement, and those wishing to participate in it shall review the competent department to express their desire to buy, provided that each of them deposits guarantees of not less than (20%) twenty per cent of the estimated value of the property before participating in the auction.
- Fourth: A call shall be made on the day appointed for the sale, at the time and place specified for participation in the auction, and at the estimated value, provided that the call includes a full description of the property to be sold.



Laws

Fifth: The bidding shall take place publicly, then the selling committee shall decide to assign to the last bidder, after five minutes, if no bid arises, the last bid shall be deemed the end of the auction.

Sixth: It may join to the last bidding allowance within (5) five days from the date of assignment, provided that it is not less than (15%) fifteen per cent of the last allowance, The request for to the bidding shall not be considered acceptable unless the joining applicant pays the legal insurance with (20%) twenty per cent of the allowance that he/ she offered, and then it shall be announced the opening of a new auction for a period of (7) seven days starting from the day following the publication of the announcement, then the assignment shall take place, and it may not join to the last bidding allowance.

ARTICLE 30

First: If, as a result of the auction, property sale allowance does not reach the value estimated for it by the Estimation Committee, the auction shall be extended for a period of (15) fifteen days, starting from the day following the publication of the announcement.

Second: The property shall be sold in the second auction at the price that is awarded, if it is not from the property that can be used in the manufacturing industries.

Third: If the Sale Committee considers that the price on which the second auction was awarded shall not achieve the public interest, the auction shall be extended for (15) another fifteen days, starting from the day following the publication of the announcement, and the property in the third auction shall be sold at the price at which it is awarded.



Laws

ARTICLE 31

The assignment shall not be considered final except with the ratification of the competent minister, the head of the ministry-non-affiliated entity or whomever is authorized by either of them.

ARTICLE 32

First: If the last bidder to whom the auction is awarded reneges to pay the sold property allowance and all the expenses within (7) seven days as of the date of the final assignment, the sold property shall be offered to the last bidder who withdraws before the reneger with the allowance that he/ she had offered, If last bidder agrees to take it and pay the legal securities at (20%) twenty per cent of the allowance, the reneger shall guarantee by a decision of the Sale and Rent Committee paying the difference between the two allowances and it shall be collected from his/ her securities, and if it is not enough, from his/ her other property in accordance with the provisions of the Government Debt Collection Law.

Second: If the bidder before the reneging bidder refuses to take the property sold with the allowance that he/ she had offered, then the bidding takes place again for a period of (15) fifteen days starting from the day following the publication of the announcement, and the reneger shall be guaranteed, by a decision of the Sale and Rent Committee, the paying difference between the two allowances and the bidding expenses from which he/ she reneged and this shall be collected from his/ her securities, and if it is not enough, from his/ her other property in accordance with the provisions of the Government Debt Collection Law.

Third: If there is no person willing to purchase the movable property, then the securities which paid by the reneger shall be considered as revenue to the entity that owns the property,



Laws

If it is less than the expenses of the two auctions, the reneger shall guarantee paying the paying difference and it shall be collected from his/ her property in accordance with the Government Debt Collection Law.

ARTICLE 33⁹

Movable state property may be sold and rented without publication in local newspapers and without auction and at an estimated value by a decision of the competent minister, the head of the ministry-non-affiliated entity or whomever is authorized by either of them in one of the following cases:

First: If the sale or rent is to state departments and the public sector.

Second: If the property to be sold is perishable or of value-decreasing commodity.

Third: If the total estimated value of the property to be sold does not exceed (500,000) five hundred thousand dinars.

Fourth: If the expenses of preserving and maintaining the property to be sold are expensive comparison with its value.

ARTICLE 34

The Estimation Committee and the Sale and Rent Committee formed in accordance with the provisions of Articles (7) and (9) of this law, with the exception of the representative of the Real Estate Registration Department, shall undertake the estimation of the value of the movable property and its sale without auction, The estimation decision or the sale decision shall not be considered final unless they are ratified by the competent minister or the head of the ministry-non-affiliated entity or whomever is authorized by either of them.



Laws

ARTICLE 35

- First: The sold property shall be delivered after paying the sale allowance and expenses, and the sale shall be considered final, and the buyer shall be obliged to transfer it within a period of (15) fifteen days as of the date of the final assignment.
- Second: The competent minister or the head of the ministry-non-affiliated entity or whomever is authorized by either of them may grant the buyer a period not exceeding (30) thirty days to transfer the property if he/ she finds it necessary or a legitimate excuse, and the buyer shall bear the storage fees for the grace period.
- Third: In the event that the movable property is not transferred after the end of the specified period or the grace period, storage fees shall be collected from it at the rate of (1/2%) half per cent of the sale allowance for each day of delay and for a period of (30) thirty days, If this period expires and the purchaser does not transfer the property, the department may announce its sale again in accordance with the provisions of this law.
- Fourth: In the event that the sold property allowance in the second auction is less than the allowance paid by the first buyer, the first buyer shall be burdened paying the difference between the two allowances and the entailed storage fees, and it shall be collected from the amount he/ she had paid, if it is not enough, then from his/ her other funds in accordance with the Government Debt Collection Law.



Laws

SECTION TWO **MOVABLE PROPERTY RENT**

ARTICLE 36

The movable state property may be rented when necessary by a decision of the competent minister, the head of the ministry-non-affiliated entity or whomever is authorized by either of them in accordance with the provisions of this law, and he/ she may rent it without announcement and without auction to state departments and the public sector.

ARTICLE 37

Rental allowances for transferred property shall be determined by the estimation committees, and these allowances shall not be final except with the ratification of the competent minister, the head of the ministry-non-affiliated entity or whomever is authorized by either of them, unless there is a provision stipulating otherwise.



Laws

CHAPTER FIVE FINAL PROVISIONS

ARTICLE 38

If the periods specified under this law expire on an official holiday, it shall be extended to the following official working day.

ARTICLE 39

The Council of Ministers may, when necessary, decide to sell or rent the state's movable and immovable property as an exception to the procedures stipulated in this law.

ARTICLE 40

Projects under the provisions of the Investment Law, amended No. (13) of 2006 or any law that replaces it shall be excluded from the provisions of this law.

ARTICLE 41

First: The Sale and Rent of State Property Law No. (32) of 1986 shall be repealed, and the instructions issued thereunder shall remain in force in a manner that does not conflict with the provisions of this law, until issuance of what replaces or repeals them.



Laws

Second: The following decisions of the (dissolved) Revolutionary Command Council shall be repealed:

- a. No. (400) on June 7, 1987.
- b. No. (522) on July 21, 1987.
- c. No. (832) on October 28, 1987.
- d. No. (557) on May 25, 1988.
- e. No. (681) on August 2, 1988.
- f. No. (62) on February 4, 1990.
- g. No. (93) on July 23, 1994.
- h. No.(163) on October 7, 1998.

ARTICLE 42

The Minister of Finance may issue instruction to facilitate the implementation of the provision of this law.

ARTICLE 43

This law shall come into force (30) thirty days after its publication in the Official Gazette.

For Jalal Talabani,

President of the Republic

Dr. Khudhair Al-Khuza'i



Laws

REFERENCES

1. Amended in accordance with the law of the first amendment NO.(21) of 2013.
2. Ibid
3. Ibid
4. Ibid
5. Ibid
6. Ibid
7. Ibid
8. Repealed in accordance with the resolution of the Supreme Federal Court no. (213/ FED/ 2021) in Feb 9, 2022.
9. Amended in accordance with the law of the first amendment NO.(21) of 2013.