

Sub-Decree #114 (RGC) on the Mortgage and Transfer of the Rights over a Long -Term Lease or an Economic Land Concession (August 29, 2007)

The purpose of this Sub-Decree is to determine principles and terms and conditions for granting rights to investors to put up as security and transfer of rights over a long-term lease or an economic land concession during the period of time not exceeding the period prescribed in the long-term lease agreement or the economic land concession agreement.

A mortgage or transfer of rights over a long-term lease or rights over an economic land concession shall not extend to the mortgage or the transfer of the concessionary land or the long-term leased land that the investor receives from the State. The investor cannot transfer or mortgage their rights over an economic land concession which has not been developed in conformity with the conditions of the economic land concession agreement. A land concession can only create rights for the period specified in the agreement establishing such economic land concession. The right over land concession cannot create ownership on the conceded land for the benefit of the concessionaire.

Only immovable property registered in the Master Land Register can be subject to a concession or long-term lease. In case the lease is made with the Royal Government and the land is not titled, the lease shall be signed by the Minister of the Ministry of Economy and Finance together with relevant ministers or heads of institutions, or provincial-municipal governors who are the trustee authorities of the said land. The land concession or long-term lease shall be mentioned on the land title certificate at the Ministry of Land Management, Urban Planning and Construction. The Ministry of Land Management, Urban Planning and Construction shall issue a "Certificate of long-term lease" and a "Certificate of economic land concession". The lessee or concessionaire shall have the right to mortgage or transfer their right over the long-term lease or the land concession as well as the buildings and/or other immovable properties that they have constructed on the land except as otherwise specified in the lease agreement or the economic land concession agreement or restricted by law. A natural person or legal entity or a group of people authorized to lease land from the State can sub-lease to a third party subject to prior approval from the competent authority.

The fees due for issuing the certificate of long-term lease and of economic land concession and inscription shall be determined by a joint-Prakas of the Ministry of Land Management, Urban Planning and Construction, and the Ministry of Economy and Finance.