



## PUBLIC AUTHORITY FOR SPECIAL ECONOMIC ZONES AND FREE ZONES

### DECISION (NO. 17/2021)

#### ISSUING THE CONTROLS REGULATING the ENVIRONMENTAL PERMITS IN SPECIAL ECONOMIC ZONES AND FREE ZONES

In pursuance to the Royal Decree No. 25/2002 Establishing the Law of Free Zones,

Royal Decree No.103/2005 Establishing Free Zone in Al Mazunah,

Royal Decree No.62/2006 Establishing Free Zone in Salalah,

Royal Decree No.123/2010 Establishing Free Zone in Sohar,

Royal Decree No. 119/2011 Establishing the Special Economic Zone Authority at Duqm and issuing its regulation,

Royal Decree No. 79/2013 Issuing Regulation of the Special Economic Zone at Duqm,

Royal Decree No. 105/2020 Establishing the Public Authority for Special Economic Zones and Free Zones and determining its prerogatives,

The Royal Decree No. 106/2020 Establishing the Environment Authority, determining its prerogatives, and approving its organizational structure,

The Decision No. 326/2015 Issuing the Regulations on Environmental Permits in the Special Economic Zone at Duqm,

The Ministerial Decision No. 48/2017 Issuing the Regulations on Issuing Environmental Permits,

The Approval of the Board of Directors of the Public Authority for Special Economic Zones and Free Zones,

And Approval from Ministry of Finance,

And in pursuance of public interest,

#### **It has been decided:**

##### **Article One**

The regulation of environmental permits in the special economic zones and free zones shall be as per the attached provisions.

##### **Article Two**

Whenever there is no special provision for it in the attached controls, the applicable regulations remain, and the environmental permits for the projects, prior to the enforcement of this regulation shall continue until the expiry of their period.

##### **Article Three**

The aforementioned Ministerial Decision No. (326/2015) and all other provisions contradicting or contravening this decision shall be considered void.

#### Article Four

This Decision shall be published in the Official Gazette and shall come into force the day following its publication.

Issued on: 4 Sha'ban 1442 H

CT: 18 March 2021

**Dr. Ali bin Masoud bin Ali Al Sunaidy**  
**Chairman, the Public Authority for**  
**Special Economic Zones and Free Zones**

## THE CONTROLS REGULATING The ENVIRONMENTAL PERMITS IN SPECIAL ECONOMIC ZONES AND FREE ZONES

### Chapter (1)

#### Definitions and General Provisions

##### Article (1)

In the application of the provisions of this Regulation, the following terms shall have the respective meanings assigned to each of them, unless the context otherwise requires:

**Authority:**

The Public Authority for Special Economic Zones and Free Zones.

**Chairman:**

The Chairman of the Authority.

**Competent department:**

The Department Concerned With Environmental Monitoring Affairs In The Authority

**Law:**

Law on Handling and Use of Chemicals promulgated by Royal Decree No. 46/95, Law on Conservation of Environment and Prevention of Pollution promulgated by Royal Decree No. 114/2001, Law on the Protection of Sources of Potable Water from Pollution promulgated by Royal Decree No. 115/2001, and Law on Natural Reserves and Wildlife Conservation promulgated by Royal Decree No. 6/2003, depending on the circumstances.

**Zone:**

Any location inside special economic zones and free zones

**Project:**

The economic activity that is licensed to be set up in the zone, whether it takes the form of a sole proprietorship, a company, or a branch of a foreign company or establishment, to engage in a commercial, industrial, agricultural, tourism, informational, service, professional or mining activity, and it also includes the professional and craft activities that are licensed to practice in the zone , development work, construction and reconstruction works in the area, and any other activities required to work within the area.

**Project owner:**

Any natural person or corporate body licensed to practice the project.

**Environmental Permit:**

The approval issued by the competent department, which allows the project to engage in one specific activities or more after ensuring its environmental safety. The permit includes general and technical environmental conditions for the project.

**Source:**

A process or activity, which is likely to be a direct or indirect cause of environmental pollution.

**Work Area:**

The land, coastal, or floating site in the ports or marine waters of the exclusive economic zone in which there is one or more sources.

**Environmental Studies:**

It includes the environmental and social impact assessment study, the environmental management plan, the environmental audit study, the cumulative impact study of the project, and any other studies in pollution monitoring and control, environmental protection, and preservation of natural resources.

**Environmental and Social Impact Assessment Study:**

A study conducted and prepared, by a consulting body approved by the Authority, to assess whether the project has any adverse or potential risks on the environment and society. It also includes precautionary measures to avoid or minimize the identified effects, risks, or control them.

**Environmental Management Plan:**

A study, conducted and prepared, by a consulting body approved by the Authority, which includes a set of procedures and measures that the project must take to control or mitigate adverse environmental impacts to acceptable levels, during project construction, operation, and decommissioning stage of the project.

**Environmental Audit Study:**

A study, conducted and prepared by a consulting body approved by the Authority, to review the project performance, from an environmental point of view, to identify any deficiencies or gaps that cause or would cause specific environmental pollution and then develop a corrective plan to close the issue and rectify the project environmental situation.

**Basel Convention:**

The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal signed in Basel on March 22, 1989. To which the Sultanate joined according to the Royal Decree No. 119/94.

**Hazardous Substances:**

Natural or manufactured materials with harmful, toxic, explosive, flammable, or corrosive properties or having radioactivity exceeding (100) one hundred Becquerel/gram and found in the environment in quantities or concentrations that would harm the environment, human health, wildlife, or foetus.

**Hazardous Waste:**

Waste that is toxic, explosive, flammable, corrosive, or having radioactivity exceeding (100) one hundred becquerel/gram or others, which by nature, composition, quantities, or any other reason is dangerous to human life or to the environment, whether by itself or as a result of their contact with other waste.

**Banned Chemical Substance:**

Any chemical substance prohibited to be brought in, imported, exported, stored, transported, handled or used in the zone.

**Restricted Chemical Substance:**

Any chemical substance prohibited to be sold in the market, but exceptionally allowed to be procured, imported, exported, stored, transported, handled, or used in the zone, as per the conditions and procedures specified by the law and this Regulation.

**Article (2)**

These controls apply to projects operating in the existing and new zones.

**Article (3)**

It is prohibited for any entity to carry out any work or activity in the zone unless it obtained an environmental permit from the competent department in accordance with the provisions of these controls.

The project owner is also obligated not to engage in any activity or establish any source or work area, or to amend, cancel or abandon any of it, or to dispose of its ownership in any way except after obtaining an environmental permit from the competent department in accordance with the provisions of these controls.

**Article (4)**

Projects established on the zone are classified into categories based on the degree of danger to the environment and human health based on their nature, location, materials used in production and production capacity, and this classification is approved by a decision of the Chairman, in a manner that does not conflict with The Regulations on Issuing Environmental Permits

**Article (5)**

The project owner shall comply with the environmental measures and requirements in the law, this Regulation and the environmental permit issued, during the project planning, construction, operation and decommissioning phase.

## Chapter (2)

### Procedures For Obtaining Environmental Permits, Issuance And Renewal Fees

#### Article (6)

The application for the environmental permit shall be in the designated form, accompanied by the documents and details specified by the Authority.

The Authority may inspect the project site and its facilities and equipment, and request the clarifications or inquiries it deems necessary to decide on the application. The submission of this application shall be as per the following:

**First Category:** The economic activities listed in Appendix (No. 1) to this Regulation, which require submission of an environmental and social impact assessment study.

**Second Category:** The economic activities of medium environmental risk, which require submission of an environmental management plan.

**Third Category:** The economic activities with low environmental risk, which require compliance with specific general and technical environmental conditions without the need to submit an environmental and social impact assessment study or an environmental management plan.

#### Article (7)

The competent department shall study the environmental permit applications, renew them, and decide on them in the following manner:

The first category: within (30) thirty working days.

The second category: within (10) ten working days.

The third category: within (5) five working days.

The calculation of the aforementioned periods begins from the date of completing all the required documents, data and studies, and in the case of rejection of the application, the decision must be justified.

#### Article (8)

The issuance of the environmental permit for the project in the first category shall follow the competent department's approval of the environmental and social impact assessment study. For the second and third categories, permit issuance shall be before construction phase.

#### Article (9)

The competent department shall issue the environmental permit for the project after verification and ensuring the environmental requirements established in accordance with the provisions of the law and these controls, and the prescribed fees are paid.

#### Article (10)

The environmental permit shall be for up to (3) three years and renewable for other similar period.



The competent department may amend the environmental permit and notify the project of the same within (15) fifteen days from the amendment's date. The project owner must correct his situation accordingly within a period not exceeding (30) thirty days from the date of receiving the notification, which can be extended to another equal period.

#### **Article (11)**

The first or second category economic activities shall notify the Authority in writing of their fulfilment of the prescribed environmental requirements and measures and the date set for operation at least (30) thirty days before the operation.

The environmental consulting office, who prepared the environmental study of the project, shall visit the project within (30) thirty days of operation, with one or more representatives from the competent department, and prepare a report on the adherence of the project to the environmental requirements and measures as included in the environmental study and the permit. The report shall be submitted to the Authority within (14) fourteen days the date of the visit.

#### **Article (12)**

The application for renewal of the environmental permit shall be submitted not less than (30) thirty days before its expiry. In case of failure to apply before this period, the administrative fine stipulated in Appendix (No. 2) attached to these controls shall be imposed. Upon the lapse of (10) ten days from the expiry of the environmental permit without submitting the renewal request, the Authority shall impose the administrative fine stipulated in Appendix (No. 2) of these controls in addition to the first fine.

This is in addition to the fees for renewing the environmental permit since its expiration date.

The administrative fine shall be doubled every (10) ten days following the end of (10) ten days specified in the first paragraph of this Article and to a maximum of (4) four times.

### **Chapter (3)**

#### **Environmental Studies**

#### **Article (13)**

The project owner shall obtain the competent department's approval to prepare environmental studies as per the designated guideline.

#### **Article (14)**

The project owner shall prepare environmental studies, through one of the environmental consulting offices, licensed in the Sultanate and approved by the Authority.

#### **Article (15)**

The project owner must comply with all requirements and measures included in the approved environmental and social impact assessment study for the management and operation area, and the environmental management plan emanating from it. The owner of the project located within the area mentioned in the first paragraph of this Article must obtain the necessary environmental permits before commencement of project.

#### **Article (16)**

The project owner shall adhere to the recommendations, standards, requirements, and the corrective action plan in the environmental study report, within the specified period.

#### **Article (17)**

The competent department may require a project, not listed in Appendix (No. 1) to this Regulation, to conduct an environmental and social impact assessment study, if assessed within a high environmental risk category.

#### **Article (18)**

If the environmental and social impact assessment study of the project shows that it may have major adverse environmental impact and that the environmental management plan is insufficient to address it, the competent department may issue a decision rejecting the study or requesting its amendment or amendment of the environmental management plan. Once amended, the competent department shall re-evaluate the study. If it observes that the amendment is not compatible with the required modifications, the competent department shall reject the study by a reasoned decision.



## Chapter (4) Environmental Audit Study

### Article (19)

In any of the following cases, the project owner shall conduct an environmental audit study, upon the request of the competent department, within the period it specifies:

- 1- If there is any complaint about health issues or environmental pollution, due to operation or activities of the project.
- 2- An accident that resulted in environmental damage.
- 3- If the inspection or environmental monitoring reports prove that the project has caused damage to the environment, such as releasing pollutants into the air or discharging waste into the land, marine or water sources, at a concentration exceeding the permissible limits.
- 4- If the environmental audit study is a requirement as per the environmental management plan, the environmental and social impact assessment study or the environmental requirements stipulated in the environmental permit.

### Article (20)

The project shall adhere to the remediation plans, recommendations from the environmental audit study, within the period specified, by the competent department.

## Chapter (5) Environmental Record and Monitoring Reports

### Article (21)

The project shall maintain an environmental record, in the designated form, to contain all environmental data and information, including:

- 1- Monitoring and recording data on gas emissions and waste resulting from the project and the hazardous substances that the project handles.
- 2- Laboratory reports and measurement results of the environmental monitoring programs carried out for the project.
- 3- Any data or other information requested by the competent department.

### Article (22)

The project shall, provide the competent department with environmental monitoring reports, that include the environmental data and information in the environmental record and as stipulated in Article (21) of this Regulation, in the designated form.

### Article (23)

The project shall be responsible, for the accuracy and correctness of the data and information contained in the environmental record and the monitoring reports. The project shall allow the competent Authority's staff to access the project and environmental records during the field inspection and provide data and information, as required.



The Authority may collect and examine samples and conduct necessary tests, to ensure that the data and information in the environmental record and monitoring reports are correct and accurate.

#### **Article (24)**

The project shall adhere to all the requirements and measures mentioned in the environmental permit and the law provisions and this Regulation. The Authority may inspect the project suddenly or by prior notification, to verify the extent of compliance.

The project shall, rectify the environmental situation mentioned in the inspection reports, within the period specified, by the competent department.

#### **Article (25)**

The perpetrator of an environmental incident shall notify to the competent department and relevant authorities immediately and provide the competent department with a detailed report and a timeline for its treatment, within (14) fourteen days from the date of incident. He shall implement the plan, at his own cost, to address the environmental situation and return it to normal.

#### **Article (26)**

The data and information contained in the environmental monitoring reports submitted to authority are consider confidential. The Authority's staff shall not disclose them, unless required by the law.

### **Chapter (6)**

#### **Hazardous Substances and Waste**

#### **Article (27)**

The competent department shall:

- 1- Classify chemicals, as per international classifications and Globally Harmonized System of Classification and Labelling of Chemicals (GHS).
- 2- Develop guidelines and procedures for sound management of chemicals.
- 3- Take stock of the banned and restricted chemicals and those handling them.
- 4- Collect data and information on the use of chemicals, their transportation, storage, handling and disposal.

#### **Article (28)**

The project shall register the hazardous substance used, manufactured or produced as waste, with the competent department and obtain the necessary permits to deal with them, as per the legally defined principles and controls and the Basel Convention.

#### **Article (29)**

The project shall provide the competent department with information, maps, and plans for storing and using radioactive materials, approved by the competent authorities.

### Article (30)

It is prohibited to import or export any hazardous materials or waste, listed in the Basel Convention, without obtaining a permit from the competent department.

### Article (31)

The project shall not use or handle restricted chemicals, without obtaining a permit from the competent department and as per the conditions and procedures specified by the law. Failing this, the Authority may prevent the project from using or handling restricted chemicals.

### Article (32)

Upon bringing in prohibited chemicals, hazardous materials, or hazardous waste to the zone illegally, such as smuggling, using incorrect or misleading data, or lacking an environmental license to do so, the importer and the project shall jointly return the same immediately and at their expense to the exporting country. They may also re-export them to any country with the facilities for disposal of hazardous waste during the period specified by the competent department and as per the procedures of the Basel Convention, while bearing all the fines, expenses, and losses they caused.

If they do not comply, the Authority may assign whom it deems appropriate to do so at their expense.

### Article (33)

The project shall not import, export, or re-export ozone-depleting substances and their alternatives, devices, equipment, and products containing them without a competent department permit.

### Article (34)

The project that imports hazardous materials or waste through the zone outlets shall transfer them to the designated place as per the competent department's permit within (5) five working days from the date of the shipment's arrival. The company operating the seaport or airport shall notify the competent department in writing of the projects that do not observe the specified period. In this case, the project shall bear all the costs incurred for re-exporting the shipment without prejudice to the relevant penalties.

## Chapter (7)

### Administrative Penalties

#### Article (35)

Without prejudice to any stricter penalty stipulated in the Law of Conservation of Environment and Prevention of Pollution or any other law, the following administrative penalties shall apply to whoever violates the provisions of this Regulation:

- 1- Warning and notifying the project, to rectify the situation, within a specified period.
- 2- Imposing an administrative fine, as per Appendix (No. 2) of this Regulation.
- 3- Suspending work on the project, for a maximum of (90) ninety days and renewable for similar period.
- 4- Cancelling the environmental permit.
- 5- Cancelling the license to practice the activity.

The Authority may not take the measures stipulated in items (3, 4 and 5) of this Article without notifying the project of the violation attributed to it, setting a period for its rectification, and the expiration of that period without rectification of the breach.

## Chapter (8)

### Grievances

#### Article (36)

The project owner or his legal representative shall be notified of the decisions, issued under this Regulation, at the address as per the Authority's records, within (5) five working days. They may appeal the decision within (60) sixty days from the date of notification or the specific knowledge thereof. The lapse of (30) thirty days without a response shall stand as a dismissal of the appeal.

In all cases, the Chair's decision on the appeal shall be final.

## Chapter (9)

### Fees

#### Article (37)

On Ministry of Finance's approval, the Chair shall issue a decision on the fees that the Authority charge for environmental permits and the registration and approval of the environmental consulting offices.



**APPENDIX (NO. 1)**  
**ECONOMIC ACTIVITIES THAT REQUIRE THE PREPARATION OF AN ENVIRONMENTAL AND SOCIAL IMPACT**  
**ASSESSMENT STUDY**

1	Development and management of industrial areas.
2	Development and management of logistics storage with an area of (10) ten hectares or more.
3	Development and management of fishing ports and fish industry complexes.
4	Development and management of chemical and oil reservoir parks with an area of five (5) hectares or more.
5	Development and management of tourist villages with an area of (10) ten hectares or more.
6	Oil refineries and chemical and petrochemical industries.
7	Heavy Industries.
8	Facilities for receiving, treating, and disposing of hazardous and non-hazardous waste.
9	Construction of port berths.
10	Fish farming with a production capacity greater than (500) five hundred tons per year for the endemic species, and with whatever capacity for alien species.
11	Power plants.
12	Seawater desalination plants with an annual production capacity of more than (1,000,000) million cubic meters.

**APPENDIX (NO. 2)**  
**VIOLATIONS AND ADMINISTRATIVE FINES**

Sr.	Violation	Administrative Fine (OMR)		
		First Category (OMR)	Second Category (OMR)	Third Category (OMR)
1	Expanding or adding a source to the existing work area before obtaining the necessary environmental permit.	5,000	1,000	300
2	Disposal of environmental pollutants or residues in the zone, that disrupt the environmental ecosystems and natural resources or the nature conservation areas.	5,000	2,000	500
3	Failure to comply with the environmental measures and requirements mentioned in the environmental permit.	2,000	500	200
4	Failure to comply with the technical, environmental requirements mentioned in the environmental permit.	5,000	2,000	500
5	Failure to renew the environmental permit within (30) thirty days before its expiry.	1,500	500	50
6	Failure to renew the environmental permit within (10) ten days from its expiry.	3,000	1,000	100
7	Failure to submit the report, mentioned in Article (12), within (14) fourteen days from the date of the environmental consultant's visit with the competent department's specialists. It is imposed on the party causing the delay.	1,000	500	-
8	Starting operation, without notifying, the Authority, in writing of the fulfilment of the environmental requirements and measures.	1,000	400	50
9	Failure to adhere to the recommendations, standards, requirements and the remediation plan, included in the environmental reports, within the periods specified by the Authority.	3,000	1,000	100
10	Failure to undertake environmental studies, upon the request of the competent department, within the specified period.	3,000	1,000	100
11	Failure to maintain an environmental record containing environmental data and information. Failure to submit environmental monitoring reports within the specified period.	2,000	500	200

Sr.	Violation	Administrative Fine (OMR)		
		First Category (OMR)	Second Category (OMR)	Third Category (OMR)
12	Failure to rectify the environmental situation in the inspection reports, within the period specified, by the competent department.	1,000	500	100
13	Failure to inform the competent department of environmental incidents, or failure to provide the competent department with a detailed incident report within (14) fourteen days from the date of its occurrence.	1,000	500	100
14	Failure to address the environmental situation because of environmental accidents and to restore it to normal.	2,000	1,000	100
15	Failure to comply with the registration of the hazardous materials, used, manufactured or produced, with the competent department, without obtaining necessary permits.	1,000	500	100
16	Tampering with the data affixed to containers, packages or reports on hazardous materials and waste.	30,000	10,000	500
17	Failure to provide, the competent department with, information, maps, and plans for storing and using radioactive materials, approved by the competent authorities.	2,000	1,000	300
18	Import or export of hazardous materials/waste listed in the Basel Convention without obtaining the competent department's permit.	2,000	1,000	300
19	Importing banned chemicals, hazardous materials, or waste illegally into the zone.	30,000	10,000	500
20	Import, export, or re-export of ozone-depleting substances and their alternatives and devices, equipment or products containing them, without obtaining competent department's permit.	2,000	1,000	300
21	Failure to transport hazardous materials or waste imported through the zone, to the place designated for them, as per the competent department's permit, within (5) five working days from the date of arrival of the shipment.	2,000	1,000	300