

Client Alert

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Significant Amendments to the Organized Industrial Zones Regulation

On 5 September 2024, the amendments to the Regulation on Organized Industrial Zones were published and entered into force. The amendments aim to prevent speculative land parcel transfers, to establish reserve areas for strategic investments and residential areas for employees working in OIZs, to accelerate the completion of infrastructures in organized industrial zones (OIZs), as well as the process of land allocation to investors.

According to the new regulations, up to 15% of the total industrial area specified in the zoning plans of the relevant OIZ may be designated as a reserve area for strategic investments by the Ministry of Industry and Technology ("**Ministry**"). In addition, in order to prevent speculative transactions in the land parcel allocation phase, a new rule was introduced. Accordingly, the Ministry's approval will be required for the changes in the shareholding structure exceeding 49% of the shares of right holder companies which are in the land parcel allocation phase. Changes in shareholding beyond this threshold without such approval will lead to the cancellation of the land parcel allocation.

With the Ministry's permission, OIZs will be allowed to make preliminary allocations to investors before the parcellation plans are finalized.

The land allocation process will be online. The information regarding the available parcels to be allocated will be announced on both the OIZ's website and the Ministry's online system on the first Monday of each month. Applications will be only accepted through the Ministry's online system. Similarly, land allocation contracts will be signed electronically.

Additionally, OIZs are now authorized to construct facilities on the parcels under their ownership, and to lease and sell parcels with these facilities to the investors.

Please contact us if you need further information on this matter.