

Executive Regulations of the Law No. 56 of 1996 on the Promulgation of Industrial Law

Article (1)

Upon the application of the provisions hereof, the following terms shall give the respective meaning next to each of them.

Minister: Minister of Commerce & Industry

Authority: The Public Authority for Industry (PAI)

Board of Directors: The board of directors of the Public Authority for Industry

Chairman : The Chairman of the Public Authority for Industry Director General

The director General of the PAI Law:

Industrial law No. (56) 1996 Specific Industry:

All manufacturing industries existing in the country in different specific fields but not related to the country strategic security.

Strategic Industry: Those industries based on the production of a commodity closely related to the country national security

Industrial License: A license granted by PAI director general or his authorized representative in this regard, entitling its holder-subject to legal and technical conditions-to establish an industrial enterprise or trade enterprise as specified by law (Articles 2 and 3) or carry out any modifications concerning its production or its technical and engineering nature or legal status.

Chapter One

Industrial Licenses

Article (2)

Industrial licenses shall be granted to the specific or strategic industry projects with proven economic, technical, environmental and social feasibility or those determined by the competent authorities of the oil sector subject to fulfillment of conditions and other provisions of the law and these rules of procedures.

Article (3)

Industrial license may be granted to the following categories.

A. Kuwaitis whether individuals or companies incorporated as per the provisions of applicable laws?

B. G C C citizens, individuals as well as companies as per valid agreements.

Article (4)

A license to found any new industrial enterprise or trade as well as to carry out any acts with respect to the existing industrial enterprises or trades for development, introduction of quality and quantity modifications to their capacities or volumes merger with another project, subdivision thereof into several smaller projects or relocation thereof, should be issued by the director general or one of his authorized deputies. The license approval decision shall specify the maximum time period for commencement of the licensed activity. The licenses of the industrial enterprises or trades issued by the implementation of this law is considered existing and valid after compliance with the provisions of articles (9) & (14) of these rules. Application for a license must be settled within a period of sixty days from the date of submitting the application for the license in compliance with all the required conditions & documents. In case of the state wholly-owned oil industrial enterprises, licenses shall be granted in accordance with the rules specified by the Minister's order through agreement with the Minister of Oil.

Article (5)

Application for industrial license shall be submitted according to the Authority respective form by the industrial enterprise or trade owner or his legal representative or his attorney subject to compliance with the following:

1- Submission of a technical and economic feasibility study in case of industrial enterprises showing financing resources whether local or foreign, loans and necessary repayment guarantees, production costs, paid-up and future capital, overseas and local marketing, expenditure and revenues rates, national and expatriate manpower as well as the percentage thereof from the business nature point of view and the enterprise importance for the national economy. This study shall be as per the Authority respective form. In case of industrial trades, it is sufficient to indicate the trade type, location, area, manpower and national labor percentage.

For granting industrial licenses in case of industrial enterprises, it should be stated whether the activity carried out by the enterprise achieves an added value to the national economy.

2- A proof of the project owner membership in Kuwait Chamber of Commerce & Industry.

3- Submission of the project engineering and technical layout.

4- Undertaking of the products compliance with the specifications and standards specified by relevant laws, regulation, and decisions.

5- Submission of a true copy of civil ID of individuals or establishment contract in case of commercial companies.

6- Compliance with all conditions laid down by the various government authorities for protection of environment, health and public security.

7- Charge of a value determined by a proposal of the board of directors of the (PAI).

8- A certificate from the social security foundation to prove non employment in the government.

Article (6)

The Kuwaiti manpower of any industrial enterprise or trade shall not be less than 25% of the total labor. The new as well as existing industrial enterprise and trade, during the validity hereof shall train Kuwaiti workers if there are specific technical skills not available with Kuwaitis so that they would fulfill the percentage stated in the first paragraph hereof within three years maximum from the effective date of this law. The chairman may exempt an enterprise or a trade from this restriction or reduce the percentage stated in the first paragraph hereof as an exception in case of non-availability of sufficient number of Kuwaitis in the employment fields on which the firm or trade depend, within the limits of such shortage.

Article (7)

The director general will settle the license applications according to Article (3) of these rules within sixty days from the date of submitting the application in compliance with the conditions required in the law and these rules. The resolution issued for rejecting the license must show the reasons for rejection. The expiry of the (60) days, referees to in this Article with settling the application is considered as a rejection for the license application. In case of issuing the resolution for awarding or rejecting the application, the applicant must be notified by a registered letter with not more than fifteen days from the date of its issue.

Article (8)

The concerned party may complain against the license rejection decision within thirty days from the notice thereof or his firm knowledge thereof or from the expiry date of the decision making period as stated in the Article (5) hereof. Such complaint shall be made by means of a letter indicating the complainant name and address as well as the appealed decision and its date. This letter shall be enclosed with all supporting documents. The complaint shall be submitted to the decision-maker or the chairman of the board. Procedures contained herein shall apply to such complaints. Complaints shall be recorded in a special register at the competent authority which shall then give its opinion about the complaint subject matter in preparation for presentation thereof to a permanent committee formed by the Authority of directors. This committee shall consist of five members of the board of directors including the Authority director general. This will be formed within fifteen days from the complaint date. This is deemed as a statutory binding date. In all cases, the above referenced committee shall make final recommendation with respect to complaint within fifteen days from the

date of the complaint papers referral to it by the competent department. The director general shall make his decision regarding the complaint according to the committee recommendation.

Article (9)

The party whose application is rejected may not apply for a new license except after six months from the expressed or implied rejection date. The new license application shall include the same required data documents and drawings as well as fulfilling all the aforementioned licensing conditions of law and these rules of procedures.

Article (10)

The decision to grant licenses for the industrial enterprises and trades shall be valid for five years, renewable for a similar successive term.

Article (11)

1- The application for the assignment of the industrial license for industrial enterprises and trades, is to be submitted to the director general assignment of the industrial license and its advantages can't be mad for or without compensation unless after the expiry of one year from the date in which the production of the enterprise begins. The assignee must comply with the same conditions required from the applicant for the license except when the enterprise is transferred to a third party by inheritance or will, the director general shall issue a resolution for the transfer of the enterprise as soon as the transfer of the ownership to them. In this case the resolution of the director shall be depending on a resolutely condition according to clause (3) of this article after the compliance with terms of article (12) of these rules.

2- A resolution issued by the director general shall define the transfer cases or the conditions required for assignment. The assignment of the enterprise or the trade shall be published in the official gazette within one month from the date of announcing the assignment desire. Any of those who has interest may object against this resolution during one from its publishing date in the official gazette.

3- The objection of the party who has an interest shall postpone the issuance of the resolution for awarding the license to the transferee until the objection is settled by the competent court or the objection is withdrawn by a registered letter. The committee which is referred to in Article (8) of these rules will settle the objections which are not attached with a court case within thirty days from its submitting date, by a final decision. The expiry of this period without settling the objection shall be considered as a rejection Of the objection .

Article (12)

All the actions taken in regard with the industrial enterprise or trade such as sale, rent, mortgage or other actions, are to be stated in industrial license and shall be published in the official gazette within one month from the date in which they happened otherwise they will not be considered valid in facing a third party. No actions may be

taken in regard with the industrial enterprise or trade unless in compliance with the following rules:

- 1- The expiry of at least one year from the date of the actual production of the project.
- 2- The enterprise or the trade is to submit a written request in this regard to the authority to explain the reasons and justifications for the action.
- 3- The action is not considered valid in concern with the right of the authority unless by a clear approval by the director general or his authorized representative.
- 4- In all cases leasing may not be for a period of more the period determined for the license or determined for the allocation of the industrial or trade parcel of land whichever expires first. Whoever has an interest may object against the action within one month from the date of publishing in the official gazette. The action shall be considered suspended until the objection is settled by a final court decision or a withdrawal by the party claiming the objection by a registered letter with addresses acknowledgement. The committee referred to in Article (8) of this bylaw shall settle the objections which are not attached with a court case by a final judgment within thirty days from their submitting date. The expiry of this period without settling the objection is considered as a rejection thereto.

Article (13)

License as well as all related benefits granted by the Authority shall be cancelled by a justified order from the board of directors in case of one of the respective cases as stipulated in law or herein or in case of the industrial enterprise or trade suspension of its licensed activity for one complete calendar year. In all cases, license and all granted benefits shall be revoked if not registered in the industrial register within three months from the deletion date thereof as well as if the licensed activity has not started after the time period contained in the license issuance decision. The license revocation decision shall be published in the official gazette within one month from its issuance date.

Article (14)

Each industrial enterprise or trade which is desirous to suspend its production in whole or in part or reduce it shall notify the Authority thereof within thirty days from the suspension or reduction date, provided that notice shall contain the following data:

- Enterprise or trade 's name
- Type of activity
- Volume of national and expatriate labor.
- Production volume before suspension or reduction
- The product to be suspended or reduced

- The suspension or reduction reasons
- Suspension or reduction period.

Article (15)

Any industrial enterprise or trade may not start production unless it is recorded in the industrial register. The authority shall set up a special register called -industrial register- in which all the industrial enterprises and trades are to be recorded including any natural or artificial person who previously had obtained a license to establish an industrial enterprises or trade before the implementation of this law provided that the concerned party submit an application on the application form made by the authority for this purpose in order to have this record done before the expiry of validity of his present license or within a period of not more than one year from the implementation date of this bylaw whichever is less.

Chapter Two

Industrial Register

Article (16)

Applications for entry, endorsement, deletion or activity suspension shall be submitted on the Authority respective forms and shall be enclosed with the supporting documents and data as well as fees receipts. There shall be maintained some files called (Application files) where registration applications and supporting documents shall be recorded under serial numbers. Applicant shall receive a receipt containing entry number and date.

Article (17)

Application for entry in the industrial register shall be submitted within thirty days maximum from receiving license, enclosing the following documents and data:

- 1- Industrial enterprise or trade's name, nature, address and its head office address
- 2- Name of enterprise or trade's owner and manager
- 3- Enterprise capital, financing sources, its subsidies and source.
- 4- Industrial enterprise or trade's Manpower and their wages
- 5- The enterprise or trade's products and services, as the case may be.
- 6- Raw materials to be used in the project
- 7- Main and ancillary machines and equipment related to the project construction.
- 8- Any other documents or data specified by the Authority board of directors. This application may be submitted with the application for license certificate.

Article (18)

In case of any change to the data referred to in the previous article, an application shall be submitted to the Authority for revision of data within thirty days maximum from the change date.

Article (19)

Each industrial enterprise or trade shall have one specific page of the industrial register with the same number of the industrial enterprise or trade registration number. It shall be stamped with the Authority seal. A photo copy of the license certificate files called -applications files- shall be allocated for recording the registration applications and their supporting documents in serial numbers. A receipt in which the record number and date are stated, shall be given to the registration applicant.

Article (20)

A- Registration related-data shall be noted down in the register. The original documents and instruments submitted with the registration application or official copy or photocopy thereof shall be maintained.

B- The industrial enterprise or trade owner shall receive a registration certificate containing all basic data contained in the enterprise or trade page of the register.

C- If this certificate is lost or damaged, the concerned party may obtain from the Industrial register section a substitute certificate after payment of stipulated fees.

Article (21)

The industrial enterprise or trade owner shall notify the Authority within one month maximum from the issuance date of any of the following verdicts against him:

1- Bankruptcy verdicts and revocation thereof as well as debit payment suspension dates verdicts.

2- Merchants discharge verdicts.

3- Verdicts and orders issued for detainment of enterprise or trade or cancellation thereof.

4- Verdicts and orders issued for companies dissolution, invalidity and legal liquidator appointment and dismissal. Each concerned party shall notify the authority with the aforementioned verdicts and orders which shall be noted down in the Industrial register.

Article (22)

The industrial enterprise or trade owner or his legal heirs or liquidators as the case may be may request deregistration in the following cases:

- 1- Permanent suspension of the industrial enterprise or trade business.
- 2- The industrial enterprise or trade liquidation
- 3- License Cancellation.

Article (23)

Concerned parties shall submit deregistration application within thirty days from the cause thereof. Such application shall contain the following data:

- 1- Deregistration applicant's name, nationality and address
- 2- Industrial enterprise or trade's name and registration number.
- 3- Deregistration cause and necessary supporting documents. Deregistration shall be endorsed on the registration certificate. The applicant shall be granted a certificate of deregistration. This shall be published in the official gazette within one month from the deregistration date. The application data shall be noted down in the industrial register to the effect that deregistration was done in the register. In case of the application rejection, the applicant shall be notified with the rejection causes by means of registered letter with acknowledgment receipt.

Article (24)

The register entry or endorsement application or deregistration application shall not be accepted unless it fulfills the conditions stipulated in law or herein. The applicant whose application is rejected expressly or implicitly may complain to the director general within thirty days from the notice date of the rejection decision or the elapse of this period without receiving an expressed reply. The director general shall issue his decision regarding the complaint within fifteen days from its submission date. The elapse of thirty days from the complaint submitted date without reply thereto shall be deemed as rejection thereof.

Article (25)

The following data as noted down in the industrial register shall be published in the official gazette within one month from the registration date:

- 1- The industrial enterprise or trade's name and its owner name
- 2- Entry endorsement date and number as well as each revision of the register data.
- 3- The industrial enterprise or trade location
- 4- Nature of the industrial enterprise or trade's industrial activity.
- 5- Amendment subject matter or deregistration reason and date. 6- Text of verdicts, orders and decisions related to the industrial enterprise or trade, date thereof, the competent court and endorsement date thereof. All legal acts made to the industrial

enterprise or trade shall be noted down in the Industrial register. Acts shall be published in the official gazette within one month from the registration date thereof.

Article (26)

The industrial register number shall be written on the industrial enterprise or trade front. The registration number shall be mentioned on all correspondences and publications related to the industrial enterprise or trade business.

Article (27)

Whoever has an interest may object against the secondary actions made in regard with the industrial enterprise or trade within one month of publishing such action in the official gazette. The action shall not be considered valid in facing third parties unless the objection is settled by a final judgment by the competent court or by a written withdrawal by the party claiming the objection by a registered letter with addressee acknowledgment and a record shall be made in the industrial register in this regard. The director general shall settle the objection which is not attached with a court case within thirty days from its submitting date by a final decision, such action shall be recorded in the commercial register. The expiry of thirty days period without settling an objection not attached with a court case, shall be considered as a rejection thereto.

Article (28)

The Minister shall determine upon the board proposal, the charges of services rendered by the Authority for management and operation of industrial enterprises and trades as well as areas which participate in the construction thereof under an order from the Cabinet.

Chapter Three

Industrial Plots

Article (29)

The Authority board shall propose the locations of industrial and craft areas as well as the utilities location and all related matters and supervise the preparation of their drawings and infrastructure the drafting, preparation, design and execution of projects and their own utilities or those direct or indirect complementary items, in coordination with the other competent authorities. The board shall approve the industrial firm classification into small medium and large facilities in accordance with the respective world standards as well as the Authority articles of association.

Article (30)

A decision shall be issued by the Board of Directors which may authorize the director general in this regard, for the allocation of the industrial and trading lots of land to the license owners.

Article (31)

Industrial and craft plots shall be appropriated upon the issuance of license decisions to set up industrial enterprises or trades or to relocate them as per the provisions of law or hereof. In all cases, the appropriation decision shall specify the appropriation objective, term and renew ability.

Article (32)

The plot leasee shall pay the cash amount stipulated in the appropriation order regularly. It shall be paid in favor of the Authority throughout the appropriation period. The Authority board shall propose the rules for financial penalties to be paid by the leasee in case of delayed payment beyond the dates specified in the appropriation decision and decided by the Minister.

Article (33)

The board shall specify the rules and provision related to the spaces between plots, building floors pace, height volume as well as all stipulations necessary for the public interest and the issuance of licenses.

Article (34)

The board by its decision shall specify the particular conditions to be fulfilled by constructions set up on industrial and craft plots as well as the utilities locations in terms of floors construction materials, heights, ceilings, ventilation, lighting, paints, water supplies, sanitary materials and extensions, drainage works, and electrical connections in the light of legal rules and regulations stipulated in this respect.

Article (35)

In accordance with the provisions of law and these rules of procedures, the allocation of industrial or craft plots shall be cancelled by the board's decision in the following cases:

- 1- Violation of the allocation decision purpose.
- 2- Sub leasing the plot in whole or in part.
- 3- Granting third parties a usufruct right of the plot in whole or in part.
- 4- Disposal of the plot to third parties in whole or in part in whatever manner in violation of the provisions of law and these rules of procedures.
- 5- Violation of environment protection, safety and industrial security rules or any violation of the contract made with the Authority.
- 6- Expiry of the temporary license The allocation cancellation shall result in the plot recovery.

Article (36)

In case of the cancellation of the allocation and withdrawal of the parcel of land. The party for whom the parcel of land was allocated, must hand over the parcel of land to the authority as it was at the time when it was handed over to him, within a period of not more than year. A decision issued by the board of directors will determine the administrative delay fines.

Article (37)

The Authority and the party whose allocated plot is to be recovered may agree on the title transfer of the plot buildings, structures and machines to the Authority after evaluation of their value as depreciated assets, provided that such value could not exceed 75% of their market value at the title transfer date.

Article (38)

By virtue of the provisions of articles 37 and 38 hereof, the party whose allocated plot is decided to be withdrawn from him shall remove all buildings, structures and machines erected thereon before handing it over to the Authority; otherwise the Authority would remove such structures on his own account and expenses.

Chapter Four Industrial Enterprises and trades obligations.

Article (39)

Industrial enterprises and trades may import machines, equipment and raw materials as necessary for their business without prejudice to the provisions stipulated in the relevant laws and orders.

Article (40)

The director general shall award the industrial enterprises and trades recorded in the industrial register, a special license for the import at the necessary machines, equipment and raw materials for the work performance, the director general may renew this license.

Article (41)

Each enterprise shall keep a register of the imported and duty exempted machines and equipment Each imported machine or equipment shall have a special page of the register. The register pages shall be numerated serially and stamped with the enterprise's seal. The Authority may review these registers and their contents. Imported machines and equipment may not be disposed of nor used in purposes other than the import purposes, unless such disposal is due to the disposal of the industrial enterprise itself and subject to the approval of the Authority board.

Article (42)

Without prejudice to the provisions of article 41 of law, violation of the last paragraph of article 42 hereof shall entitle the State to receive the legal customs duties.

Article (43)

The industrial enterprises are obliged to train and rehabilitation of the citizens to assume the industrial works in the state by including them on their account in the training courses organized by the authority in co-operation with the concerned parties. The number of the Kuwaiti trainers that each industrial enterprise is obliged to include in the training courses, should be equal to not less than 10% of the number of the employees in the enterprise when the authority request the same from the enterprise. The trainee who joins the course to the Kuwaiti trainees who were included in the training courses under the sponsorship of the industrial enterprise in order to reach a percentage of not less than 25% of the total number of employees in the enterprise.

Article (44)

The Authority shall develop necessary plans and programs to upgrade the industrial enterprises and trades productivity, including studies, conferences, forum, and services which upgrade the performance of such enterprises. It also receives studies and proposals prepared by the industrial enterprises and the concerned authorities in this respect.

Article (45)

The Authority may at any time request the industrial firms to provide necessary information and data to carry out technical studies and scientific research. The Authority may request the industrial enterprises and trades to submit the statements, sheets, information and statistics it deems necessary for its task implementation. It may specify a periodic system of statistics collection. The Authority shall specify the nature of these data and information as well as submission times thereof. Without prejudice to the judicial authorities right, all data and information provided by the industrial enterprises and trades shall remain confidential except for the statistical information published in integrity.

Article (46)

PAI may at any time inspect the industrial enterprises and trades. The Authority staff delegated by the Authority chairman shall control the enforcement of law. They are entitled to enter the industrial enterprises and trades premises for inspection to check compliance with the provisions of law and these rules of procedures. In this capacity, they may check violation cases against the provisions of law and these rules of procedures, note down relevant records and report, and refer the same to the competent authority for necessary action. If inspection revealed a crime, it should be referred to the competent investigation authorities for necessary legal action. The Authority staff delegated by the chairman may-when necessary-request police help to carry out their tasks.

Article (47)

Each industrial enterprise should do the following :

1- Its financial year is to begin on the first of January and expire on the thirty first of December of every year.

2- provide the Authority within three months from the commencement date of each new fiscal year with a copy of its balance sheet as well as a copy of the firm profits and losses statement for the pervious year, as approved by the auditor. Each industrial trade shall keep the books specified by the Authority. These books shall be subject to the laws applicable to merchants records according to the laws valid in the state.

Article (48)

Each industrial enterprise or trade is to have a chartered accounts who is obliged for the following:

1- To state in his annual report the rules and means on which the industrial establishment depended in achieving its works, the method of presenting these works and the way of evaluation.

2- To state in his report if the operations audited by him are contrary to any of the terms of the law of industry No. 56 for the year 1996 or the bylaws and resolutions issued for its execution. He is also to send a copy of this report to the director general of the authority within one month of completing the preparation of the report.

3- The chartered accountant may not have any relation of any kind whatsoever with the industrial enterprise or trade.

Article (49)

All that is not provided for in law or herein, the concerned party may object for the explicit or implicit decisions made by the Authority within thirty days from the publishing, announcement or knowledge thereof or the elapse of issuance period thereof. Each complaint shall be submitted to the authority which issued the appealed decision or to the Authority chairman who should refer the complaint immediately to the proper department of the Authority to give its point of view and return it within fifteen days maximum to the referring body. Complaint shall be decided upon within sixty days from its submission date. The elapse of this period without a decision in respect thereof shall be deemed as rejection.

Chapter Five

The Authority Board of Directors

Article (50)

The Authority shall be managed by a board chaired by the Minister and with the membership of:

1- The Authority director general

2- A representative of each of the Ministry of Commerce and Industry, Ministry of Electricity and Water, Ministry of Planning, Ministry of Finance (General Customs Administration), Ministry of Oil, Ministry of Social Affairs and labor, Kuwait Municipality, Public Environment Authority provided that his position shall be an assistant undersecretary at least selected by the concerned minister.

3- Chairman of Industrial Bank of Kuwait or his deputy who shall be not less than a deputy general manager.

4- Four of the industrial sector staff as selected by Kuwait Chamber of Commerce and Industry provided that one of them would be a representative of Kuwait Industries Union. The other three persons shall represent the various industrial sectors and shall be nominated by a decree subject to the Ministry of Commerce and Industry proposal, for three years period renewable for similar period. The Authority board shall select one of its numbers as a vice chairman to replace the chairman in case of absence. The chairman may invite the necessary staff of the Authority and/or other parties to attend the board meetings. These are entitled to participate in the board discussions but without the voting right. The board of directors will have a general secretary who will be elected by the director. The secretary shall note down the meeting minutes, decisions and recommendations and keep the relevant records under the direct supervision of the Authority's director general from among the officials of the authority.

Article (51)

The board of directors shall be invited for meeting every three months minimum. Its meeting shall be held at the authority headquarters. In case of emergency cases, these meetings may be held at any other government building.

Article (52)

The Authority director general shall be the board reporter. He shall supervise the board secretariat. He shall work out the board draft agenda for presentation to and approval by the chairman. He shall invite the board members for meeting provided that such invitation shall be sent at least one week before the meeting date and enclosed with the agenda and relevant documents.

Article (53)

The quorum of the board meeting is the attendance of the absolute majority of its members including the chairman or vice chairman. Decision shall be made by the attendees' majority votes. In case of equality, the chairman side shall prevail, except for the decisions related to the Authority's general policy as well as the rules and basics of Kuwait exports support, proposal of bills and decrees related to industry in preparation for referral thereof to the Cabinet which shall be issued subject to two thirds majority of the board members.

Article (54)

Each board member is entitled to request the chairman in writing at the meeting beginning upon presentation of the agenda, to discuss issues and subjects which he

may deem necessary. These issues shall be recited in the meeting. Then, the board shall decide whether there is room for discussion thereof and set a date for the meeting when this request shall be discussed.

Article (55)

As an exception and due to necessity reasons, the board may make direct decision subject to unanimity.

Article (56)

The board shall consider the periodical and annual reports as prepared by the director general about the Authority achievements and the indicators of its progress to achieve the specified objectives, plans and policies. It shall also take necessary action regarding these reports in the light of article 34 of law. These reports shall specifically contain the following:

- The Authority achievements and its business results at the report respective period.
- Performance of policies, plans and programs related to industrial and trade development as well as statement of problems and obstacles ahead of the Authority work in this field and proposed solutions thereof. Within its powers and role of laying down industrial and craft development plans and programs as well as supervision thereon, the board may request from the director general any special report, concerning specific subjects they deem necessary for presentation and discussion.

Article (57)

The board decision shall be valid and effective if not objected for by the Minister within ten days from notice date thereof. If the decision is rejected and the board insisted on it by the majority of two thirds of its members, the decision shall be effective. The Authority director general shall execute the board decisions and recommendations.

Article (58)

The board may form permanent or temporary committees from its members. The tasks thereof shall be specified in the formation decision. The number of the committee members should be odd. No member shall be a member of two permanent committees in the meantime. Each committee shall elect a president and a reporter. The committee meeting shall be duly convened if attended by the majority of its members. Committee's decision and recommendations shall be issued by the absolute majority of the present members. In case of votes balance, the president side shall prevail.

Committee, shall refer their recommendations and decisions in respect of the matters entrusted or delegated by the board to the same board for necessary action.

Article (59)

All bodies - each within jurisdiction, shall implement this resolution and it shall be published in the official gazette and shall be effective as from the day with follows its publication and it shall make all previous contradictory resolutions and terms null and void.

Minister of Commerce & Industry & Chairman of board of Directors of the Authority

MR. AbdulWahab Al-Wazzan 31/8/1999