

# **Unified Law of Combating Dumping and Compensatory and Preventive Measures for the Countries of the Cooperation Council for the Arab States of the Gulf**

**Royal Decree No. (M/30) dated 17/5/1427H (Corresponding to 13/6/2006AD)**

WITH THE HELP OF ALMIGHTY ALLAH,

WE, ABDULLAH IBN ABDULAZIZ AL-SAUD, KING OF THE KINGDOM OF SAUDI ARABIA,

Upon the Article (70<sup>th</sup>) of the Basic Law of Saudi Arabia, issued upon the Royal Decree No. (A/90) dated 27/8/1412H (corresponding to 2/3/1992AD),

Upon the Article (20<sup>th</sup>) of the Law of the Council of Ministers of Saudi Arabia, issued upon the Royal Decree No. (A/13) dated 3/3/1414H (corresponding to 21/8/1993AD),

Upon the Article (18<sup>th</sup>) of the Law of Consultative Assembly of Saudi Arabia “Majlis Ash Shura” issued upon the Royal Decree No. (A/91) dated 27/8/1412H (corresponding to 2/3/1992AD),

After reviewing the Consultative Assembly Resolution No. (53/43), dated 11/10/1426H (corresponding to 13/11/2005AD),

And after reviewing the Council of Ministers of Saudi Arabia Resolution No. (122) dated 16/5/1427H (corresponding to 12/6/2006AD),

HEREBY DECREE THE FOLLOWING:

1. The approval of the Unified Law (System) for Anti Dumping and Compensatory and Preventive Measures for the Countries of the Cooperation Council for the Arab States of the Gulf, issued upon a resolution by the Supreme Council of Countries of the Cooperation Council for the Arab States in its 24<sup>th</sup> session held in Kuwait during the period 27-28 Shawwal 1424H corresponding to 21-22 September 2003AD, with the attached form.

2. This law shall be published in the Official Gazette, and shall take force from the date of publication.
3. His Excellency Deputy Prime Minister and Ministers shall take this Decree into action - each under his jurisdiction-.

Abdullah ibn Abdulaziz

**Ministerial Resolution No (122) dated 16/5/1427H (corresponding to 12/6/2006AD)**

THE COUNCIL OF MINISTERS OF SAUDI ARABIA,

After reviewing the message No. 15377/b dated 8/4/1427H (corresponding to 6/5/2006AD) coming from the Diwan of the Prime Minister of Saudi Arabia, including a telegram No. 48/47/3 dated 19/1/1425H (corresponding to 10/3/2004AD) sent by the acting Minister of Commerce and Industry, asking for the approval of completing the statutory procedures of the Unified Law for Anti Dumping and Compensatory and Preventive Measures for the Countries of the Cooperation Council for the Arab States of the Gulf upon which a Resolution by the Supreme Council of the Gulf Cooperation Council was issued in the 24th session held in Kuwait on Sunday and Monday 27 and 28 Shawwal 1424H corresponding to 21 and 22 December 2003AD, as it's a mandatory law,

After reviewing the Unified Law (System) herein referred to,

After reviewing the Minutes No. (340) dated 13/9/1425H (corresponding to 27/10/2004AD) prepared in the Bureau of Experts at the Council of Ministers,

After reviewing Majlis Ash Shura Resolution No. (53/43) dated 11/10/1426H (corresponding to 13/11/2005AD),

And after reviewing the two recommendations No. (229) dated 17/4/1427H (corresponding to 15/5/2006AD), and No. (226) dated 9/5/1427H (corresponding to 5/6/2006AD) submitted by the General Committee of the Council of Ministers,

HEREBY DECREES THAT:

1. The approval of the Unified Law (System) for Anti Dumping and Compensatory and Preventive Measures for the Countries of the Cooperation Council for the Arab States of the Gulf issued upon a resolution by the Supreme Council of the Gulf Cooperation Council in its 24th session held in Kuwait during the period 27 and 28 Shawwal 1424H corresponding to 21 and 22 December 2003AD, with the attached form.
2. This law shall be published in the Official Gazette, and shall take force from the date of publication. A royal decree draft was already prepared implying that, and its form is attached hereto.

PRIME MINISTER

# Unified Law for Anti Dumping and Compensatory and Preventive Measures for the Countries of the Cooperation Council for the Arab States of the Gulf

## Article 1

The purpose of this law is to combat harmful practices in international trade through taking the necessary measures by the Council States against those practices in international trade, directed to them by states other than member states and which cause harm to the Gulf Industry, pose a threat of such harm, or obstruct its development. These specifically include:

1. Dumping.
2. Subsidy.
3. Unjustified increase in imports.

## Article 2

### Definitions

Whenever they occur in this Law, the following terms shall have the meanings expressed next to them unless the context indicates otherwise:

**The Council:** The Cooperation Council for the Arab States of the Gulf.

**Member States:** The states that are members in the Council.

**The Ministerial Committee:** The Industrial Cooperation Committee in the Member States.

**The Standing Committee:** a Committee for combating harmful practices in International Trade directed to Council States by non-member states.

**The Technical Secretariat:** The Technical Secretariat of the Standing Committee.

**Dumping:** To export a certain commodity to the Council States at a lower export price than its usual value in the course of ordinary trade.

**Subsidy:** Direct or indirect financial contribution paid by the government of a state of origin or by a public authority in it.

**Unjustified Increase in Imports:** Council States importation of commodities non-dumped and non-subsidized in increasing quantities either unrestrictedly or compared with the local production. This causes serious harm to the Gulf industry.

**The Gulf Market:** The total markets of the Member States of the Council.

**The Commodity Subject of Inquiry:** The commodity subject of inquiry as described in the relevant complaint.

**Measures of Combating Dumping:** Procedures and measures taken to face the cases resulting from dumping.

**Compensational Measures:** Measures taken to face illegal subsidy or litigable subsidy.

**Safeguard Precautions:** Measure taken in case of unjustified increase in imports.

**Implementing Regulation:** The Implementing Regulation issued in accordance with the provisions of this law (System).

The Implementing Regulation shall provide details and clarification required for some technical expressions mentioned in this Article which call for such details and clarifications, as well as any other expressions required to be mentioned in this Regulation.

### **Article 3**

#### **Imposition of Measures**

The measures against dumping and the compensational measures on imported commodities to the Member States shall be imposed whenever it is proved that the

commodity subject of inquiry caused dumping or was subsidized and caused in a material damage to an existing Gulf Industry, posed a threat of or was liable to cause obstruction in development of a Gulf Industry.

The preventive precautions shall be imposed on commodities imported to the Member States whenever it is proved that the commodity subject of inquiry is imported to the Gulf Market in case of the unjustified increase in imports, whether absolute, or relative, compared to the Gulf production and under circumstances that may directly cause serious harm to the Gulf Industry which produces similar or competitive commodities or pose a threat of such harm.

## **Article 4**

### **Provisional Measures**

Provisional measures may be taken in accordance with the conditions and situations mentioned in the Implementing Regulation in urgent circumstances which may result, in case of delayed action, in a harm that is impossible to be rectified.

## **Article 5**

### **Final Measures**

Final measures may be taken to confront dumping, subsidy or unjustified increase of imports when it is conclusively proved that there is dumping or subsidy or unjustified increase in imports and that the public interest of the Member States requires the taking of such measures. These measures may be suspended, decreased or increased.

## **Article 6**

### **Forms of Measures**

The measures against dumping, compensational measures and procedures of preventive precautions may take any form including the imposition of custom fees or quantitative restrictions or both forms.

## **Article 7**

### **Procedures of Complaint and Investigation**

The decision of holding on the complaint, taking the steps of starting investigation, terminating it and taking any provisional measures or accepting prices undertakings, shall be made by the Standing Committee in accordance with provisions of the Implementing Regulation.

## **Article 8**

### **Formation of the Standing Committee**

The Standing Committee shall be formed from the representatives of the governments of the Member States and the head of each state delegation shall be of the level of an agent of a Ministry or his deputy provided that he “Deputy” shall have the authorities of an agent. The headship of the standing committee shall be in accordance with the system of headship of the Cooperation Council.

The Implementing Regulation shall mention the rules of forming committees and secretariat as in addition to the detailed and procedural rules to combat the harmful practices in International Trade directed against the Council States by non-member states as well as mentioning the forms, papers and documents necessary to realize this purpose. The internal bylaw of the Committee shall mention the procedures of performing its work, the place and time of ordinary and exceptional meetings, the quorum required for the validity of meetings and issuance of its resolutions and the rules relating to the effectiveness of these resolutions.

## **Article 9**

## **Competency of the Standing Committee**

In addition to the competencies of the Standing Committee referred to in other Articles of this Law, the Standing Committee shall exercise the following in particular:

1. Taking the required measures and procedures in accordance with the provisions of this Law (System) including the imposition of provisional measures and the acceptance of price undertakings.
2. Forming of Committees including Investigation Committees and establishing administrative units specialized in combating those practices in accordance with the Implementing Regulation. For this purpose, it may consult and request information from any source it thinks fit.
3. Suggesting the imposition of final fees for combating dumping and final compensatory fees for combating subsidy, submitting it to the Ministerial Committee and suggesting the imposition of final preventive measures against the unjustified increase of imports.
4. Providing consultancy and technical support service for Gulf producers who are facing suits relating to dumping, subsidy or preventive measures in other States and follow it up.
5. Endeavoring to spread awareness and knowledge in the Member States, of the concept of dumping, subsidy and preventing measures.
6. Suggesting suitable solutions to disputes arising between the Member States relating to the interpretation of this Law (System).
7. Approving the Internal Bylaw.
8. Participating in the activities of the related international organizations and gatherings.
9. Forming the necessary Sub-Committees.
10. Any other duties to be entrusted to it by the Implementing Regulation.

## **Article 10**

### **Ministerial Committee**



The Committee of Industrial Cooperation shall be competent to take final decisions in relation to the following matters:

1. Approval of the final measures against dumping, compensatory measures or preventive measures, suspension, termination, increase or decrease of these measures.
2. Settlement of disputes arising among Member States in relation to the interpretation or implementation of this Law (System).
3. Approval of the Implementing Regulation.
4. Examination of grievances related to the resolutions issued in accordance with the provisions of this Law (System).

## **Article 11**

### **The Technical Secretariat of the Standing Committee**

The Technical Secretariat of the Standing Committee shall be entrusted with the performance of administrative and technical works of the Standing Committee and shall carry out its duties and functions in accordance with the provisions of the Implementing Regulation.

## **Article 12**

### **Appeal**

Any person aggrieved by the resolutions issued in accordance with this Law (System) whether by the Ministerial or the Standing Committee, may appeal against it before the Judicial Committee formed from the Council States under the presidency of a judge in the Council States to examine the resolutions which the objections to them were rejected.

## **Article 13**

## **Confidentiality of Information**

Any person or authority concerned with investigating and taking steps or implementing the measures and resolutions in accordance with the provisions of this law (System) and its Implementing Regulation shall keep Confidentiality of the information and data submitted by the concerned entities and such persons and authorities shall not disclose such information and data except with a prior written permission issued by the party who released or submitted such information or data.

## **Article 14**

### **Penalties**

Without prejudice to any more serious penalty provided for in any other law (system), individuals breaching the prohibitions provided for in the previous Article shall be punished with a financial fine to be assessed according to the harm and the Implementing Regulation of this law shall mention the procedure of its calculation.

## **Article 15**

### **Implementing Regulation**

The Industrial Cooperation Committee shall issue the Implementing Regulation of this law (System).

## **Article 16**

The Committee of Financial and Economic Cooperation is entitled to interpret and amend this law (System) in coordination with the Committee of Industrial Cooperation.

## **Article 17**

### **Validity**

This Law shall come into force as from the First of January 2004 and the Member States shall cause ensure its publication in the Official Gazette of each state.