

Ministerial Resolution No. (7/M)
dated 13/5/1426H
(corresponding to 20/6/2005AD)

concerning the issuance of the Implementing Regulation

The Minister of Commerce and Industry,

Upon the authorities assigned thereto,

After reviewing the Article (13) of the Anti-Concealment Law issued upon the Royal Decree No. M/22 dated 4/5/1425H (corresponding to 22/6/2004AD) which stipulates the following “The Minister of Commerce and Industry,

after agreeing with the Minister of Interior, shall issue the Implementing Regulation of this Law within 180 days from the date of its issuance.”,

After reviewing the memorandum No. 4120/11 dated 10/11/1425H (corresponding to 22/12/2004AD) submitted by His Excellency the MCI Assistant Undersecretary for Legal Affairs which includes the recommendations minutes of the committee made up of the Ministry of Commerce and Industry, Ministry of Interior, and the Bureau of Investigation and Public Prosecution,

Upon the approval of His Royal Highness Minister of Interior included in his telegram No. 16/43623 dated 11/5/1426H (corresponding to 18/6/2005AD),

And upon the requirements of public interest,

HEREBY DECREES THE FOLLOWING:

Article 1: the Implementing Regulation of the Anti-Concealment Law shall be issued with the attached form.

Article 2: This Resolution shall be published in the Official Gazette and shall come into force as from the date of affecting the Law.

Minister of Commerce and Industry

Hashim ibn Abdullah Yamani

Implementing Regulation of the Anti-Concealment Law

Article 1

In accordance with the provisions of Article (1) of Anti-Concealment Law, the prohibited activities shall include the following:

1. Any person who enables a non-Saudi to invest or engage in any activity he is prohibited from investing or engaging in, such as commercial, professional, industrial, economical, agricultural, brokerage, banking, educational or transportation activities or any other act whether by way of using his name, license, commercial register or by any other way.
2. The non-Saudi who invests or engages in commercial, industrial, economical, agricultural, medical, media, brokerage, banking, educational or transportation activities or any other act by way of using the name of a citizen or an investor.
3. The non-Saudi who works as per any other way such as working in exchange for a ratio or by piece if such a ratio or piece exceeds the average salary earned by a similar employee inside the Kingdom, provided that the he is not subject to supervision and control of an employer.

Article 2

1. Employees, named upon a decision by the Minister of Commerce and Industry, shall discharge the tasks of administrative inspection and control, provided that they are known for efficiency and honesty and their educational level is not lower than general certificate of education or its equivalent. Besides, such employees shall have the capacity of judiciary officers.
2. Before getting started on the procedures of inspection, judicial officer should show their business card when entering the site subject of inspection and control and maintain the confidentiality of information they acquire. Also, judicial officers are not authorized to do harm with the suspects or defame them.

Article 3

The judicial officers shall be, individually or jointly, responsible for the following:

1. To inspect and investigate the acts of concealment, collect and evaluate related evidences, and perform all statutory procedures to discover truth with respect to the verification of the perpetration of the violation and its place.

2. To receive reports and complains, register them in a unique register prepared for this purpose, and set minutes mentioning the place and time of the report as well as complete information about the name, identity, address, and phone number of the informant, the names of suspects, a full description about the place subject of the report and evidences came along with the report.

3. To move to the place of violation, verify the violation and documents proving the act of concealment and maintain them, if required.

4. To inspect all facilities, shops, offices, warehouses and the like, and they, in doing so, shall have the right to:

a) Enter suspected sites such as facilities, shops, warehouses, stores and the like, identify the names and addresses of suspects and people existing in the place subject of the violation, verify the testimony of witnesses, record and listen to the sayings of suspects, and take the necessary procedures without the need to obtain a permission from any other party to verify the violation.

b) Open offices and closed places directly. If a beneficiary rejects or delays such an action, the inspector shall have the right to open them with the help of the police forces.

c) Prevent employees existing in the site from going out or prevent anybody else from entering the site till inspection is finished and minutes are written.

d) Add the sealing wax to the sites that cannot be opened and assign a watchman from the security bodies to guard them.

e) Ask the help of the police, if required, to enable them to discharge the above mentioned responsibilities.

f) Open offices and closed places directly. If a suspect rejects such an action, the inspector shall have the right to open them with the help of the police forces.

Article 4

1. When an act of concealment is reported, the Ministry of Commerce and Industry (MCI) or branches thereof, shall have the right to ask the Prince of the region, the governor, or anybody representing him, to assign some security forces to monitor the suspected shops or persons and gather information and evidences that prove or deny the accusation of concealment.

2. A judiciary officer shall have judiciary to make field trips, during the official working hours, to examine the violations committed in facilities, shops, and the like, whether they did so of their own accord or upon a complaint or report. Judicial officers may also make field trips, if required, out of the regular working hours.

3. A judicial officer shall be assigned to fill the violation report, that's to include the following information:

- a) Hour, day, date, and place of the investigation minutes.
- b) Name and capacity of the judiciary officer. The report shall also include the name, nationality, capacity, identification number, the ID date of issue and issuer of persons existed inside the site.
- c) Suspects' names, nationalities, identification numbers, as well as their ID date of issue and issuer. The report shall also include suspects' capacity, namely, a suspect, witness, or expert, addresses through which suspects shall be informed, address of the investigated site, and its activity.
- d) Number and description of the seized documents as well as an initial estimation of the store assets.
- e) Documents that should be submitted by the suspect.
- f) Finally, the report should be signed by the judicial officer as well as the person existing in the investigated site. If such a person rejects to sign the report, the judicial officer should mention this at the end of his report.

Article 5

The MCI or branches thereof shall refer the violation papers to the branches of the Bureau of Investigation and Public Prosecution, according to the venue jurisdiction, including identification of the violation as well as evidences and proofs of the charge.

Article 6

- a) The branches of the Bureau of Investigation and Public Prosecution shall assume responsibility for investigation on violations of the provisions of the Anti-Concealment Law, in accordance with the Bureau's Law and the Law of Criminal Procedures.
- b) The branches of the Bureau of Investigation and Public Prosecution shall have jurisdiction to file and follow up the criminal case before the Board of Grievances; give that, the MCI and its branches shall be informed of this action.

Article 7

1. The Bureau of Investigation and Public Prosecution shall have the right to prevent individuals, being proven as violators of the Anti-Concealment Law, from travelling abroad up till a final verdict is issued with respect to the case.
2. The investigator shall have the right to purpose the prevention of the non-Saudi suspect from practicing the activity and working in the place subject of the violation, till a final verdict issued and enforced.
3. If the investigation revealed the importance of disclosing the bank balances, money transfer and account activity or attachment of accusers,

the branches of the Bureau of Investigation and Public Prosecution shall have the right to contact with the Saudi Arabian Monetary Agency, asking for such information.

Article 8

1. The Board of Grievances shall examine and issue a final verdict on the criminal case related to the provisions of the Anti-Concealment Law.
2. The Ministry of Commerce and Industry as well as branches thereof shall be given a photo-copy of the final verdicts.

Article 9

1. Reports, received from governmental agencies and related bodies, shall stand for the investigation minutes.
2. Individuals, being aware of a concealment act, shall report the violations of the Anti-Concealment Law; those individuals include, for instance:
 - a) Inspectors of the labor offices.
 - b) Municipalities' observers.
 - c) Inspectors of Commercial Fraud Departments.
 - d) All persons assigned to perform the acts of criminal investigation, mentioned in the article (26) of the Law of Criminal Procedures.
 - e) Commercial and Industrial Chambers, as well as professional bodies.
 - f) Entities that issue licenses to conduct any activity.
 - g) Employees and individuals who were given the powers of criminal investigation under special regulations.
3. Reports and complains shall be taken seriously and investigated if the necessary data of the informant was complete.
4. Reports shall be recorded in minutes, including the time and place of the report, the name of the informant, the complete information about the identity of the informant, the names of suspects, as well as a description and the address of the suspected stores.

Article 10

1. The court verdicts shall be enforced in accordance with regulations and laws. The Ministry of Commerce and Industry shall publish the wording of the final verdict in one or more of the local newspapers at the expense of the violators, jointly.
2. The enforcement of the court verdicts shall not prevent violators, if condemned, from selling, buying, liquidating, or transferring the ownership of the facility or store subject of the violation.
3. The fine shall be jointly collected from both the concealing and concealed parties, and then it shall be added to the bank account of the MCI.

Article 11

1. If a final verdict of condemnation was issued with respect to the violation of the provisions of the Anti-Concealment Law, the following procedures shall be applied.

a) The main commercial register or the sub-register related to the activity and place subject of the violation shall be struck off.

b) All licenses issued for the place subject of the violation shall be canceled, whoever the issuer is.

c) The business of the place subject of the violation shall be liquidated, within 60 days of issuing the final verdict of condemnation. If the convict is not to enforce the verdict, the Ministry of Finance "Bayt Al-Mal" shall have the right to sell the place through a public auction. Claimers may ask for the sale price after deducting the liquidation expenses.

d) The concealing party shall be prevented from practicing the same activity in the place subject of the violation for a period not exceeding 5 years.

e) The concealing party shall be prevented from opening new stores or facilities with the aim of practicing the same or a similar activity for the period determined.

f) After enforcing the verdict and paying the amount of Zakat, taxes, fees or any other liabilities collected jointly from the concealing and concealed parties due to concealment, the non-Saudi convict shall be banished from the Kingdom, and shall not be allowed to return to the Kingdom for work again.

2. The amount of Zakat, taxes, fees or any other liabilities not collected due to concealment shall be paid jointly by the concealment parties.

3. If one or more of the concealment parties disappeared or escaped although being informed of attendance in writing to finish the procedures related to the suspicion of concealment or to enforce the verdicts imposed upon them, the judicial or investigation officers shall have the right to close the business place administratively on the responsibility of suspects, and take appropriate actions to stop providing all services for them from all the relevant authorities till they attend, finish these procedures, and enforce the verdict imposed upon them.

Article 12

The Ministry of Commerce and Industry (MCI) shall take all precautionary and preventive measures for the protection against the violation of the Anti-Concealment Law, by all possible means, including for instance:

1. Warning of the damages and dangers of concealment via audio, visual and print media.

2. Informing citizens and residents, of the damages caused by concealment on the national economy.
3. Stating sanctions to be applied against violators through the media.
4. Endeavoring to provide the necessary procedures that aim to localize the job opportunities, replace the violators of the Anti-Concealment Law or suspects with the Saudi labors, and limit the practice of activities, which are subject of a wide range of concealment acts, to Saudis only.
5. Holding awareness seminars and training programs to combat concealment and develop the ways of controlling and preventing concealment acts.
6. Providing records, including the names and activities of violators and their places subject of suspicion, and enter these records into the computer for reference in case of recidivism or redundancy. Such reports can be used also during the period of prohibition from engaging in the activity.

Article 13

Without prejudice to the provisions of article (6/b) of the Anti-Concealment Law, the liquidator fees shall be collected out of the liquidation output, and shall be considered a privileged debt.

Article 14

1. Individuals reporting, in bad faith, about incorrect concealment act shall be referred to the competent court to consider the possibility of censuring them.
2. The defendant may file a case before the Board of Grievances, claiming compensation for damages he sustained.

Article 15

Any person performing one or more of the following acts or behaviors shall be considered a violator of the provisions of the Article (11), provided that a report is to be prepared in this regard; such persons include:

1. Any person prevents, by any means, the employees assigned to implement the provisions of this Law from carrying out their duties.
2. Any person hinders the tasks of the judicial officers, either by refraining from performing a procedure required from him, or by performing an action or saying a word that would prevent the judicial officers from performing their duties, or by refraining from opening the site to be inspected, or by performing any action that would prevent the judicial officers from performing their duties properly.