



# **General Authority for Competition**

## **Statute**

## **First Article:**

The following terms and phrases – wherever mentioned herein – shall have the meanings assigned to them below:

Authority: General Authority for Competition.

Statute: Statute of the General Authority for Competition.

Law: Competition Law

Board: Board of Directors of the General Authority for Competition.

Chairman: Chairman of the Board

Governor: Governor of the Authority.

Regulations: Executive Regulations of the Law.

Committee: Committee for Settlement of Violations of the Law.

## **Second Article:**

- 1) The Authority shall have the independent legal personality, shall be financially and administratively independent, and shall conduct the tasks and competencies assigned thereto according to the Statute.
- 2) The Authority shall be linked to the Prime Minister, and shall be headquartered in the city of Riyadh. The Authority may establish offices thereof in regions of the Kingdom as may be needed.

## **Third Article:**

Taking into account tasks assigned to the Authority according to the Law, the Authority shall protect and encourage fair competition, combat monopolistic practices that affect lawful competition, in addition to maintaining the competitive environment in the business sector in a frame of justice and transparency in local market and issuance of the rules and regulations that organise the same. The Authority shall be entitled specifically to the following:

- 1) Issue the rules and procedures according to competency, which shall include the following:
  - (a) Rules of monitoring the market to ensure fair competition.
  - (b) Rules related to preventing existing monopolistic practices, and combating new ones.
  - (c) The measures of controlling and inspecting violations of the Law.
- 2) Monitor the market in light of the rules adopted by the Board to ensure fair competition, in addition to conducting necessary researches and studies.
- 3) Spread the culture of competition, hold seminars and conferences, conduct researches and studies, and other scientific awareness activities in competition area.

- 4) Enhance cooperation and coordination with related authorities within Kingdom of Saudi Arabia and abroad to achieve purposes of the Authority, in accordance with the applicable laws, rules and instructions in this regard.
- 5) Develop and update information and database regarding economic activity to serve Authority's work in the fields related to competition.

#### **Fourth Article:**

**First:** The Authority shall have a Board of Directors, of which a Chairman shall be appointed by virtue of Royal Decree, and shall have Minister's rank. Membership of Board of Directors shall be according to the following:

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|--|----------------------------|
| 1) Governor  | Member and Deputy Chairman |
| 2) Representative of Ministry of Trade and Investments               | Member                     |
| 3) Representative of Ministry of Finance                             | Member                     |
| 4) Representative of Ministry of Economy and Planning                | Member                     |
| 5) Representative of Ministry of Energy, Industry and Mineral Wealth | Member                     |

Provided that ranks of representatives of governmental authorities shall not be less than (fourteenth) rank, or equivalent.

- 6) Four members of high efficiency and experience in fields of economic laws or activities, who shall be elected for capacities thereof and shall be appointed by a Cabinet Decree, according to a proposal of the Chairman.

**Second:** Remunerations for attending meetings of the Board shall be determined by a Cabinet Decree.

**Third:** Except for the Chairman and Governor, the term of membership in the Board shall be three years, which shall be renewable for similar terms.

#### **Fifth Article:**

- 1) Meetings of the Board shall be convened by invitation from Chairman or Deputy Chairman thereof at least for four times annually, or whenever needed, or in case at least one third of Board's members require the same. The meetings of the Board shall not be held except in presence of at least majority of the members, provided that such quorum shall not include Chairman or Deputy Chairman of the Board.
- 2) The meetings of the Board shall be held at the Authority's headquarters, and may - when required - be held in another place within the Kingdom.
- 3) The Board shall have a Secretary, who shall be selected from employees of the Authority, and shall be selected by Chairman according to the nomination of

Governor. The Board shall determine assignments and remuneration of such Secretary.

### **Sixth Article:**

- 1) Resolutions of the Board shall be issued by majority of the votes of the attendances. In case of equal votes, the side for which Chairman of the Meeting votes shall prevail.
- 2) The Board may issue resolutions by submitting the same to the members separately, provided that all members shall accept such resolutions in writing. Such resolutions shall be submitted to the Board within the first subsequent meeting to be registered within the minutes of such meeting.
- 3) The Board may invite for meetings thereof those persons whom the Board may deem as fit to seek experiences thereof, without being entitled to vote.
- 4) Deliberations and resolutions of the Board shall be recorded within the minutes that shall be signed by Chairman of the meeting and present members. The resolutions, which the Board may deem as necessary to be published, shall be published in the Official Gazette and in any other means of media, which the Board may deem as appropriate. The Authority shall report such resolutions to concerned authorities directly and in an appropriate manner.
- 5) Board member shall not refrain from voting or delegating another member to vote in absence thereof. Objecting Board member may register objection thereof and reasons of such objection within the minutes of the meeting.
- 6) Board member shall not disclose any secrets of the Authority, which such member may acquire.

### **Seventh Article:**

The Board shall be the supreme authority for the Authority, which shall manage the Authority, conduct matters thereof, and develop the general plans to be adopted by the Authority. The Board shall also follow up on execution of laws and instructions related to competition and control of monopolistic practices. The Board may take the necessary actions it deems sufficient to achieve the goals of the Authority, protect and encourage fair competition, including the following:

- 1) Approve draft general plans and policies, as well as laws of competition and submitting the same according to the related legal procedures.
- 2) Determine the goals and policies, which the Authority may adopt to achieve purposes thereof, as well as adoption of necessary programs and supervision over the execution thereof.
- 3) Issue the Regulations, as well as the rules and procedures indicated in Section (1) of Third Article of the Statute.

- 4) Adopt the internal financial and administrative bylaws of the Authority, provided that such bylaws shall include determination of the conditions for appointment as well as remuneration, benefits, rights, commitments, and job practices of Authority's employees.
- 5) Approve taking actions of inquiry, research, collecting evidences, as well as investigation to reveal practices and violations that prejudice competition.
- 6) Approve commencing procedures of Penal Lawsuit, regarding practices that violate competition, and take necessary legal procedures in this regard, except for the violations provided within Article (Twenty-Five) of the Law.
- 7) Name employees who have power of enforcement regarding application of the provisions of the Law.
- 8) Name Investigators and Public Prosecution Representatives regarding application of the provisions of the Law.
- 9) Approve reconciliation with violating facilities according to provisions of the Law and Regulations.
- 10) Settle the applications of economic concentration, according to provisions of the Law and Regulations.
- 11) Adopt the organizational structure of the Authority.
- 12) Form permanent or temporary committees from members thereof or for others, which shall be assigned with tasks as might be deemed appropriate. Resolution of formation shall determine the chairman as members of each committee, in addition to competencies and term for execution of the tasks thereof.
- 13) Approve the establishment of offices for the Authority within the regions as may be needed.
- 14) Appoint one auditor (or more) for the accounts of the Authority, and determine remuneration thereof.
- 15) Approve the Board's annual draft budget, final account, Auditor's report and annual report, in preparation for submitting the same according to the legal procedures.
- 16) Determine the financial return for the services provided by Authority.
- 17) Give opinion regarding laws, policies and decisions related to competition.

The Board may delegate some of the tasks above mentioned to the Governor as may be required by work progress within the Authority, provided that the same shall occur only through written resolution and for a specified period.

### **Eighth Article:**

The Authority shall have a Governor of Excellent Grade, who shall be appointed upon nomination of Chairman. Governor shall be the executive officer for management of the Authority, in addition to undertaking affairs thereof within the limits of provisions of the Law and Statute, as well as the assignments and powers resolved by Board, including the following:

- 1) Propose draft plans, general policies and laws related to competition and submit the same to Board, in addition to following up on implementation thereof after approval.

- 2) Submit the Authority's draft budget, final account and annual report to the Board.
- 3) Follow up on the execution of the resolutions issued by the Board.
- 4) Propose organizational structure of the Authority as well as the drafts of the executive decisions and regulations regarding progress of work within the Authority, in addition to providing the same to the Board, to complete procedures for approval of the same.
- 5) Represent the Authority before judicial authorities, administrative authorities, etc.
- 6) Issue the orders related to the expenditures of the Authority according to the approved annual budget and regulations of the Authority.
- 7) Appoint and supervise the employees of the Authority, according to the powers granted thereto as well as the provisions of the laws and regulations.
- 8) Attract competencies and appoint those required by the Authority's work.
- 9) Approve scholarship and training for Authority's employees to study within the Kingdom or abroad, in accordance with the legal procedures.
- 10) Approve participation of Authority's employees in forums, seminars programs, and visits related to objectives and competencies of the Authority in the Kingdom and abroad, in accordance with adopted legal procedures.
- 11) Measure performance of the Authority's works in accordance with Performance Indicators and Standards of Achievement adopted by the Board, in addition to proposing means for the Authority's performance evaluation and development.
- 12) Provide periodic reports to the Board regarding Authority works, achievements and activities.

Conduct other competencies assigned thereto by the Board, Laws, and regulations of the Authority.

Governor may delegate some of the assignments and powers thereof to other employee of Authority.

### **Ninth Article:**

The Governor shall have one Deputy (or more), who shall be appointed by a resolution to be issued by the Board upon nomination by the Governor. Deputy of Governor shall undertake the works assigned thereto by Governor within the frame of the provisions of Law, Statute, as well as regulations and procedures adopted by the Authority.

### **Tenth Article:**

Except for the Governor, all employees of the Authority shall be subject to the Labor Law as well as Social Insurance Law.

### **Eleventh Article:**

The Authority shall have an independent annual budget included in State's budget. Surplus of financial resources obtained by the Authority shall be transferred to Ministry of Finance after deducting all current expenditures, capital expenditures and

other expenses required by the Authority. The Authority shall maintain general reserve equivalent to twice the total expenses thereof, provided for within previous annual budget thereof.

### **Twelfth Article:**

The Authority's resources shall be formed from the following sources:

- a) Funds allocated thereto within State's budget;
- b) Financial return received thereby for services and businesses provided thereby in accordance with provisions of the Law and Statute.
- c) The proceeds of fines imposed in accordance with the Law;
- d) Returns of investments thereof.
- e) Gifts, donations, endowments, wills, grants and aids accepted by Authority.
- f) Any other resource adopted by Board.

### **Thirteenth Article:**

Funds of the Authority shall be deposited in the account in the name thereof at the Saudi Arabian Monetary Authority, from which funds shall be disbursed in accordance with the approved budget thereof. The Authority may open other accounts in other banks licensed to operate in the Kingdom.

### **Fourteenth Article:**

The Fiscal Year of the Authority shall be the same Fiscal Year of the State. As an exception, the First Fiscal Year of the Authority shall commence as from the date of validity of the Statute.

### **Fifteenth Article:**

Without prejudice to the right of the General Auditing Bureau regarding controlling accounts of the Authority, the Board shall appoint an external auditor(s) licensed to work in the Kingdom and shall determine remuneration thereof. In case of multiple auditors, then such auditors shall be solely responsible for works thereof before the Authority, unless such auditors are contracted with in one contract, in which a case they shall be jointly responsible for works thereof before the Authority. The report of the Auditor shall be submitted to Board and a copy of which shall be provided to the General Auditing Bureau.

### **Sixteenth Article:**

The Statute shall replace the regulatory arrangements issued by Cabinet Decree No. (319), dated 14/09/1434H.

### **Seventeenth Article:**

This Statute shall be applicable as from the date of publication in the Official Gazette.