



شعبة الترجمة الرسمية
Official Translation Department

Credit Information Law

Royal Decree No. M/37
July 8, 2008

Translation of Saudi Laws



NOTE:

The translation of Saudi laws takes the following into consideration:

- Words used in the singular form include the plural and vice versa.
- Words used in the masculine form include the feminine.
- Words used in the present tense include the present as well as the future.
- The word “person” or “persons” and their related pronouns (he, his, him, they, their, them) refer to a natural and legal person.



Credit Information Law

Article 1: Definitions

In this Law, the following terms shall have the meanings assigned thereto, unless the context requires otherwise:

Agency: Saudi Arabian Monetary Agency.

Credit information: Information and data on consumers with respect to the credit transactions thereof such as: loans, installment purchases, leasing, credit sales, and credit cards and their commitment to payment.

Member: Any government or private entity which is party to a credit information exchange contract with at least one credit information company.

Consumer: Any natural or corporate person engaging in credit transactions.

Companies: Credit information companies licensed to collect and maintain credit information on consumers and provide the same to members upon request.

Credit record: A report issued by companies containing consumer credit information.

Public records: Credit information records maintained by government entities such as records of funds and banks offering government loans, judicial authorities, government committees, bankruptcy and insolvency records, and the like.

Article 2

This Law aims at establishing the general principles and necessary regulations for the collection, exchange, and protection of consumer credit information.

Article 3

This Law shall apply to companies, members, and government and private entities maintaining credit information.

Article 4

1. Government entities maintaining credit information shall provide the same to licensed companies pursuant to the conditions established by said entities to guard against the monopoly of said information.
2. Companies shall collect, provide, exchange, and protect credit information.
3. Companies shall prepare consumer credit records and exchange the same with members upon request.
4. Companies shall charge a fee for the provision and exchange of credit information pursuant to the conditions set forth in the Implementing Regulations.



Article 5

1. Each member shall exchange all the credit information in his possession with the company he has a contract with and he shall be liable for the accuracy of such information as well as updating the same.
2. A member may obtain a copy of the consumer credit record from companies subject to the written consent of the consumer.

Article 6

Members, companies, and their staff shall maintain the confidentiality of consumer credit information, and they may not publish or use such information for any purposes other than those provided for in this Law or its Implementing Regulations, or in accordance with the laws and instructions regulating the confidentiality of information in the Kingdom.

Article 7

Credit information may be used as statistical figures, provided that such information does not reveal the consumer's identity.

Article 8

1. Members and companies shall provide consumers with information on applicable procedures when applying for any credit transaction.
2. Companies shall establish specific procedures for dealing with consumers' complaints and shall publish the same upon approval by the Agency.

Article 9

1. A consumer credit record may not be established with companies for the first time except with the written consent of the consumer.
2. A member shall provide the consumer, upon his request, with grounds for declining his credit transactions.
3. A consumer whose credit transaction is declined may obtain a free copy of his credit record once only.
4. Subject to payment of relevant fees, a consumer may obtain a copy of his credit record at any time. Said consumer may obtain a free copy of his credit record only once upon establishment of the record.
5. A consumer may add information to his credit record indicating his personal point of view with respect to credit information provided therein.
6. A consumer who detects an error in his credit record may request the company to correct said error upon submission of relevant supporting documents.
7. A consumer, if an error in his credit record is not corrected or if he notices that his credit record has been requested for an unlawful reason, may file a complaint with the committee established pursuant to this Law to decide thereon.

Article 10

1. Companies shall maintain credit information.



2. Companies shall create and maintain records containing all consumer credit record requests.
3. The Implementing Regulations shall specify the duration and requirements for the maintenance of information and the method of disposal thereof at the end of said period.

Article 11

The Agency shall oversee and monitor the implementation of the provisions of this Law and it may, in particular, undertake the following:

1. Drafting the Implementing Regulations of this Law.
2. Determining the conditions to be met by companies seeking to provide credit information services as well as their licensing requirements and procedures.
3. Issuing, renewing, and amending licenses for credit information companies.
4. Establishing procedures to oversee and monitor the work of credit information companies.
5. Approving the work procedures to be followed by members and credit information companies for the application of credit records.
6. Detecting and investigating violations and prosecuting violators before the committee.
7. Determining the measures to be taken with respect to credit information in case of revocation of the license of a credit information company, or its dissolution, liquidation, or bankruptcy.

Article 12

The following acts shall be deemed in violation of the provisions of this Law:

1. Engaging in the activities of credit information companies without obtaining a license from the Agency.
2. Violation of licensing conditions and requirements by companies.
3. Disclosure, by any member, credit information company or any other entity subject to the provisions of this Law, or any of their employees, while in office or afterwards, of information gained in the course of their work which is deemed confidential under this Law, in cases other than those specified in this Law.
4. Use or exploitation of credit information for unlawful purposes or in violation of the provisions of this Law.
5. Delay on behalf of members or credit information companies in updating credit information on the dates specified in the Implementing Regulations, or failure to correct an error immediately upon its detection.
6. Providing incorrect or forged data on consumers.
7. Failure of the members bound by membership agreements to provide requested credit information, or delay in providing such information on the dates specified in the Implementing Regulations.
8. Any other violation of the provisions of this Law or its Implementing Regulations.

Article 13

Without prejudice to any harsher punishment provided for in another law, any



violator of the provisions of this Law or its Implementing Regulations shall be subject to one or more of the following punishments:

1. A fine not exceeding one million riyals; the maximum fine shall be doubled in case of repetition.
2. Temporary suspension of the license.
3. Revocation of the license.

Article 14

Pursuant to a decision by the Minister of Finance, one or more committees shall be formed to review violations of the provisions of this Law, impose punishments, and decide on disputes and disagreements arising between consumers, members, and companies. Said committee shall comprise at least three members with expertise in this field, and at least one of them shall be a legal counselor. Decisions of said committee shall be passed by majority vote and they may be appealed before the Board of Grievances within 60 days from the date of notification thereof. The work procedures of said committee and the remunerations of its members shall be specified in the Implementing Regulations.

Article 15

Anyone sustaining damage resulting from a violation provided for in this Law, after the issuance of a decision by the committee, may recourse to the competent judicial authority to claim compensation for the damage sustained.

Article 16

The Governor of the Agency shall issue the Implementing Regulations of this Law within 180 days from the Law's date of promulgation and the Implementing Regulations shall be published in the Official Gazette.

Article 17

This Law shall be published in the Official Gazette and shall enter into force 180 days from the date of publication thereof, and it shall repeal any provisions conflicting therewith.