

# Bureau of Experts at the Council of Ministers Official Translation Department

# **Law of Press Establishments**

Royal Decree No. M/20 July 29, 2001

**Translation of Saudi Laws** 

#### NOTES:

- 1. This translation is provided for guidance. The governing text is the Arabic text.
- 2. 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, and who) refer to a natural and legal person.
- 3. Amendments to this Law are provided in the Appendix.

For any comments or inquiries, please contact the Official Translation

Department at:

## Law of Press Establishments

## **Article 1: Definitions**

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

- 1. **License:** An official approval that authorizes the formation of a press establishment.
- 2. Full-time Commitment: Not being engaged in a job for a wage, whether governmental or non-governmental, in an entity other than the establishment.
- 3. **Establishment or Establishments:** A press establishment or press establishments.
- 4. **Member of an Establishment:** A person who owns part of the capital of an establishment.
- 5. **Paper:** A newspaper or magazine.
- 6. **Publications:** Papers and other material published by press establishments.
- 7. Ministry: Ministry of Media.
- 8. Minister: Minister of Media.

# Part 1: Formation of an Establishment

#### Article 2

- A. This Law stems from the Kingdom of Saudi Arabia's Media Policy and achieves its objectives.
- B. An establishment is a private entity that aims to publish periodicals to serve society by disseminating culture and knowledge while maintaining truth and objectivity in all its publications. It may make reasonable profits in a manner which is not inconsistent with its purposes in accordance with the provisions of this Law.
- C. An establishment shall be formed pursuant to the provisions of this Law and shall have a distinctive name.

# **Article 3**

- A. The Minister shall issue the license to form an establishment upon the approval of the Prime Minister pursuant to an application submitted by at least 30 Saudis. Such application shall include the establishment's objectives, name, publications, language or languages of publication, capital, and headquarters; the founders' names, qualifications, professions, and ages; and any other information specified by the Ministry.
- B. An establishment may, pursuant to a decision by the Minister, publish

additional periodicals.

#### Article 4

The headquarters of an establishment shall be in the city specified in the license; it may, upon the Ministry's approval, issue some of its publications from locations other than its headquarters.

#### Article 5

- A. The capital of an establishment shall be an amount sufficient to achieve its objectives.
- B. An establishment shall have a legal personality and financial independence, and the financial liability of the members of the establishment shall be limited to their respective shares in its capital.
- C. An establishment shall publish its final accounts and annual budget, certified by a licensed certified public accountant.
- D. A sufficient percentage of realized annual profits shall be allocated for training purposes and for the procurement of the modern technological means necessary for developing journalistic work.
- E. At least 10 percent of the annual profit shall be set aside as statutory reserve. The general assembly may suspend such allocation when the statutory reserve reaches half of the capital.

## Part 2: Members of an Establishment

### Article 6

A member of an establishment shall:

- a) be a Saudi national;
- b) not be a member of another press establishment; and
- c) have a university degree or be a man of learning, intellect, and the media or a businessman interested in culture. Legal persons of an intellectual, cultural, and scientific nature may become members of establishments.

## Article 7

- A. Members of an establishment shall enjoy equal voting and candidacy rights on the board of directors.
- B. New members may join an establishment by the increase of its capital, by a member's sale or assignment of his shares or part thereof, or by inheritance.
- C. In case of inheritance, the heirs shall nominate one of them. If an heir does not meet the requirements of membership, the shares may be sold to a member of the establishment, or more, or to persons from outside the

establishment.

# Part 3: General Assembly and Board of Directors

#### **Article 8**

The general assembly shall be the highest authority of an establishment and shall consist of all the members of the establishment. It shall issue the decisions necessary to achieve the purposes for which the establishment was formed; especially the following:

- a) Setting the general policy of the establishment.
- b) Selecting and appointing members of the board of directors.
- c) Approving the appointment and dismissal of the general manager and editorin-chief.
- d) Approving the establishment's budget and final account.
- e) Appointing a certified public accountant.
- f) Issuing the establishment's bylaws and other regulations necessary for the conduct of its business.

#### Article 9

General assembly meetings shall be held in accordance with the following controls and procedures:

- a) The general assembly shall convene upon a call by the chairman of the board of directors once a year; and may, when necessary, convene upon a call by the chairman of the board of directors or if requested by three members of the board of directors or at least a quarter of the members.
- b) The chairman of the board of directors shall preside over general assembly meetings.
- c) General assembly meetings shall be deemed valid if attended by the majority of the members. If the quorum is not met in the first meeting, the second meeting shall be deemed valid if attended by one third of the members, in person or by proxy. The Ministry may assign a representative to attend the meeting.
- d) Voting in the general assembly shall be on the basis of membership; each member may vote on behalf of himself and on behalf of another member by proxy. General assembly decisions shall be passed by the absolute majority vote of attending members, whether in person or by proxy. In case of a tie, the chairman shall have the casting vote.
- e) Minutes shall be prepared for general assembly meetings, and shall include the names of attending members, whether in person or by proxy, as well as the agenda, decisions, and an adequate summary of the deliberations. Said minutes shall be recorded regularly after each meeting in a special register

signed by the chairman of the board and the secretary of the meeting, and copies thereof shall be distributed to the members of the general assembly.

#### **Article 10: Board of Directors**

- A. An establishment shall have a board of directors comprising the following:
  - i. At least six members of the establishment.
  - ii. The establishment's general manager and editors-in-chief, provided that they do not exceed one third of the members of the board of directors.
- B. In the first meeting, the members of the board of directors shall elect, by absolute majority, a chairman for the board from among themselves, provided that the chairman is not the general manager or editor-in-chief.

#### Article 11

Subject to the powers of the general assembly, the board of directors may issue the decisions and take the measures necessary to achieve the objectives of the establishment; particularly the following:

- a) Proposing the bylaws and other regulations necessary for the conduct of its business.
- b) Approving the plans necessary to develop the resources of the establishment.
- c) Approving the establishment's draft budget and final account in preparation for submission to the general assembly.
- d) Proposing new publications and submitting them to the Ministry for approval.
- e) Nominating the general manager and the editor-in-chief for each paper, provided that the Ministry's approval is obtained for the nomination or dismissal of an editor-in-chief.

## Article 12

- A. The board of directors shall convene upon a call by its chairman at least once every three months.
- B. Meetings of the board shall not be deemed valid unless attended by at least half of its members including the chairman or his designee.
- C. Board decisions shall be passed by the absolute majority vote of attending members. In case of a tie, the chairman shall have the casting vote.
- D. Minutes shall be prepared for each meeting, and shall include the meeting location, date, agenda, matters discussed, and decisions passed as well as the names of present and absent members, and the reason of absence, if any. Such minutes shall be signed by the board's chairman and secretary as well as attending members.
- E. The chairman of the board may, in his absence, delegate a member of the board to act on his behalf for a specified period.

#### Article 13

Board membership shall terminate in the following cases:

- a) Expiration of the term of the board as specified in the bylaws of the establishment.
- b) Resignation or physical disability of the member.
- c) Removal of the member from the board pursuant to a general assembly decision.
- d) If the member appointed to the board by virtue of his position in the establishment loses such position.
- e) If the member is convicted of a crime impinging on religion, honor, or integrity.

#### Article 14

If the position of a board member other than *ex officio* members becomes vacant, the board may appoint a replacement, provided that such appointment is presented to the general assembly in its following meeting. The newly-appointed member shall continue the term of his predecessor on the board.

# Part 4: Management and Editing

# **Article 15**

An establishment shall have a general manager in charge of its financial and administrative affairs in accordance with relevant policies and instructions. The general manager shall represent the establishment in its relations with other entities with regard to financial and administrative matters. The bylaws of the establishment shall determine his powers and authorities.

#### Article 16

The general manager shall:

- a) be a Saudi national;
- b) work on a full-time basis; and
- c) have a university degree and at least five years of experience in administrative or journalistic work. Persons of distinguished intellectual and administrative abilities may be exempt from the university degree requirement.

# **Article 17**

If the position of the general manager becomes vacant, his deputy shall assume his duties. If there is no deputy, the board of directors shall assign one of its members to perform such duties for a period not exceeding three months. In both cases, a general manager shall be appointed temporarily for said period until the matter is presented to the general assembly in its following meeting for approval.

#### **Article 18**

Each paper shall have an editor-in-chief responsible for what is published therein, and he shall have the following powers and duties:

- a) Directly supervising, managing, and directing all the editorial affairs of the paper to achieve the objectives and purposes of the establishment.
- b) Representing the paper in its relations with others with regard to journalistic matters.
- c) Preparing plans and programs for the development of the paper.
- d) Exercising the powers granted to him by the bylaws which enable him to carry out his duties in an appropriate and competitive manner.

#### Article 19

The editor-in-chief shall:

- a) be a Saudi national;
- b) work on a full-time basis; and
- c) have a university degree and intellectual and journalistic abilities.

## Article 20

The service of the general manager or editor-in-chief shall terminate in either of the following cases:

- a) If his resignation is accepted or if he becomes physically disabled.
- b) If a reasoned recommendation to dismiss either of them from his position is issued by two thirds of the members of the board of directors and such recommendation is approved by the general assembly.

#### Article 21

If the position of the editor-in-chief becomes vacant, the board of directors shall assign one of the personnel of the establishment to perform the duties of editor-in-chief. The board of directors shall take the legal measures necessary to appoint an editor-in-chief within a period not exceeding three months from the date of the vacancy of such position.

#### Article 22

A paper shall have full-time editors appointed by the editor-in-chief. Their duties shall include:

a) Working to achieve the objectives and purposes of the establishment.

- b) Working to achieve the excellence required of the paper.
- c) Properly representing the paper in events, forums, and conferences.
- d) Observing the provisions of the Copyright Law.

## Article 23

The service of an editor shall terminate in the following cases:

- a) If his resignation is accepted or if he becomes physically disabled.
- b) If a reasoned recommendation to this effect is issued by the editor-in-chief and such recommendation is approved by the board of directors.

# Part 5: Dissolution and Liquidation of an Establishment

# Article 24

An establishment shall be dissolved and its license revoked in the following cases:

- a) If the losses of the establishment amount to 50 percent of its capital unless the general assembly decides the continuation of the establishment and the Ministry approves the same.
- b) If the general assembly decides to dissolve the establishment by a majority vote of two thirds of the members.

#### Article 25

If an establishment is dissolved, the following measures shall be taken:

- a) The general assembly shall determine the manner of liquidation and shall appoint a liquidator. In such case, the duties of the board of directors and the general manager shall terminate.
- b) The activities of the establishment shall end except as necessary to carry out liquidation proceedings.
- c) The liquidation process shall be carried out under the supervision and responsibility of the liquidator in his capacity as a representative of the owners, and shall be monitored by the Ministry.
- d) The Ministry shall call for a general assembly meeting to approve the results of liquidation.

# **Part 6: General Provisions**

#### Article 26

An establishment shall, within one year from the commencement of its

operations, prepare the following:

- a) An organizational structure specifying the divisions, departments, and units of the establishment as well as the tasks and administrative relations thereof.
- b) Work regulations stating the duties and rights of the workers of the establishment.
- c) Reward and penalty regulations.
- d) A wage scale to guarantee the personnel of the establishment their rights to promotions and annual increments.
- e) Rules for assignment, allowances, compensation, and the like.
- f) Bylaws specifying the functions of the departments of the establishment and the powers of its officers, and regulating relations between them. Such bylaws shall also include other regulatory matters.

#### Article 27

An association concerned with the affairs of journalists shall be established for Saudi journalists in accordance with the provisions of this Law. Said association shall have an independent legal personality. The implementing regulations shall specify its powers and duties.

# **Article 28**

Existing establishments shall, within one year from the date this Law enters into force, adjust their affairs to comply with its provisions.

## Article 29

The Minister shall issue the implementing regulations necessary for the implementation of the provisions of this Law within one year from the date of its issuance.

## Article 30

This Law shall supersede the Private Press Establishments' Law issued by Royal Decree No. 62, dated 24/8/1383H, and shall enter into force 30 days from the date of its publication in the Official Gazette.

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# **Appendix**

#### **Amendments**

# January 7, 2021 (Jumada I 23, 1442H)

Royal Decree No. M/46 provides for the following:

- 1. Replacing the definition "Ministry: Ministry of Media" in Article 1 with the definition "Commission: General Commission for Audiovisual Media".
- 2. Replacing the definition "Minister: Minister of Media" in Article 1 with the definition "Board: Commission's board of directors".
- 3. Replacing the word "board" in Articles 12, 13, and 14 with "board of directors" and replacing the phrase "chairman for the board" in Article 10(b) with "chairman therefor".
- 4. Replacing the word "Ministry" with "Commission" and the word "Minister" with "Board" wherever mentioned in the Law, except for the provisions of paragraph (3) herein.