



شعبة الترجمة الرسمية
Official Translation Department

Law of Commercial Register

Royal Decree No. M/1
July 20, 1995

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.



Law of Commercial Register

Article 1

The Ministry of Commerce shall create a register in the cities designated by the Minister of Commerce, pursuant to a decision issued thereby covering all the provinces of the Kingdom, where names of merchants and companies and all the data specified in this Law are registered.

Article 2

Each merchant shall submit an application to register his name in the commercial register of the area where his place of business is located, whether it is a head office, a branch, or an agency.

Article 3

1. Companies incorporated in the Kingdom shall be entered into the commercial register in accordance with the implementing regulations.
2. Filing for the registration of a company branch shall be made within 30 days from the date of establishment of such branch. A copy of the company's articles of association and bylaws, if applicable, shall be enclosed.

Article 4

The merchant, manager of the company, or liquidator shall apply for the entry in the commercial register of any amendment to data previously registered therein, within 30 days from the date of amendment, in accordance with the implementing regulations.

Article 5

Everyone registered in the commercial register shall deposit with the Commercial Register Office, within 30 days from the date of registration, a certificate of membership in the Chamber of Commerce and Industry.

Article 6

Foreign companies licensed to open branches or offices in the Kingdom shall apply to register such branches or offices in the commercial register within 30 days from the date of their opening, enclosing all the documents specified by the implementing regulations.

Article 7

The merchant, his heirs, or the liquidator, as the case may be, shall apply to the commercial register Office to cancel the registration in the following cases:

1. The merchant's permanent abandonment of his business.



2. The merchant's death.
3. The completion of the liquidation of the company.

The application shall be submitted within 90 days from the occurrence of the cause of cancellation of registration. If the concerned parties do not apply for cancellation, the Commercial Register Office shall, after investigating the cause, ascertaining its occurrence, and giving notice to the concerned parties by registered mail, automatically enforce the cancellation, after 30 days of the date of notice, unless the Commercial Register Office receives evidence to the contrary from the concerned party during this period.

In case of a final judgment or decision to cancel the registration, pursuant to applicable laws, the competent Commercial Register Office shall enforce the cancellation immediately upon notification of the judgment or decision.

Article 8

The Commercial Register Office shall verify the fulfillment of conditions required for registration, entry, or cancellation. It may ask the applicant to submit documents supporting the data provided in his application. The Commercial Register Office may reject the application by a reasoned decision within 30 days from the date of submission.

Article 9

Everyone registered in the commercial register shall indicate in all correspondence, printed materials, stamps, and sign boards his commercial registration number, in addition to his name and the name of the city where he is registered, provided that all the data is written in Arabic.

Article 10

The judicial authorities which issue the following judgments and orders shall inform the competent Commercial Register Office thereof, within 30 days from the date on which the judgment or order becomes final:

1. Judgments of declaration of bankruptcy and cancellation thereof.
2. Judgments of rehabilitation.
3. Judgments of interdiction of a merchant, attachment of his property, or removal thereof.
4. Orders issued to revoke permission to engage in business or to restrict the permission in cases of minors or persons under interdiction.
5. Judgments concerning the separation of partners or dismissal of managers.
6. Judgments of the dissolution of companies or their invalidity, and the appointment of liquidators or their dismissal.
7. Judgments validating, rescinding, or invalidating a judicial settlement.
8. Orders issued to start the procedures of settlement to avoid bankruptcy, and judgments issued to validate, rescind, or invalidate it.



9. Judgments of conviction in cases of fraud, forgery, and bribery.

The competent Commercial Register Office shall make an entry of the above judgments and orders immediately upon notification thereof.

Article 11

Anyone may obtain a copy extracted from the commercial register of any merchant or company. In case there is no registration, a certificate to that effect shall be given to the concerned person. Such an extract shall not include judgments of declaration of bankruptcy if judgment of rehabilitation was rendered, nor shall it include judgments of interdiction or attachment, in case of removal thereof.

Article 12

Officials named by a decision of the Minister of Commerce shall investigate and record violations of the provisions of this Law and the decisions for its implementation. The procedures of investigation and recording shall be specified by regulations to be issued by the Minister of Commerce. Such regulations shall provide for the observance of good conduct by investigating officers in the discharge of their duties, and they shall present to the concerned person a proof of their identification, official capacity, and the purpose of their visit. The regulations shall specify the times during which places of business may be visited for the purpose of investigation and the authority that has the right to grant permission to enter such places for the purpose of inspection, when necessary.

Article 13

The data provided in the Commercial Register is considered evidence for or against the merchant as of the date on which it is registered. No obligatorily registered or entered data shall be used against any other party, unless such an action is taken. However, this party may use this data against the merchant or the company if such a party has an interest therein.

Article 14

Anyone who submits an application to an official authority in the capacity of a merchant, his application shall not be accepted in such capacity unless he is registered in the commercial register.

Article 15

Without prejudice to any severer punishment provided for in any other law, violators of the provisions of this Law shall be punished by a fine not exceeding 50,000 riyals, provided that, in determining the fine, the gravity of the violation, repetition thereof, the merchant's capital, and the damage sustained by others as a result of such violation shall be taken into account.



Article 16

The penalties provided for in this Law shall be imposed by a committee, formed by a decision issued by the Minister of Commerce. The committee shall be composed of three members, one of whom, at least, must be an expert in commercial laws.

Article 17

A Council of Ministers' resolution shall specify the application fees for registration, entries to amend previously registered data, extracting data from the Register, or obtaining a certificate to the effect that there is no registration. No fees shall be charged for an application to cancel registration, nor for extracts required by government agencies for official purposes.

Article 18

Parties concerned may object before the Minister of Commerce against the decisions taken by the Commercial Register Office and the decisions of the committee responsible for imposing penalties, within 30 days from the date of notification of the decision. The refusal of the Commercial Register Office to take a decision or its failure to take a decision, which it should have taken in accordance with laws and regulations, shall be deemed a decision.

Concerned parties may also file a grievance with the Board of Grievances against the decisions of the Minister of Commerce issued in connection with their objections, within 30 days from the date of their notification of the Minister's decision. If a decision is not issued by the Minister regarding the objection submitted to him, within a maximum of 60 days from the date of objection, the objecting person may file a grievance with the Board of Grievances against the decision of the Commercial Register Office or the decision of the committee responsible for imposing penalties, within 30 days from the expiration of the period specified for the Minister to issue a decision.

Article 19

This Law shall repeal the Law of Commercial Register issued by Royal Order No. 21/1/4470 dated 9/11/1375H and its implementing regulations as well as all provisions that are inconsistent with this Law.

Article 20

This Law shall be published in the Official Gazette and shall enter into force after 90 days of the date of its publication. Those registered in the Commercial Register, prior to the entry into force of this Law, shall be given a grace period of one year from the date of this Law's entry into force to adjust their status in accordance with its provisions. The Minister of Commerce shall issue the regulations and decisions necessary for its implementation.