



شعبة الترجمة الرسمية
Official Translation Department

E-Commerce Law

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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.



E-Commerce Law

Article 1

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

Law: E-Commerce Law.

Regulations: Implementing Regulations of the Law.

Ministry: Ministry of Commerce.

Minister: Minister of Commerce.

E-Commerce: An activity of economic nature undertaken, in whole or in part, by a service provider and a consumer through electronic means to sell products, provide services, advertise the same, or exchange data related thereto.

Data: Information of any source or form used, directly or indirectly, in an e-commerce transaction.

Person: A natural or legal person.

Merchant: A person registered in the Commercial Register who practices e-commerce.

Practitioner: A person who practices e-commerce but not registered in the Commercial Register.

Service Provider: A merchant or practitioner.

Consumer: A person who engages in e-commerce to obtain products or services provided by a service provider.

Contract: An agreement concluded electronically between parties conducting e-commerce transactions.

E-Shop: An electronic platform through which a service provider displays or sells a product, provides a service, advertises the same, or exchanges data related thereto.

E-Shop Authentication Entity: An entity licensed by the Ministry to authenticate electronic shops.

Electronic Communication: A statement, declaration, notification, request, or offer made by contracting parties via electronic means while negotiating or executing a contract.

Electronic Advertisement: Any advertisement carried out by a service



provider via electronic means to directly or indirectly promote the sale of a product or the provision of a service.

Electronic Means: Any information and communications technology (ICT) medium, whether electrical, electromagnetic, visual, optical, digital, or any other form of similar technology.

Article 2

The provisions of this Law shall apply to:

- a) service providers in the Kingdom;
- b) practitioners outside the Kingdom who offer products or services to consumers in the Kingdom in a manner that enables them to have access thereto; and
- c) consumers.

Article 3

1. For the purposes of applying the provisions of this Law, the business address of a service provider shall refer to the following:
 - a) For a merchant: his business address as specified in the Commercial Register.
 - b) For a practitioner: his business address as specified in his e-shop, unless otherwise indicated.
2. If a service provider has more than one place of business, none of which has been selected as a business address, his business address shall be the one most closely connected to the contract, taking into consideration the circumstances the parties were aware of or anticipated prior to or at the time of concluding the contract.
3. If a practitioner is a natural person and does not have a place of business, his business address shall be his permanent address. The Regulations shall determine the necessary terms and conditions.
4. A place of business shall not be deemed a business address merely because it houses equipment and technology supporting an information system used by the service provider to conclude the contract, or because it is where such information system may be accessed by other parties.
5. A service provider's use of a domain or e-mail address connected to a specific country shall not create a presumption that his business address is located in that country.



Article 4

If a consumer makes an error in an electronic communication made through an ICT medium that cannot be rectified, he may notify the service provider of such error as soon as he becomes aware of it within the time limit prescribed by the Regulations. Such notification shall be deemed rectification of the error, unless the consumer has used or benefited from the service provider's product or service.

Article 5

1. Without prejudice to the provisions of other laws, a service provider shall not retain a consumer's personal data or electronic communications, except for the period required by the nature of the electronic transaction, unless a different period is agreed upon. Necessary measures shall be taken to protect and maintain the confidentiality of such data during the retention period. The service provider shall be responsible for protecting the consumer's electronic communications or personal data in his possession or in the possession of the entities or agents thereof he deals with. The Regulations shall specify personal data deemed confidential.
2. A service provider shall not use a consumer's personal data or electronic communications for unauthorized or impermissible purposes, nor disclose the same to other entities, whether at no cost or for a consideration, unless the consumer consents to such disclosure or is required by law.

Article 6

A service provider shall disclose the following in his e-shop:

- a) his name or any identifying characteristic, and his address, unless he is registered with an e-shop authentication entity;
- b) his contact information;
- c) name and number of his commercial registration, if any, or of any other publicly available register; and
- d) any other data specified by the Regulations.

Article 7

A service provider shall provide the consumer with a statement that includes the terms and conditions of the contract to be concluded, in addition to the following:

- a) procedures to be taken to conclude the contract;



- b) information related to the service provider;
- c) basic characteristics of the products or services subject of the contract;
- d) total price, including all charges and taxes, and delivery fees, if any;
- e) arrangements relating to payment, processing, and delivery;
- f) warranty information, if any; and
- g) any other information specified by the Regulations.

The Regulations shall specify the rules governing the service provider's provision of information according to the nature of each transaction.

Article 8

Upon conclusion of a contract, the service provider shall provide the consumer with an itemized invoice stating the total price, including all charges and taxes, and delivery fees, if any, as well as the date and place of delivery, as specified by the Regulations.

Article 9

A service provider practicing a regulated profession which requires a license or permit shall disclose the following:

- a) The agency he is registered with, and the details of the license or permit issued thereby.
- b) His professional title and the granting country.
- c) Any other information specified by the Regulations.

Article 10

1. An electronic advertisement shall be deemed an integral part of the contract, and shall be legally binding.
2. An electronic advertisement shall include:
 - a) name of the advertised product or service;
 - b) name of the service provider and any identifying characteristic, unless he is registered with an e-shop authentication entity;
 - c) contact information of the service provider; and
 - d) any other information specified by the Regulations.



Article 11

An electronic advertisement must not include:

- a) a false offer, statement, or claim, or a misrepresentation that directly or indirectly deceives or misleads a consumer; or
- b) a logo or trademark that is either counterfeit or the service provider does not hold the right to use.

Article 12

Without prejudice to the penalties stipulated in Article 18 of this Law, if a service provider is proved to have violated any of the provisions of Article 10(2) or Article 11, the Ministry may compel the service provider to rectify the violation or withdraw the advertisement within one day from the date of notification.

Article 13

1. Without prejudice to contractual and regulatory provisions of the warranty, a consumer may, in cases not provided for in paragraph (2) of this Article, rescind the contract within seven days following the date of receipt of the product or the date of the service contract, provided he has not used the product, received the service, or benefitted from either one. In such case, the consumer shall bear the cost of rescinding the contract unless agreed otherwise.
2. Notwithstanding paragraph (1) of this Article, a consumer may not rescind a contract in the following cases:
 - a) If the subject of the contract is a customized product or a product manufactured at the consumer's request, except for defective products or products that do not meet agreed specifications.
 - b) If the subject of the contract is videotapes, records, compact discs, or computer software that have been used.
 - c) If the subject of the contract is the purchase of newspapers, magazines, books, or other publications.
 - d) If the defect is attributed to the consumer's mishandling of the product.
 - e) If the subject of the contract is the provision of accommodation, transportation, or catering services.
 - f) If the subject of the contract is the purchase of an online downloadable software, except for faulty software that cannot be downloaded or does



not conform to the agreed specifications.

- g) Other cases specified by the Regulations according to the nature of the product or service.

Article 14

1. Unless a service provider and a consumer agree to extend the date for delivery of item(s) or execution of service(s) subject of the contract, the consumer shall be entitled to rescind the contract if the service provider delays delivery or execution for more than 15 days from the date of concluding the contract or the agreed date, and demand a refund of amounts paid under the contract and any other costs incurred due to such delay, unless the delay is due to force majeure.
2. Without prejudice to paragraph (1) of this Article, a service provider shall notify the consumer of any anticipated delay or of any circumstances that may affect the delivery of the items subject of the contract or the execution thereof.

Article 15

A merchant shall register his e-shop in the Commercial Register pursuant to the Law of Commercial Register. The Regulations shall specify the necessary requirements.

Article 16

The Ministry shall oversee the e-commerce sector and shall issue, as needed, the rules necessary to regulate the sector, including the following entities and platforms, for the purpose of enhancing e-commerce and ensuring the safety of its transactions, including the following:

- a) E-shop authentication entities.
- b) Electronic platforms acting as intermediaries between a service provider and a consumer.

Article 17

If a service provider violates any of the provisions of this Law or its Regulations, the Minister, or his designee, may, in urgent cases, issue a decision to partially or completely block his e-shop, in coordination with the competent authority, until the violation is rectified or decided upon, whichever is earlier, and refer the violation to the committee stipulated in Article 19(1) of this Law within a maximum period of three days from the date of blocking the e-shop, provided



the committee issues its decision within a period not exceeding 10 days from the date of referral. The committee may, for justifiable reasons, suspend the decision of partial or complete blocking of the e-shop.

Article 18

Without prejudice to any harsher penalty provided for in other laws, a person who violates any of the provisions of this Law or its Regulations shall be subject to one or more of the following penalties:

- a) A warning.
- b) A fine not exceeding 1,000,000 riyals.
- c) Temporary or permanent suspension of the e-commerce activity.
- d) Blocking the e-shop, partially or completely, temporarily or permanently, in coordination with the competent authority.

Article 19

1. One or more committees shall be formed pursuant to a decision by the Minister to consider violations of the provisions of this Law or its Regulations and to impose the penalties stipulated in Article 18 of this Law, provided the committee is composed of not less than three members, including at least a legal advisor. Committee decisions shall be issued by majority vote. The Minister shall, pursuant to a decision issued thereby, determine the committee work procedures and remuneration of its members.
2. The penalty imposed shall be proportionate with the gravity and frequency of the violation, the damage it caused to others, and the size of activity of the service provider.

Article 20

Any person may appeal a decision issued against him pursuant to this Law before the Administrative Court in accordance with the Law of Procedures before the Board of Grievances.

Article 21

A decision imposing a penalty may include the publication of the verdict at the expense of the violator in one or more local newspapers published in the area where he resides, or through any other appropriate medium, depending on the type, gravity, and impact of the violation committed, provided the publication takes place after the decision becomes unappealable due to the lapse of the statutory period for appeal or the judgment rendered thereon becomes final.



Article 22

The competent court shall rule on disputes, including compensation claims arising from the implementation of this Law.

Article 23

Monitoring and inspecting e-commerce transactions and detecting any violations of this Law and its Regulations shall be carried out by employees appointed pursuant to a decision by the Minister.

Article 24

In cases where this Law is silent, e-commerce shall be subject to the provisions of the Electronic Transactions Law and other relevant laws.

Article 25

The Minister shall issue the Regulations within 90 days from the date of publication of this Law in the Official Gazette, and shall enter into force on the date this Law becomes effective.

Article 26

This Law shall enter into force 90 days following its publication in the Official Gazette.