



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

Statute of Zakat, Tax, and Customs Authority

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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.



Statute of Zakat, Tax, and Customs Authority

Article 1

In this Statute, the following words and phrases shall have the meanings assigned thereto:

ZATCA: Zakat, Tax, and Customs Authority.

Minister: Minister of Finance.

Board: ZATCA's board of directors.

Chairman: Board's chairman.

Governor: ZATCA's governor.

Taxpayer: A natural or legal person subject to zakat, tax, or customs duties, under relevant laws, regulations, and instructions.

Customs Ports: Land, air, or sea ports within ZATCA's jurisdiction.

Statute: Statute of Zakat, Tax, and Customs Authority.

Article 2

ZATCA shall have a public legal personality and financial and administrative independence, and shall report to the Minister. It shall be headquartered in the city of Riyadh and it may establish branches and offices within the Kingdom and abroad.

Article 3

ZATCA shall be in charge of collecting zakat, taxes, and customs duties in accordance with best practices and of enabling taxpayers to satisfy their obligations. It shall manage all activities related to customs and customs ports to ensure high levels of efficiency, productivity, and competitiveness. Without prejudice to the jurisdiction and responsibilities of other agencies, ZATCA may, in addition to its statutory powers and duties, assume the following:

1. Collecting zakat, taxes, and customs duties, in accordance with relevant laws, regulations, and instructions.
2. Providing high-quality services to taxpayers to enable them to fulfill their duties.
3. Following up on taxpayers and taking the necessary measures to ensure collection of their due payments.
4. Raising awareness of taxpayers, strengthening the level of their voluntary commitment, and ensuring their compliance with ZATCA's rules and instructions.
5. Utilizing modern technology in implementing, monitoring, and facilitating ZATCA's activities, and in combating customs smuggling.
6. Cooperating with the private sector to carry out and manage supporting activities.
7. Setting plans to organize, manage, and invest the facilities of customs ports,



- in coordination with relevant agencies.
8. Setting performance indicators for assessing ZATCA's activities and plans to ensure the development of its performance and services; it may, for such purpose, coordinate with relevant agencies.
 9. Cooperating and exchanging expertise with regional and international organizations and specialized firms within the Kingdom and abroad, subject to ZATCA's powers.
 10. Representing the Kingdom in relevant regional and international organizations, forums, and conferences.
- ZATCA may, in order to achieve its objectives, establish companies to carry out certain activities and duties.

Article 4

ZATCA shall have a board of directors composed of the Minister, as chairman, and the following members:

1. The Governor.
2. A representative from the Ministry of Interior.
3. A representative from the Ministry of Finance.
4. A representative from the Ministry of Commerce.
5. A representative from the Ministry of Transport.
6. A representative from the Ministry of Economy and Planning.
7. A representative from the Ministry of Investment.
8. A representative from the Saudi Central Bank.
9. A representative from the Capital Market Authority.
10. A representative from the Presidency of State Security.
11. Two representatives from the private sector appointed pursuant to a resolution by the Council of Ministers upon the Chairman's nomination.

The rank of representatives of government agencies shall not be lower than Grade 15 or its equivalent. With the exception of the Chairman and the Governor, Board membership shall be for a term of three years, renewable once.

Article 5

The Board shall oversee the management of ZATCA and the conduct of its affairs. It shall, under this Statute, take all decisions necessary to achieve its objectives. It shall, in particular, assume the following powers and duties:

1. Approving ZATCA's general policies and the plans and programs necessary for their implementation.
2. Proposing relevant laws and amendments to existing ones, and submitting the same for completion of statutory procedures.
3. Approving ZATCA's administrative and financial regulations and other internal and technical regulations necessary for the conduct of its affairs, provided that the administrative regulations are approved in coordination with the Ministry of Human Resources and Social Development, and that the financial regulations and the financial provisions in the administrative regulations are approved in coordination with the Ministry of Finance.



4. Approving ZATCA's organizational structure.
5. Approving the establishment of branches and offices for ZATCA.
6. Appointing an external auditor.
7. Approving ZATCA's final accounts and annual reports as well as auditor's report, prior to their submission in accordance with statutory procedures.
8. Approving ZATCA's annual budget, and submitting a copy thereof to the Prime Minister.
9. Reviewing periodic reports on ZATCA's activities.
10. Approving the conclusion of agreements, protocols, and contracts, in accordance with statutory procedures.
11. Determining the manner of investing ZATCA's funds and movable and immovable assets.
12. Determining fees for services rendered by ZATCA.
13. Setting work procedures for the Sharia Committee referred to in Article 8 of this Statute, including its meetings and the manner of issuing its decisions.
14. Accepting gifts, donations, grants, bequests, and endowments in accordance with relevant provisions.
15. Approving the establishment of ZATCA's companies.

To exercise such powers, the Board may form standing or ad hoc committees from among its members or others to carry out certain tasks. The formation decision of each committee shall designate its chairman and members and determine its powers. A committee may seek the assistance of non-members to carry out certain duties.

The Board may delegate certain powers to its Chairman or any of its members or ZATCA's employees.

Article 6

1. Board meetings shall be held at ZATCA's headquarters and shall be presided by its Chairman or his designee from among the representatives of government agencies. The Board may convene at any other venue within the Kingdom.
2. The Board shall periodically convene four times a year. The Board shall also convene if the need arises, at the Chairman's discretion or if requested by at least one-third of its members.
3. Board meetings shall be deemed valid only if attended by the majority of its members, including the Chairman or his designee. Board decisions shall be passed by the majority vote of attending members. In case of a tie, the chairman of the meeting shall have the casting vote.
4. Board deliberations and decisions shall be entered into minutes signed by the chairman of the meeting and attending members.
5. The Board may, in exigent circumstances at the Chairman's discretion, hold meetings and vote on decisions remotely. Decisions may be passed by circulation if the majority of members vote in their favor, provided that all members vote on such decisions.
6. A Board member may not abstain from voting nor vote by proxy. A dissenting member may request his objection and reasons therefor be entered into the meeting minutes.



7. A Board member shall not disclose any of ZATCA's confidential information even after the end of his membership.
8. The Board may invite experts and consultants to attend its meetings in a non-voting capacity.

Article 7

ZATCA shall have a governor with the rank of Minister who shall be in charge of managing ZATCA in accordance with this Statute and Board decisions. He shall, in particular, assume the following powers and duties:

1. Supervising the setting of ZATCA's general policies, plans, and programs, and monitoring their implementation upon approval.
2. Supervising ZATCA's activities, according to ZATCA's regulations, plans, and programs.
3. Supervising the setting of ZATCA's administrative, financial, internal, and technical regulations prior to their submission to the Board for approval.
4. Proposing ZATCA's organizational structure and submitting it to the Board for approval.
5. Supervising the preparation of ZATCA's annual report, draft budget, and final accounts prior to their submission to the Board for approval and completion of statutory procedures.
6. Supervising the preparation of periodic reports on ZATCA's activities and submitting the same to the Board.
7. Signing agreements and protocols upon Board approval and completing relevant statutory procedures.
8. Representing ZATCA before the judiciary, government agencies, and other relevant entities within the Kingdom and abroad; he may delegate such power.
9. Approving the disbursement from ZATCA's budget and conducting financial transactions in accordance with applicable laws and regulations and the powers granted to him by the Board.
10. Concluding contracts for carrying out ZATCA's works in accordance with the law and the powers granted to him by the Board.
11. Issuing decisions necessary to implement the provisions of this Statute and its regulations in accordance with the powers vested in him.
12. Appointing ZATCA's employees, in accordance with the regulations, and supervising the performance of their duties.
13. Assuming any other power granted to him by the Board.
14. The Governor may delegate some of his powers to any of ZATCA's employees.

Article 8

1. ZATCA shall form a Sharia committee of highly qualified members; it shall have at least five members specialized in financial transactions under Islamic Sharia, zakat accounting, and law. It shall carry out the following tasks:
 - a) Conducting zakat-related studies as required by ZATCA.
 - b) Reviewing zakat-related draft laws and regulations relevant to ZATCA's jurisdiction, and any amendments thereto after approval.
 - c) Addressing challenges that may arise while ZATCA carries out duties



- related to zakat collection.
- d) Carrying out any other task assigned thereto by the Board.
2. Alternate members shall be appointed to replace the members referred to in paragraph (1) of this Article in their absence.
 3. The committee members referred to in paragraphs (1) and (2) of this Article shall be appointed and their remuneration shall be determined pursuant to an order by the Prime Minister, upon the Minister's recommendation; their membership shall be for a term of four renewable years.
 4. The committee may seek the assistance of specialists.

Article 9

1. ZATCA's financial resources shall be as follows:
 - a) A maximum of ten percent of the taxes and customs duties collected in the previous fiscal year, excluding taxes collected from gas, oil, and hydrocarbons.
 - b) Fees for services rendered by ZATCA.
 - c) Gifts, donations, grants, bequests, and endowments accepted by the Board in accordance with relevant provisions.
 - d) Returns on investments of ZATCA's financial resources and assets.
 - e) Any other resource approved by the Board not inconsistent with the laws and instructions.
2. ZATCA's revenues shall be deposited in the Ministry of Finance's current account with the Saudi Central Bank.
3. ZATCA shall open an account with the Saudi Central Bank and may open other accounts with any of the banks licensed to operate in the Kingdom. Disbursement from such accounts shall be made in accordance with ZATCA's budget and financial regulations.

Article 10

1. ZATCA shall have, from its financial resources, an independent annual budget, and shall have a general reserve equal to twice its total expenditures as indicated in its previous annual budget. The amounts of the budget and reserve shall be deposited in ZATCA's account after depositing the revenues in the Ministry of Finance's current account with the Saudi Central Bank.
2. ZATCA's fiscal year shall be the same as the State's fiscal year.

Article 11

ZATCA shall, within 90 days from the date of the end of the fiscal year, submit to the Council of Ministers its final accounts, and shall provide a copy thereof to the General Court of Audit.

Article 12

Without prejudice to the jurisdiction of the General Court of Audit, the Board shall appoint and determine the fees of an external auditor, or more, licensed to practice in the Kingdom to audit ZATCA's accounts, transactions, statements, annual budget, and final accounts. The auditor's report shall be submitted to the Board and a copy thereof shall be provided to the General



Court of Audit.

Article 13

The Governor shall, within 90 days from the beginning of each fiscal year, submit to the Board ZATCA's annual report which shall include its achievements, challenges encountered, and recommendations for improvement.

Article 14

ZATCA's employees, with the exception of the Governor, shall be subject to the Labor Law and the Social Insurance Law.

Article 15

This Statute shall repeal the Statute of the General Authority for Zakat and Tax, promulgated pursuant to the Council of Ministers Resolution No. 465, dated 20/7/1438H, and the Statute of the General Customs Authority issued pursuant to the Council of the Ministers Resolution No. 352, dated 3/7/1439H, and any provision conflicting therewith.

Article 16

This Statute shall be published in the Official Gazette and shall enter into force on the date of its publication.