

# شعبــة الــتــرجــهــة الرســـهيــة Official Translation Department

# **Law of Commercial Courts**

Royal Decree No. M/93 April 8, 2020

**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 Courts

# **Part 1: General Provisions**

## Article 1

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

Law: Law of Commercial Courts.

**Regulations**: Implementing regulations of this Law.

Council: Supreme Judicial Council.

Court: Commercial Court.

Ministry: Ministry of Justice.

Minister: Minister of Justice.

Party: A party to a lawsuit or claim.

# Article 2

Without prejudice to the provisions of commercial laws and international conventions to which the Kingdom is party, the provisions of this Law and its Regulations shall apply to the commercial court and to cases under its jurisdiction.

# **Article 3**

The Supreme Judicial Council shall, in accordance with its jurisdiction, consider the following:

- 1. Establishing commercial courts in various provinces and counties of the Kingdom as needed, provided that each court comprises appellate circuits and circuits of first instance.
- 2. Forming appellate circuits and circuits of first instance within commercial courts to be composed of three judges; however, circuits may be composed of a single judge in accordance with this Law.

- The chief judge of the commercial court shall oversee the court and name the judges of its circuits and its staff in accordance with rules determined by the Council.
- Selection of competent judicial aides shall be in accordance with legal procedures. The commercial court may recruit Sharia and law graduates or their equivalent pursuant to rules issued by the Minister in coordination with the Minister of Human Resources and Social Development.
- 3. The Regulations shall determine the responsibilities and tasks of judicial aides.

Without prejudice to the independence of the judiciary and due process, the commercial court may seek the assistance of the private sector to carry out:

- 1. mediation and reconciliation;
- 2. notification and service of process;
- 3. registry of cases and claims and delivery of court judgments;
- 4. managing hearing rooms;
- 5. exchange of memoranda and access to documents;
- 6. expert-related procedures;
- 7. documenting evidentiary procedures; and
- 8. managing specialized departments of the commercial court.

The Regulations shall specify the procedures for the implementation of this Article.

## Article 6

Notwithstanding the provisions of this Law and the Law of Civil Procedure, and without prejudice to public policy and the rules of justice, the parties to a commercial transaction, if both are merchants, may agree on specific litigation procedures and other litigation-related matters.

#### Article 7

Any of the procedures stipulated in this Law may be carried out via electronic means, including filing, registering, and hearing claims and petitions, and pleading, exchanging memorandums, rendering judgments, and filing appeals. The Regulations shall determine the procedures for enforcing the provisions of this Article, including the provisions related to the time frame for such procedures.

#### Article 8

The Regulations shall specify the following:

- 1. Mediation and reconciliation procedures, including cases that must be preceded by mediation or reconciliation, provided that such procedures do not exceed 30 days from the date of initiation, unless the parties agree on a longer period of time.
- 2. Class action procedures, which shall include determining these claims and consideration and ruling procedures.
- 3. Procedures for small claims, which shall include determining these claims and consideration and ruling procedures.

- 1. Process shall be deemed to have been served in accordance with the provisions of this Law if delivered to any of the following addresses:
  - a) The parties' verified or selected electronic address.
  - b) The domicile of a natural or legal person, unless a different address is

selected.

- c) The official postal address registered with the competent agency.
- d) The address registered in the commercial register for the business activity connected with said register.
- e) The address provided by a person in any document related to the case or claim, or memoranda submitted to the commercial court pertaining to the same case.
- f) The address indicated in the contract subject of the dispute.
- g) The address a foreigner selects in the Kingdom.
- 2. A natural or legal person may select a lawyer's address to which process is served; such address shall be subject to the provisions governing the address of such person.
- 3. If a party changes the address in the documents stated in paragraph (e) of this Article, he shall notify the commercial court within 48 hours of the date of such change; otherwise, any process served to the previous address shall be deemed valid.

# Article 10

- 1. Service of process to the electronic address referred to in Article 9(1)(a) of this Law shall be carried out as follows:
  - a) Sending a message to a verified mobile phone number.
  - b) Sending a message to the verified or selected e-mail address.
  - c) Notifying a user of an e-government service account upon access thereof.
- 2. Process shall be served to any of the addresses referred to in Article 9(1)(b, c, d, e, f, and g) of this Law through any licensed postal service provider, and shall be deemed to have been delivered by submitting a proof of delivery issued by the postal service provider.

# **Article 11**

Absent a specific provision, the process shall be served as follows:

- For a natural person: to his permanent or temporary domicile, workplace, or any other place where he is located, or a place that belongs to his agent or to any colleague working at the workplace related to the commercial transaction subject of the claim.
- 2. For companies: to the legal representative, any of the partners, the manager or his representative, or the legal department or the department tasked with receiving correspondence. If the claim relates to a company branch, the process may be served to the manager of that branch or his designee.
- 3. For foreign companies with a branch or a commercial representative in the Kingdom: to the manager of the branch or the commercial representative, or their designees.
- 4. For other legal persons: to their legal representatives or their designees.
- 5. For administrative agencies: to the relevant minister or chairman of the institution or agency, or their designees.

6. For a commercial vessel: to its owner, charterer, master, or their agents, if the claim is related to the vessel.

## Article 12

Without prejudice to international conventions, a notice may be served to a person residing outside the Kingdom in accordance with Articles 9, 10, and 11 of this Law, provided an agreement to such effect exists between the parties.

#### Article 13

- 1. Without prejudice to any other penalty provided for by another law, the commercial court may decide to impose a fine not exceeding 10,000 riyals; its decision shall be final if a party disrupts the proceedings of the case or the order of the hearing.
- 2. Data, papers, and documents of a commercial case may be made available for public access in return for a fee equal to the service cost.

However, certain papers or documents of a commercial case may, at the request of a concerned party, be designated as confidential and be disclosed only to the commercial court, without prejudice to the rules governing open hearings or the provisions of relevant laws. The Regulations shall determine the necessary procedures and rules.

#### Article 14

- 1. The Regulations shall specify the periods necessary for case proceedings, taking into account the nature of commercial cases; this shall include the number of hearing sessions, their type, recording procedures, dates, time between sessions, and causes for adjournment.
- 2. Cases, petitions, memoranda, documents, and reports shall be filed in accordance with the procedures determined and forms designated by the Ministry; such procedures and forms shall be approved by the Minister.

#### Part 2: Jurisdiction

# Article 15

Absent a specific provision in commercial laws or international treaties and conventions to which the Kingdom is party, the rules of international jurisdiction stipulated in the Law of Civil Procedure shall apply to cases that fall within the jurisdiction of the commercial court.

# **Article 16**

The commercial court shall have jurisdiction to consider the following:

- 1. Disputes arising between merchants due to their main or supporting business activities.
- 2. Cases filed against a merchant in commercial contract disputes if the original

- claim exceeds 100,000 riyals. The Council may, if necessary, raise the limit of such amount.
- 3. Disputes between partners in a *Mudaraba* company.
- 4. Claims and violations arising from the implementation of the Companies Law
- 5. Claims and violations arising from the implementation of the Bankruptcy Law.
- 6. Claims and violations arising from the implementation of intellectual property laws.
- 7. Claims and violations arising from the implementation of other commercial laws.
- 8. Cases and claims related to appointed judicial receivers, trustees, liquidators, or experts, and the like, if the dispute is related to cases falling under the jurisdiction of the court.
- 9. Claims for compensation for damages arising from a previous ruling issued by the court.

- 1. Where this Law is silent and unless the parties agree otherwise in writing, the commercial court having jurisdiction over the dispute shall be the court within whose jurisdiction the defendant's domicile is located. If the defendant does not have a domicile in the Kingdom, the jurisdiction over the dispute shall be with the court within whose jurisdiction the plaintiff's domicile is located. A claim may be brought before the commercial court having jurisdiction over the place where the contract was concluded, executed, or intended to be executed.
- 2. In claims pertaining to companies, the commercial court having territorial jurisdiction over the dispute shall be the court within whose jurisdiction the company's headquarters is located, irrespective of whether the claim is filed against the company; by the company against one of its partners; by one partner against another; or against a manager or board member. The claim may be filed with the court having jurisdiction over a company's branch if the dispute arises from a contract concluded with said branch.

#### Article 18

The commercial court may, independent from other motions, rule on lack of subject-matter jurisdiction within a period not exceeding 20 days from the motion date.

# Part 3: Claim Registration

#### Article 19

 In claims determined by the Regulations, a plaintiff shall require the defendant in writing to satisfy the claim at least 15 days prior to initiation of legal proceedings.

- 2. Parties to a commercial transaction, prior to registering a claim and under the commercial court's supervision, may:
  - a) engage in mediation and reconciliation procedures;
  - b) exchange documents and memoranda; and
  - c) hold meetings to set forth claims, defenses, and evidence.

The Regulations shall determine the provisions for implementing this paragraph, including procedures for documenting actions taken.

## Article 20

- A claim shall be filed with the commercial court by means of a statement of claim registered therewith. The Regulations shall specify the claims to be filed by a lawyer.
- 2. The statement of claim shall include:
  - a) particulars and addresses of the parties and their representatives and their capacities, as well as the data and documents determined by the Regulations; and
  - b) a list of demands and grounds therefor.
- 3. A statement of claim shall not include unrelated demands.

#### Article 21

- 1. The relevant department of the commercial court shall register the statement of claim if it meets the requirements stipulated in Article 20 of this Law.
- 2. If the department does not register the applicant's claim for being incomplete and the applicant is notified thereof, the applicant shall complete the requirements within 15 days from the date of notification. If the claim is registered upon satisfaction of the requirements, the claim shall be deemed registered as of the date of submission. If the applicant fails to complete the requirements within said period, the application shall be deemed null and void. In all cases, the department shall record the date of submitting the application for registration.
- 3. An applicant whose application for registration is declined may appeal before the chief judge of the commercial court within 15 days from the date of being notified thereof. The chief judge or his designee from among court judges, shall decide on the appeal, and his decision shall be final.

# Article 22

- 1. The relevant department shall refer cases and claims to the circuits in accordance with the Regulations, set a hearing date, and notify the defendant immediately after referral.
- A defendant shall, except in summary petitions, register with the commercial court a defense memorandum that includes his response to the claim and all his defenses, evidence, and demands at least one day before the scheduled hearing.

The relevant department of the commercial court shall prepare the case by undertaking the following:

- 1. Ensuring completion of case documents.
- 2. Notifying the parties.
- 3. Exchanging memoranda and documents.
- 4. Preparing an initial report on the case.

The Regulations shall determine the implementation of this Article.

# Article 24

Absent a specific provision, the statute of limitations for claims falling under the jurisdiction of the commercial court shall be five years from the date of the cause of action, unless the defendant confirms the claim or the claimant presents an acceptable justification to the court.

# Part 4: Consideration of the Case

#### Article 25

- 1. Cases shall be distributed among the members of a circuit according to procedures set by the Council.
- 2. Court proceedings and pleadings shall be in writing; however, the circuit may hear the statements by the parties orally. The parties may request the commercial court to hear an oral summary of their statements and defenses at the conclusion of their pleadings, and the court shall record the same in the hearing record.
- 3. The Regulations shall determine the cases where the pleadings must be brought by a lawyer.

#### Article 26

If any of the parties unjustifiably fails to satisfy the requirements made by the commercial court within the specified time, the court may:

- 1. impose the fine stipulated in Article 13(1) of this Law; its decision in this regard shall be final; or
- 2. reject the party's responses and counterclaims.

- The Regulations shall determine the number and type of hearings, as well as procedures for their scheduling and recording, and reasons for adjournment.
- 2. A hearing may not be adjourned, except for a reason necessitating such adjournment which shall be entered into the record. A hearing may not be adjourned for the same reason more than once.

- 1. The circuit may appoint one of its judges to prepare the case for pleadings, including the following:
  - a) Ensuring completion of memoranda and documents, summoning the concerned parties to confirm the veracity of facts, as well as the joining and admission of a party to a case.
  - b) Preparing a summary of the case.
- 2. The commercial court or the judge in charge of preparing the case may require exchange of memoranda and documents between the parties, or grant them permission to submit the same to the relevant department.
- 3. The provisions of Article 26 of this Law shall apply to the procedures for case preparation and exchange of memoranda.

## Article 29

- The clerk shall draft the hearing record under the supervision of the presiding judge. The Regulations shall specify the information to be included in the record.
- 2. If the parties agree on reconciliation before the circuit, such agreement shall be established in the hearing record which shall be signed by the parties and approved by the presiding judge. The hearing record shall be deemed an enforcement document, and a copy thereof shall be delivered according to the procedures for service of court orders. The case shall terminate upon such agreement.
- 3. The parties to the case, or their designees, may have access to case documents or obtain copies thereof.

# Part 5: Appearance and Absence of Litigants

- If a process is served to a defendant in person, or to his representative, or if either of them appears before the commercial court at any hearing, or submits a defense memorandum, the hearing shall be deemed to have been conducted in the presence of the defendant, even if he fails to appear thereafter.
- 2. If a defendant or his representative was not served in person and fails to appear before the court, the court shall adjourn the hearing to a subsequent date, and serve the defendant thereof. If the defendant or his representative was not served in person for the second time and fails to appear, the court shall rule on the case, and its ruling against the defendant shall be deemed to have been rendered in his presence.
- 3. In all cases, a process served to a legal person in accordance with this Law shall be deemed a service in person.
- 4. The Regulations shall specify the cases where a process is deemed not to have been served in person.

- 1. If a claimant fails to appear at any hearing without a reason acceptable to the commercial court, the court may rule on the case at the request of the defendant if the case is ripe for judgment, and such ruling shall be deemed to have been rendered in the presence of the claimant; if not, the court may dismiss the case without prejudice. A claimant may request the court to proceed with the case within 30 days from the date of said dismissal. If the claimant does not file a petition to proceed with the case within said period or if he fails to appear before the court after reopening the case, the court shall, upon its own motion, issue a ruling considering the case to have not been filed.
- 2. Paragraph (1) of this Article shall not apply to any hearing the court sets after the closing of arguments.

## Article 32

For the application of the provisions of this Part, a person shall not be deemed absent if he appears prior to the end of the scheduled time of the hearing. The Regulations shall determine the provisions governing the duration of hearings and appearance of parties.

# **Part 6: Summary Petitions**

## Article 33

A circuit of first instance may, pursuant to a decision by the Council, be established at the commercial court, and shall be composed of a single judge with jurisdiction to consider summary petitions and other petitions determined by the Council.

# Article 34

A summary petition shall be referred to the competent circuit immediately after filing, and shall be decided upon within a period not exceeding three working days from the date of referral. A summary petition may, if necessary, be decided on in the presence of the applicant and without the presence of the other party.

- 1. A court ruling issued with regard to summary petitions shall expire in the following cases:
  - a) If the party in whose favor the ruling is issued fails to file the original claim within seven days from the date of issuance.
  - b) If the claimant abandons the case, or the commercial court issues a ruling considering the case to have not been filed, in accordance with this Law.
  - c) If no judgment in favor of the claimant is rendered on the original petitions in the case related to the summary petition.

- 2. Any concerned party may petition revocation of the court ruling issued with regard to a summary petition in the following cases:
  - a) The state of urgency ceases to exist.
  - b) Suspension of case proceedings at the request of the litigants.
  - c) Discontinuance of case proceedings.
  - d) Dismissal of the case.

The procedures for considering summary petitions shall apply to revocation petitions.

# **Article 36**

Summary petitions shall apply to:

- 1. inspection to verify an existing state;
- 2. travel ban;
- 3. suspension of new actions;
- 4. receivership;
- 5. provisional seizure;
- 6. collection of a sample of a product;
- 7. seizure of certain documents;
- 8. prevention or permission of disposition; and
- 9. petitions deemed urgent under commercial laws.

# Article 37

The commercial court may, upon considering a summary petition, require a security to indemnify the defendant in case the claimant's claim is found to have no merit. A ruling indemnifying the defendant shall be rendered along with the ruling on the subject matter.

# Part 7: Evidence

# **Chapter 1: General Provisions**

- 1. Absent a specific provision in commercial laws, the provisions of this Chapter shall apply to evidentiary procedures in cases falling within the jurisdiction of the commercial court.
- 2. No specific evidentiary form shall be required to prove liability, unless the parties agree otherwise.
- 3. The court may acknowledge evidentiary procedures applied in a foreign country, provided that such procedures do not violate public policy.
- 4. Without prejudice to public policy, if the parties agree on specific evidentiary rules, the court shall validate their agreement.

5. Where this Law is silent, the parties may agree on shifting the burden of proof.

## Article 39

The commercial court may, pursuant to a decision established in the hearing record, abandon the evidentiary procedures it has ordered or disregard their outcomes; in such cases, the court shall provide justification.

# **Chapter 2: Admission**

## Article 40

- 1. An admission shall be deemed judicial if a party admits before the commercial court the occurrence of an incident relating to a case being considered thereby.
- 2. The provision of paragraph (1) of this Article shall apply to any admission made during the procedures for preparation of the case or exchange of memoranda.
- 3. The court may deduce judicial admission from written evidence submitted in a case under its consideration.

## **Article 41**

The commercial court may assess non-judicial admissions based on procedures taken to authenticate such admissions.

# **Chapter 3: Writing**

## Article 42

- 1. A party shall be bound by the statements he provides in official documents, unless proven false.
- 2. An ordinary paper shall be deemed to have been issued by the person to whom it is ascribed, unless he explicitly denies that the handwriting, signature, seal, or fingerprint therein belongs to him.

- A copy of a document shall be deemed an identical copy unless disputed by a concerned party; in such case, the copy shall be compared against the original.
- 2. A copy of a document disputed by a concerned party which cannot be compared against the original may be used as presumptive evidence if:
  - a) it is kept with a government agency;
  - b) its data is recorded with a government agency;

- c) the litigant argues its content before denying its authenticity; or
- d) it is supported by another proof.

Correspondence, whether signed or proven to belong to its sender, shall be deemed an ordinary paper, unless the sender proves that he neither sent the message nor assigned another person to send it.

#### Article 45

A creditor shall be bound by a handwritten and unsigned indorsement he makes on a deed of debt indicating the debtor's clearance of debt, unless proven otherwise.

#### Article 46

- 1. A party shall have the right to request or have access to case-relevant documents in possession of the other party if such documents are:
  - a) clearly defined per se or by their type;
  - b) related to a commercial transaction or lead to the truth therein; and
  - c) non-confidential in nature.
- 2. If a party declines to comply with the commercial court's order to provide the other party with the requested documents in accordance with paragraph (1) of this Article, the court may deem his decline a presumption.
- 3. The court, at the request of any of the parties, may:
  - a) order the joinder of another party to provide a case-related document in his possession; and
  - b) order any government agency to provide case-related information or documents in its possession, without prejudice to relevant laws.

## Article 47

Any concerned party may file a petition with the commercial court to recover a document he claims belongs to him or to prove that the purpose of such document ceases to exist. The court shall order recovery of said document in accordance with Part 7 of this Law.

# **Chapter 4: Testimony**

- 1. The commercial court shall assess the testimony given by witnesses based on their integrity, behavior, and conduct, as well as other case circumstances, without the need to attest witnesses.
- 2. If a testimony does not correspond to the facts of the case, or if the witnesses'

testimonies do not match with one another, the court may only accept the parts it deems to be true.

## Article 49

- 1. Testimony may be provided by the parties in writing.
- 2. A witness shall, prior to giving his testimony, disclose any relationship with the parties to the case that may affect his testimony or any interest therein.

#### Article 50

- 1. The commercial court may, on its own motion, direct to the witness questions it deems conducive to revealing the truth.
- 2. The litigant may directly question a witness in accordance with rules set by the Regulations.

#### Article 51

The Regulations shall determine the provisions relating to the use of modern methods for hearing testimonies and the process for notarizing them prior to filing the case.

# **Chapter 5: Oath**

# Article 52

- A party may request that the other party take an oath. The commercial court may deny the party's request if it decides that there are no grounds therefor, or if evidence submitted by the requested party is sufficient to support his defense.
- 2. The court may, on its own motion, order any of the parties to take an oath.
- 3. The Regulations shall determine the provisions of requesting and of taking an oath.

# Article 53

If the commercial court rules on the case based on the refusal of any of the parties to take an oath upon request, such party shall not be permitted to take an oath thereafter.

# **Chapter 6: Cross-examination**

## Article 54

Any party may directly examine the other party in accordance with rules and procedures set by the Regulations.

# **Chapter 7: Electronic Evidence**

# Article 55

- 1. Electronic evidence may be deemed acceptable proof to substantiate facts, and the Regulations shall determine the methods for verification and submission thereof.
- 2. Electronic evidence shall include:
  - a) electronic documents;
  - b) electronic media;
  - c) means of communication;
  - d) e-mails;
  - e) electronic records; and
  - f) any electronic evidence to be determined by the Regulations.

# **Chapter 8: Expert Witness**

#### Article 56

The Minister shall, in coordination with the Council, issue rules relating to the testimonies of expert witnesses before the commercial court, provided they include the following:

- 1. Procedures for selecting and engaging expert witnesses.
- 2. Assessment of fees and expenses of expert witnesses.
- 3. Duties and scope of work of expert witnesses.
- 4. Monitoring of the work of expert witnesses.
- 5. Procedures for the court's expert witness departments.

# **Chapter 9: Commercial Custom**

# **Article 57**

Absent a specific provision and where there is no agreement between the parties, commercial custom or common practice between the parties may apply. The party arguing a custom or practice shall bear the burden of proving its existence.

# **Part 8: Issuance of Judgments**

# **Article 58**

- 1. The commercial court may declare the closing of arguments in the case if the parties have provided their closing arguments or have been granted the opportunity to complete their claims and defenses in accordance with this Law and if the case is ripe for judgment. No further arguments shall be allowed, unless a reasoned decision is issued and entered into the hearing record.
- The court may, upon closing of arguments in the case, permit the parties to submit supplementary memoranda to complete or elaborate on earlier submissions.

#### Article 59

- 1. Deliberations of judgments among judges shall be in confidence. If the commercial court decides to hear the claim and the defense verbally, the judges who attended the hearing must take part in the deliberations.
- 2. Judgments shall be issued by majority opinion and shall be deemed issued by the circuit; dissenting opinions shall be provided with justification.

# Article 60

- 1. The commercial court shall, upon pronouncing the judgment, deposit in the case file a draft of the judgment pronouncement and reasoning signed by the judges. However, the court may pronounce the judgment without depositing such draft in the case file, as determined by the Regulations.
- 2. If the court decides to defer the pronouncement of the judgment, it shall declare its decision at the hearing and enter the reason therefor into the hearing record, and shall set another date to pronounce the judgment. In all cases, pronouncement of the judgment may not be deferred more than once.

#### Article 61

Subject to Article 59 of this Law, a judgment shall be pronounced in an open hearing and must be attended by the judges who took part in the deliberations. The absence of a judge who has signed the draft judgment shall not preclude the commercial court from pronouncing the judgment.

A date to deliver a copy of the judgment shall be set after the judgment is pronounced, provided such date does not exceed 20 days from the date of pronouncement.

- 1. A copy of the judgment shall indicate:
  - a) the issuing commercial court and circuit, date of issuance, and judges who took part in the judgment;
  - b) names and capacities of the parties;

- c) a summary of the facts of the case and claims and primary defenses of the parties; and
- d) judgment reasoning and pronouncement.
- 2. The original copy of the judgment shall be signed by the head of the circuit, the judges who took part in the judgment, and the clerk, and shall be deposited in the case file prior to the date set for the delivery of a copy thereof.
- 3. The Regulations shall determine the decisions and orders that require only entering the results of the deliberations into the case record.

A non-enforceable copy of the judgment shall be signed by the officer in charge, sealed with the commercial court's seal, and delivered to any concerned party that requests such copy, in accordance with the Regulations.

# Article 64

An enforceable copy of the judgment shall be appended by the enforcement statement, signed by the court officer in charge, sealed with the commercial court's seal, and delivered only to the party seeking to enforce the judgment.

The court may, in the cases requiring expeditious execution, order the enforcement of a judgment by virtue of its draft.

#### Article 65

- 1. The commercial court's judgments or orders shall be subject to expeditious execution in the following cases:
  - a) If the judgment or order is issued in an urgent case.
  - b) Debt satisfaction orders according to the provisions of this Law.
- 2. The court may, upon the request of the party in whose favor the judgment is rendered, decide to expeditiously enforce the judgment in the following cases:
  - a) If delayed enforcement would result in grave damage.
  - b) If the judgment is based on admission of the claimed right or based on an ordinary paper not disputed by the person against whom the judgment is rendered.

## Article 66

The commercial court rendering the final judgment shall consider petitions for correction or interpretation of judgments or orders.

# Part 9: Debt Satisfaction Orders

#### Article 67

Notwithstanding the general rules of filing cases, a creditor may file with the commercial court a petition to issue a debt satisfaction order if the debt is:

- 1. established in writing;
- 2. due; or
- 3. a fixed amount of money, a specified movable in type and amount, or unequivocally defined.

#### Article 68

A creditor shall serve the debtor a written notice to satisfy the debt at least five days prior to filing a petition with the commercial court to issue a debt satisfaction order. The notice shall include the date on which the creditor intends to file the petition.

## Article 69

A petition for a debt satisfaction order shall include:

- 1. facts and grounds thereof and the debtor's full name and address;
- 2. proof of delivery of a notice for satisfaction of debt; and
- 3. any other information determined by the Regulations.

#### Article 70

The circuit shall decide on the petition by an order issued within 10 days from the petition filing date. The order shall indicate the debt, be it an amount of money or a movable. If the circuit denies the petition, its decision shall be deemed final, without prejudice to the creditor's right to file a case in accordance with applicable rules.

- A debtor may, in accordance with the applicable procedures for filing a case, appeal the debt satisfaction order before the competent court within 15 days from the date of notification, provided such appeal is reasoned. The appellant shall be deemed a claimant, and the rules and procedures for considering a case shall apply to considering an appeal.
- 2. The commercial court may, pursuant to a reasoned decision, stay the expeditious enforcement of the debt satisfaction order if petitioned and if enforcement of the judgment may result in grave damage.

# Part 10: Appeals

# **Chapter 1: General Provisions**

## Article 72

Absent a specific provision, the procedures applied in circuits of first instance shall apply to appellate circuits and the commercial circuit at the Supreme Court; this shall include the provisions related to:

- 1. procedures governing appearance of parties;
- 2. procedures for case preparation; and
- 3. procedures for rendering judgments.

# Article 73

The Regulations shall determine the appeals to be filed by a lawyer.

# **Article 74**

- 1. Unless this Law stipulates otherwise, only the party against whom a judgment is rendered or whose petitions are not fully granted may appeal the judgment.
- 2. The parties may agree, even prior to filing a case, that the judgment issued by the circuit of first instance be final.
- 3. Appeals to judgments which are issued prior to deciding on the case and which do not fully or partially end the dispute shall be filed in conjunction with the appeal to judgment on the merits.

However, a party may, prior to the issuance of a judgment on the merit, appeal against judgments staying the case and against judgments relating to lack of jurisdiction, case hearing, and invocation of arbitration clause, as well as provisional and summary rulings.

- 4. Appeals against judgments to which expeditious enforcement applies shall not result in a stay of execution.
- 5. The appellant shall not be harmed by his appeal.

# Article 75

In cases of appeal, notices shall be served to the address registered in the case file

- 1. A copy of the judgment rendered on an appeal shall, in addition to the basic information stipulated in Article 62 of this Law, include:
  - a) a summary of the appeal which includes: petitions of the appellant, pronouncement of the judgment, grounds of the appeal, and claims in the original case; and

- b) a response to the primary defenses in the appeal, unless such response is already included in the appealed judgment.
- 2. The facts and reasoning of the appealed judgment may be cited if they are sufficient for citation.

Final judgments, which have acquired *res judicata*, shall have the authority to end the dispute; such judgment shall have such authority only if the dispute involves the same parties with the same capacity and relates to the same subject matter. The commercial court shall cite this authority on its own motion.

# **Chapter 2: Appeal**

## Article 78

- Absent a specific provision, all judgments and decisions issued by the circuits of first instance at the commercial court shall be appealable, except for judgments in cases which do not exceed 50,000 riyals, as determined by the Council.
- 2. The Council shall determine the judgments the appeals of which are reviewed without hearings.
- 3. If the judgment reviewed without a hearing, as specified in paragraph (2) of this Article, is consistent with its reasoning, the court shall affirm such judgment and may add additional reasoning; however, if the court revokes such judgment, it shall rule on the revoked part after conducting a hearing thereon. In all cases, the court shall not uphold a judgment or render a judgment after the revocation, except in an open hearing of which the parties are notified.

# Article 79

- 1. Judgments may be appealed within 30 days from the date specified for delivery of the copy of the judgment.
- 2. Judgments on lack of jurisdiction and judgments in urgent cases may be appealed within 10 days from the date specified for delivery of the copy of the judgment.
- **3.** The relevant department shall refer the appeal stipulated in paragraph (2) of this Article on the day following the date of filing to the appellate circuit which shall decide thereon within five working days from the date of receipt.
- 4. A final judgment rendered on the territorial or subject-matter jurisdiction of the commercial court may not be appealed.

#### Article 80

The appellate circuit of the commercial court composed of a single judge shall have the jurisdiction to consider:

1. appeals to judgments and decisions issued by circuits of first instance

composed of a single judge relating to urgent cases and petitions;

- 2. appeals to debt satisfaction orders issued under this Law;
- 3. appeals to judgments of case termination or abandonment; and
- 4. other appeals determined by the Council.

#### Article 81

- An appeal shall be filed by means of a memorandum deposited by the appellant or his representative with the relevant department. Said memorandum shall include particulars of the appealed judgment, grounds for appeal, claims of the appellant, and any other information determined by the Regulations.
- 2. The relevant department shall register the petition for appeal; set, as the case may be, a date for its hearing immediately after filing; refer it to the appellate circuit along with the case file; and notify the appellee of the memorandum of the appeal.

# Article 82

- An appeal shall restore the case to the status it had prior to the issuance of the judgment in relation to the appealed parts thereof. The commercial court shall review the appeal on the basis of the submissions made to the circuit of first instance that rendered the judgment and any pleadings and defenses the court accepts.
- 2. Subject to paragraph (1) of this Article, a judgment ending the dispute may be appealed along with all previous rulings issued in the same case.
- 3. New demands may not be accepted in the appeal, and the court of appeals shall have the jurisdiction not to accept such demands; however, additional damages, profits, or payments which became due after the final demands were submitted may be added to the original petition.

# Article 83

An appellee may, prior to closing of arguments, file a counter appeal which shall be linked to the original appeal, in accordance with the applicable procedures or by a memorandum that includes grounds for his appeal.

# Article 84

If an appellant fails to appear at the scheduled hearing, the commercial court may:

- 1. rule on the appeal if the case is ripe for judgment or if the appellee so requests; and
- 2. adjourn the hearing for a period not exceeding 30 days. If the appellant fails to appear again, it shall, on its own motion, rule on the appeal as null and void.

#### Article 85

1. An appellate circuit shall, in case of revoking the judgment in the original petition, refer the case back to the circuit of first instance to decide on

alternative demands.

2. If an appellate circuit revokes a judgment relating to lack of jurisdiction, inadmissibility to review a case, non-hearing of a case due to the lapse of the statutory period, dismissal of a case in form, or admission of a partial defense ending court proceedings, it shall refer the case back to the issuing circuit to rule on the subject matter.

# **Chapter 3: Motion for Reconsideration**

## Article 86

A motion for reconsideration of final judgments, rendered pursuant to this Law, may be filed in the cases provided for in the Law of Civil Procedure.

#### Article 87

A motion for reconsideration shall be made by means of a memorandum filed by the petitioner or his representative with the commercial court that rendered the final judgment, in accordance with applicable case-filing procedures. Such memorandum shall contain the particulars of the judgment sought to be reconsidered, a summary thereof, and the grounds for said motion.

# **Chapter 4: Cassation**

# Article 88

The commercial circuit at the Supreme Court shall have jurisdiction to review appeals to judgments and decisions made by appellate circuits if the subject of the appeal is:

- 1. a violation, misapplication, or misinterpretation of the provisions of Sharia or law, or a breach of any of the Supreme Court judicial principles;
- 2. a judgment rendered by an incompetent court, or by a court not properly formed in accordance with the law;
- 3. a fault in characterizing or describing a case; and
- 4. a rendered judgment that ended a dispute in contrary to a previous judgment involving the same parties.

# **Article 89**

An appeal before the Supreme Court shall not result in a stay of execution. The Supreme Court may, however, order a stay of execution if requested in the memorandum of appeal and if it deems the execution of said judgment would result in irreparable harm.

A circuit judge shall review the appeal, prepare a brief report indicating the grounds for the appeal and responses thereto, and submit the same to the circuit. If the circuit decides that the appeal is inadmissible or unacceptable due to the lapse of the period set for appeal, or to the fact that it was based on grounds other than those stipulated in this Law, it shall dismiss such appeal pursuant to a reasoned decision to be entered in the hearing record.

If the circuit determines that the appeal has merit, it shall set a hearing for considering it; in such case, the circuit may order the parties to exchange memoranda.

#### Article 91

The circuit may, if necessary, hold a hearing session where the parties can present their defenses orally. The parties may not provide reasons other than those stated in the appeal papers, unless such reasons pertain to public policy. The circuit may, as an exception, permit the parties to submit complementary memoranda if it is necessary for deciding the appeal, and shall set a date for the submission thereof.

# Article 92

If a circuit revokes an appealed judgment on grounds of lack of jurisdiction, it shall decide on the jurisdiction, and shall, if necessary, refer the case to the competent court.

If the circuit revokes the judgment for other reasons, it shall refer the case to the court that issued the appealed judgment to rule anew thereon by a different judge. In such case, the court to which the case is referred shall follow the same principle set by the Supreme Court in deciding such case.

If the court, however, decides to revoke the appealed judgment and the case is ripe for judgment, it shall issue a ruling thereon.

## Part 11: Final Provisions

# Article 93

Where this Law is silent, the Law of Civil Procedure shall apply to cases falling under the jurisdiction of the commercial court, taking into account the nature of commercial cases.

- 1. The Council shall issue rules for appointing judges to commercial courts.
- 2. The relevant department at the Ministry shall publish commercial judgments upon becoming final, and may outsource the same to the private sector pursuant to a decision by the Minister.

3. A unit for commercial judiciary studies shall be established at the Ministry to be composed of a number of judges, specialists, and researchers. Such unit shall conduct studies and research on commercial judiciary, follow up on the requirements to enforce this Law and its Regulations, and provide opinion on issues and matters referred thereto.

# Article 95

The Minister shall, in coordination with the Council, issue the Regulations and the decisions necessary for the implementation of this Law. The Regulations and the decisions shall be published in the Official Gazette and shall enter into force thereafter.

#### Article 96

This Law shall enter into force 60 days following its publication in the Official Gazette, and shall repeal any provisions conflicting therewith.