

# Competition Law

## Article One:

This Law aims to protect and encourage fair competition and combat monopolistic practices that affect lawful competition.

## Article Two:

Whenever they occur in this Law, the following terms shall have the meanings expressed next to them unless the context indicates otherwise:

**Firm:** Factory, corporation or company owned by natural or corporate person(s), and all groupings practicing commercial, agricultural, industrial or service activities, or selling and purchasing commodities or services.

**Market:** Place or means where a group of current and prospective buyers and venders meet during a specific period of time.

**Domination:** A situation where a firm or a group of firms are able to influence the market prevailing price through controlling a certain percentage of the total supply of a commodity or service in the industry of its business. The Regulations shall specify this percentage according to criteria which include the market structure, the easiness of market entry by other firms, and any other criteria determined by the Council.

**Merger:** Amalgamating a firm with another or the amalgamation of two or more firms into a new one.

**Council:** Council of Competition Protection.

**Ministry:** Ministry of Commerce and Industry.

**Minister:** Minister of Commerce and Industry.

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

## Article Three:

Provisions of this Law shall apply to all firms working in Saudi markets except public corporations and wholly-owned state companies.

## Article Four:

Practices, agreements or contracts among current or potential competing firms, whether the contracts are written or verbal, expressed or implied shall be prohibited, if the objective of such practices, agreements or contracts, or consequent impact thereof is the restriction of commerce or violation of competition among firms. A firm or firms enjoying a dominant status shall also be banned from carrying out any practice which restricts competition among firms, in accordance with the conditions and rules specified in the Regulations, especially the following:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

(a)

- (b)
- (c)
- (d)
- 7.
- 8.

The Council may choose not to apply provisions of this Article to practices and agreements in violation of competition which are believed to improve the performance of firms and realize a benefit for the consumer exceeding the effects of restricting freedom of competition, as specified by the conditions and rules in the Regulations.

#### Article Five:

A firm enjoying a dominant status shall be banned from any practice restricting competition, as specified by the Regulations, including:

- 1.
- 2.
- 3.
- 4.

#### Article Six:

- 1.
- 2.
- 3.
- 4.

#### Article Seven:

The firm referred to in Article Six of this Law may complete the procedures of merger, acquisition or combining two or more managements into one joint management in the following cases:

- 1.
- 2.
- 3.

#### Article Eight:

- 1.
- 2.
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3. The term of membership in the Council shall be four years renewable for one term. The Council member shall remain in his post upon expiration of his term until a successor is appointed.

4. The Council shall convene headed by the chairman or whomever he deputizes of the members and with the attendance of two thirds of the members. Council's decisions shall be taken by majority vote, and in case of equal votes, the chairman shall have the casting vote.

5. Council members may not disclose any information they obtain as a result of their membership in the Council.

6. A Council member may not participate in the deliberation of any case or subject matter in which he has an interest or with which he has a relation, or if he is related by blood or marriage to any of the parties involved, or if he has represented any of the parties concerned.

#### Article Nine:

Subject to provisions of other laws, the Council shall have jurisdiction over the following tasks:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.

Article Ten:

The Council shall have a general secretariat presided over by a secretary general of the Fifteenth Grade. The Council shall be provided with all necessary facilities and specialized experts.

Article Eleven:

- 1.
2.
  - (a)
  - (b)
- 3.
- 4.
- 5.

Article Twelve:

Without prejudice to any harsher punishment provided by any other law, each violation of the provisions of this Law shall be subject to a fine not exceeding five million riyals, to be multiplied in case of recurrence. Judgment publication shall be at the expense of the violator.

Article Thirteen:

Any person disclosing a secret related to his job shall be punished according to provisions of paragraph (5) of Article Eleven of this Law. Anyone realizing a benefit directly or indirectly shall be subject to a fine not exceeding five million riyals or imprisonment for a period not exceeding two years or to both of them.

Article Fourteen:

Punishments referred to in Articles Twelve and Thirteen shall be determined on a case by case basis according to the violation committed and the gravity thereof.

Article Fifteen:

- 1.
- 2.
- 3.
- 4.

Article Sixteen:

Without prejudice to provisions of Article Twelve of this Law, the Council may issue a decision to take one or more of the following measures, if a violation of one of the provisions of this Law has been established:

- 1.
- 2.
- 3.

Article Seventeen:

Anyone against whom the Council has issued a decision may appeal that decision in accordance with the Law of the Board of Grievances and its regulations.

### Article Eighteen:

Any natural or corporate person subjected to harm resulting from practices prohibited under provisions of this Law may apply for compensation before the competent judiciary.

### Article Nineteen:

Within one year from the date of publication of this Law, all firms covered hereby shall rectify their status to make them conform to the provisions hereof.

### Article Twenty:

The Council shall issue the Implementing Regulations of this Law within ninety days from its publication, and they shall come into effect at the time this Law goes into effect.

### Article Twenty One:

This Law shall be published in the Official Gazette, and shall take effect after one hundred and eighty days from the date of its publication, with the exception of the provisions related to the formation of the Council and its jurisdiction, which shall be effective from the date of publication of this Law.