



شعبة الترجمة الرسمية
Official Translation Department

Anti-Concealment 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.



National Center for Archives & Records



Anti-Concealment Law

Chapter 1: Definitions

Article 1

In this Law, the following terms and phrases shall have the meanings assigned thereto:

Law: Anti-Concealment Law.

Regulations: Implementing regulations of the Law.

Ministry: Ministry of Commerce.

Minister: Minister of Commerce.

Non-Saudi: A natural or legal person who does not hold Saudi citizenship and is not treated as a holder thereof.

Economic Activity: Any for-profit activity that requires approvals or licenses from the competent authorities, be it an investment or service provision activity, or commercial, professional, industrial, agricultural, or otherwise.

Proceeds: Any funds directly or indirectly generated or acquired, in the Kingdom or abroad, by committing any of the offenses provided for in Article 3(a) and (b) of this Law, including funds that are exchanged or converted in whole or in part to funds of a similar nature.

Provisional Seizure: Temporary ban on the transport, transfer, exchange, disposal, or movement of funds, or the seizure thereof, pursuant to an order issued by the criminal court or competent authority.

Chapter 2: Offenses and Violations

Article 2

In this Law, concealment shall mean an agreement or arrangement whereby a person enables a non-Saudi to practice an economic activity in the Kingdom that he is not licensed to practice by using the license or approval issued in his favor.

Article 3

The following acts shall be deemed offenses under this Law:

- a) A person who, for his benefit, enables a non-Saudi to practice in the Kingdom an economic activity he is not licensed to practice, whether by enabling him to use his name, license or approval, commercial register, trade name, or the like.



- b) A non-Saudi who practices in the Kingdom an economic activity he is not licensed to practice, for his benefit, through a person who enables him to do so.
- c) Participating in the commission of the two offenses provided for in paragraphs (a) and (b) of this Article. Any person who knowingly incites, assists, or provides advice to another person to commit an offense shall be deemed an accomplice therein if the offense is committed or continues to be committed based on such incitement, assistance, or advice.
- d) Obstructing or preventing officers in charge of enforcing this Law from performing their duties, including failure to disclose information or providing false or misleading information.

Article 4

The following acts shall be deemed violations under this Law:

- a) An entity illegally granting a non-Saudi the means which allow him to have unrestricted authority over such entity.
- b) A non-Saudi illegally possessing or using any means which allow him to have unrestricted authority over an entity.
- c) An entity using a bank account other than its own for its economic activity transactions.
- d) The Regulations shall determine the provisions relating to this Article, taking into account the cases where the granting or possession of said means is made in good faith.

Chapter 3: Recording, Investigation, and Trial

Article 5

- 1. The Ministry shall have the jurisdiction to monitor, receive reports, and record the offenses and violations provided for in this Law.
- 2. The Public Prosecution shall have the jurisdiction to investigate and prosecute the offenses provided for in this Law.
- 3. The criminal court shall have the jurisdiction to consider and rule on the offenses provided for in this Law.
- 4. Pursuant to a decision by the Minister, a committee shall be formed of at least three members, provided that the chairman and at least one member are legal specialists. The committee shall review any violations of the provisions of Article 4 and impose the penalties stipulated in Article 14 of this Law. The committee's work procedures and the remunerations of its members and secretariat shall be determined pursuant to a decision by the Minister.

Article 6

- 1. The offenses and violations provided for in this Law shall be recorded by officers from the Ministry; the Ministry of Municipal and Rural Affairs; the Ministry of Human Resources and Social Development; the Ministry of



- Environment, Water, and Agriculture; the General Authority of Zakat and Tax; and other relevant agencies; said officers shall be appointed pursuant to a decision by the Minister upon being nominated by their respective agencies and shall have the capacity of preliminary investigation officers.
2. The Regulations shall determine the criteria for nominating officers who will be granted the capacity of preliminary investigation officers.
 3. Officers having the capacity of preliminary investigation officers shall, individually or collectively, conduct inquiries, gather evidence, carry out pre-investigation procedures, and record offenses and violations provided for in this Law; such officers shall have the following powers:
 - a) Entering and inspecting the suspected entity and its offices, branches, and warehouses, as well as searching its vehicles; such action shall include any site where an economic activity is practiced.
 - b) Inspecting and seizing the suspected entity's records, data, and documents.
 - c) Accessing the entity's surveillance camera recordings.
 - d) Requesting any person or agency to disclose and provide information relating to the entity's activities.
 - e) Sealing sites and safes that cannot be accessed until after being inspected.
 - f) Summoning suspects and persons who have information that may be useful in uncovering an offense or violation and recording their statements.
 - g) Seeking the assistance of the police and relevant agencies, if necessary.
- Any person having the capacity of a preliminary investigation officer shall present proof thereof when exercising such powers.
4. The Regulations shall determine the rules and procedures which the officers must adhere to when performing their duties and when exercising the powers stipulated in this Article.
 5. Recording procedures shall be confidential, and the entity's information, records, data, and documents may not be disclosed or revealed except for work purposes, in accordance with relevant laws and rules.
 6. Rules relating to granting financial rewards to officers who uncover the offenses and violations provided for in this Law shall be issued pursuant to a resolution by the Council of Ministers upon the Minister's recommendation.

Article 7

The offenses and violations provided for in this Law shall be established by all means of proof, including electronic evidence.

Article 8

1. The Ministry may request the Public Prosecution to impose a travel ban on any person suspected of committing any of the offenses provided for in this Law; the rules and cases of which shall be determined by the Regulations.
2. Without prejudice to the rights of bona fide third parties, the Public Prosecution may, at its own discretion or upon the request of a preliminary investigation officer, order a provisional seizure of funds that may become



subject to confiscation for a period not exceeding 60 days if it suspects that any of the offenses provided for in this Law is committed. Such period may be extended pursuant to an order by the criminal court. Upon issuance of the order, the concerned party shall be notified thereof.

3. The Public Prosecution may, upon issuing the provisional seizure order, keep the seized funds under the control of the interested party or any other party, or request the criminal court to issue an order to move such funds into the custody of a competent authority for protection.

Chapter 4: Penalties

Article 9

1. Without prejudice to any penalty stipulated in any other law, a person committing any of the offenses provided for in this Law shall be punished by imprisonment for a term not exceeding five years and a fine not exceeding five million riyals, or by either penalty. Upon determining the penalty, the extent and revenues of the economic activity subject of the offense, the period of practicing said activity, and the impact of the offense shall be taken into consideration.
2. If the offense is repeated, the penalties stipulated in this Law shall be doubled. A person shall be deemed a repeat offender if he commits any of the offenses for which a final judgment is rendered against him within three years from the date the judgment is issued.
3. The criminal court may mitigate the penalties stipulated in this Law if the accused has provided the Ministry, following its knowledge of the offense, with evidence or information which it would not have been able to obtain through any other means and without which the offense would not have been established.

Article 10

1. Without prejudice to the rights of bona fide third parties, if a person is convicted of any of the offenses provided for in Article 3(a) and (b) of this Law, the proceeds shall be confiscated pursuant to a court order regardless of whether such proceeds are owned or possessed by the convicted person or any other party.
2. If confiscation of the proceeds under paragraph (1) of this Article is not feasible, or if they are intermingled with funds acquired from legitimate sources or cannot be located, a court order shall be issued to confiscate any other funds the value of which is equal to the proceeds.
3. Without prejudice to the rights of bona fide third parties, the criminal court may, at its own discretion or upon the request of an interested party, invalidate or prohibit any activity or business, whether contractual or otherwise, if a party or more learns, or ought to learn, that such activity or business could influence the ability of the competent authorities to confiscate the proceeds subject to confiscation.
4. Unless otherwise stipulated in another law, confiscated funds shall be



transferred to the State Treasury. Such funds shall remain encumbered within their value by any rights lawfully established in favor of any bona fide third party.

Article 11

1. A judgment rendered to convict and impose a penalty on a person who commits any of the offenses provided for in Article 3(a) and (b) of this Law shall include an order for the publication of the judgment summary upon becoming final. The Ministry shall publish the final judgment summary through any means it deems appropriate.
2. A non-Saudi who is convicted of committing any of the offenses provided for in Article 3 of this Law shall, following the completion of his sentence and payment of the fines, taxes, and other obligations decided by the criminal court, be deported from the Kingdom and shall not be permitted to return thereto, in accordance with the relevant laws, rules, and regulation.

Article 12

1. Conviction for the offense provided for in Article 3(a) of this Law shall include the following:
 - a) Dissolving the entity subject of the offense, revoking the license or approval issued to practice the activity, and revoking the commercial registration of the convict, unless the criminal court decides otherwise.
 - b) Prohibiting the convict from practicing the economic activity subject of the offense and any other commercial activity for a period of five years commencing on the date the judgment becomes final.
2. Persons convicted of committing any of the offenses provided for in Article 3(a) and (b) of this Law shall jointly pay Zakat, taxes, fees, and any other obligation required from the entity.
3. The competent authority shall provide a copy of the judgment rendered regarding any of the offenses provided for in this Law to the Ministry for legal action.
4. The competent authority shall provide a copy of the judgment rendered against the persons committing any of the offenses provided for in Article 3(a) and (b) of this Law to the General Authority of Zakat and Tax for legal action.

Article 13

If a perpetrator of any of the offenses provided for in this Law offers the competent authorities information about the offense or about other perpetrators prior to discovery thereof, and if such information leads to apprehending the perpetrators or seizing the funds, means, or offense proceeds, the criminal court may exempt such person from the penalties stipulated in Article 9(1) of this Law according to rules prepared by the Ministry and issued pursuant to a Council of Ministers resolution. This shall not include exemptions from zakat and tax obligations.



Article 14

1. Without prejudice to any penalty stipulated in any other law, a person committing any of the offenses provided for in Article 4 of this Law shall be punished by either of the following penalties, or by both:
 - a) A fine not exceeding five-hundred thousand riyals.
 - b) Closure of the entity for a period not exceeding 90 days.
2. The committee referred to in Article 5(4) of this Law may require the violator to provide the Ministry with any of the entity's documents and information which cover a period not exceeding five years:
 - a) financial statements;
 - b) bank account statements; or
 - c) payrolls.

The committee may impose the penalties stipulated in paragraph (1) of this Article on any entity which fails to provide said information or documents.

3. In determining the penalty, the committee shall take into consideration the extent and revenues of the economic activity subject of the violation, the period of practicing said activity, the severity, frequency, and impact of the violation.
4. If the committee finds that the violation under review involves a crime, it shall refer the part relating to the crime to the competent authority and shall continue to review the violation, unless its review of the violation cannot be continued until a decision relating to the crime is issued by the competent authority.
5. A person against whom a penalty decision is issued may appeal the same before the administrative court within 60 days from the date he is notified of the decision in the manner specified by the Regulations.

Article 15

Without prejudice to the rights of bona fide third parties, any contract or disposition the subject or purpose of which is concealment shall be deemed void.

Article 16

Fines collected under this Law shall be deposited in the Ministry of Finance's current account with the Saudi Central Bank after deducting the rewards stated in Article 18(2) of this Law.

Chapter 5: Concluding Provisions

Article 17

A license-issuing agency shall monitor the entity to which it grants a license for the practice of an economic activity, and shall notify the Ministry if it suspects that any offense or violation provided for in this Law has taken place.



Article 18

1. The identity of the reporting person shall be kept confidential in a sealed record and shall not be included in the case file. The Public Prosecution may, if the investigation so requires, request the disclosure of his identity, provided that the necessary confidentiality measures are taken.
2. Any person, other than the persons in charge of applying this Law, who provides credible information leading to the commencement of an investigation into any of the offenses or violations provided for in this Law for which a final judgment is rendered or a final decision is issued, shall be granted, by a decision of the Minister, a reward not exceeding 30% of the fine collected for the reported offense or violation, provided that said person is not found guilty of committing the offense or violation. The Regulations shall determine the procedures for reporting the offenses and violations provided for in this Law and the rules for granting rewards to one or more reporters.

Article 19

The Minister shall, in agreement with the Minister of Interior, issue the regulations within 180 days from the publication date of this Law. The Regulations shall become effective from the date this Law enters into force.

Article 20

This Law shall supersede the Anti-Concealment Law promulgated by Royal Decree No. (M/22), dated 4/5/1425H, and shall repeal all provisions conflicting therewith. This Law shall enter into force 180 days following the date of its publication in the Official Gazette.