



شعبة الترجمة الرسمية
Official Translation Department

Chambers of Commerce Law

Royal Decree No. M/37
December 7, 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.



National Center for Archives & Records



Chambers of Commerce Law

Article 1

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

Law: Chambers of Commerce Law.

Regulations: The implementing regulations of the Law.

Ministry: The Ministry of Commerce.

Minister: The Minister of Commerce.

Chamber: A chamber of commerce.

Chairman of the Chamber: The chairman of a chamber board of directors.

Member: A member of a chamber board of directors.

Federation of Chambers: Federation of the Saudi Chambers of Commerce.

Chairman of the Federation of Chambers: Chairman of the Board of Directors of the Federation of Chambers.

Commercial Activity: Any commercial activity provided for in relevant laws.

Subscriber: Any person with a valid subscription to a chamber.

Part 1: Chamber

Chapter 1: Formation and Tasks

Article 2

A chamber is a non-profit entity which aims to develop, promote, and protect commercial activities in all business sectors, and represent their interest before ministries and public agencies, within a specific territorial jurisdiction.

Article 3

1. A chamber shall be established pursuant to a decision by the Minister within each administrative province. Said decision shall specify the chamber's seat and territorial jurisdiction. The Minister may, upon a recommendation by the Federation, approve the establishment of more than one chamber within the same administrative province.
2. A chamber may, pursuant to a decision by its board of directors, establish branches and offices in counties and districts within the province and its territorial jurisdiction.



Article 4

1. A chamber shall have a legal personality and shall be financially and administratively independent, and shall operate under the supervision of the Ministry. The chairman of a chamber, or his designee, shall represent it before the judiciary and third parties.
2. A chamber may own property, but may not engage in commercial activities by itself or with others.

Article 5

A chamber shall strive to develop commercial activities which fall within its territorial jurisdiction, and shall strive to promote and protect such activities in accordance with applicable procedures and in coordination with relevant agencies. It shall, in particular, carry out the following:

1. Conducting research and studies and preparing reports to assess the performance of various business sectors for the purpose of enhancing them, taking into account the comparative and competitive advantages of the province where the chamber is located; identifying problems and challenges; and building strategic partnerships with universities and research centers to advance business sectors.
2. Classifying and publishing laws, regulations, decisions, statistics, and instructions relating to commercial activities, and making them available to subscribers.
3. Providing ministries and relevant public agencies, upon request, with data, information, and studies relating to commercial activities.
4. Issuing certificates and documents.
5. Authenticating subscribers' signatures.
6. Contributing to the development of establishments which engage in commercial activities by providing subscribers, especially newly established, small, and medium establishments, with consultations on exportation and importation and methods of financing and developing exports, to help them improve their performance and competitiveness, and overcome managerial, financing, and investment challenges.
7. Increasing the awareness of its subscribers; encouraging them to seek advice from local and foreign consultancy firms; promoting investments in joint ventures in order to contribute to the achievement and implementation of the objectives and strategies of the national development plan; and highlighting new investment opportunities.
8. Organizing lectures, training sessions, symposia, and workshops within its territorial jurisdiction.
9. Holding and managing conferences and exhibitions for national industries and products, and participating in seasonal exhibitions and markets, in coordination with the Ministry and the Federation, and notifying them of the results.



10. Submitting recommendations and proposals to competent agencies on matters relating to commercial activities, and notifying the Ministry and the Federation of the same.
11. Submitting, in coordination with the Federation, recommendations regarding relevant laws, regulations, and decisions and assessing their impact on investment and the economy.
12. Resolving disputes relating to commercial activities through conciliation, or through arbitration upon obtaining the necessary licensing, or through any alternative dispute resolution method, subject to the parties' agreement.
13. Issuing magazines, periodicals, manuals, and other publications related to commercial activities, and publishing them in any medium, including electronic publication.
14. Establishing training facilities relating to its duties, provided they do not compete with the private sector, upon obtaining the Ministry's approval and satisfying license requirements.
15. Sending business delegations abroad in coordination with the Ministry, relevant agencies, and the Federation; receiving foreign business delegations; and submitting a report on such visits to the Ministry, relevant agencies, and the Federation.
16. Cooperating with relevant agencies to achieve its objectives.
17. Cooperating with relevant agencies to create investment opportunities in the Kingdom and promote them within the business community, and cooperating with said agencies in pursuing investment opportunities outside the Kingdom and making recommendations to achieve the same.
18. Encouraging subscribers to participate in relevant conferences, workshops, symposia, and training sessions held by government and non-government agencies, and providing them with the findings and proceedings thereof.
19. Submitting the chamber's annual report to the Federation and providing a copy thereof to the Ministry.

Article 6

A chamber may communicate with other chambers, ministries, public agencies, and corporations with regard to data and information required to carry out its duties.

Chapter 2: Administrative Organs

Article 7

A chamber shall consist of the following organs:

1. General assembly.



2. Board of directors.
3. General secretariat.

Article 8

First: Chamber General Assembly

A chamber general assembly shall consist of all its subscribers.

Article 9

A chamber general assembly shall have the following powers:

1. Electing two-thirds of the members of the board of directors; the Minister may, in certain cases, approve the election of half of the members of the board of directors.
2. Discussing and approving the chamber's annual report, financial position, draft budget, and final accounts for the ending fiscal year, and providing the Ministry with a copy thereof.
3. Reviewing subscribers' suggestions.
4. Approving the chamber's internal regulations, including administrative and financial regulations, and regulations relating to chamber employees, governance, as well as training and scholarship programs, in accordance with relevant laws.

Article 10

1. The general assembly of a chamber shall, upon a call by the chairman of the chamber, convene at least once a year within 90 days following the end of the fiscal year.
2. A chamber general assembly may convene at the request of the board of directors or by a request submitted by at least 5% of subscribers to the chairman of the chamber, who shall call for a meeting within a period not exceeding 30 days from the date of submission.
3. The Regulations shall determine the procedures and conditions for general assembly meetings and the exercise of its powers.
4. Electronic means may be used to hold meetings and pass decisions in accordance with the Regulations.

Second: Chamber Board of Directors

Article 11

1. A chamber board of directors shall be formed every four years, and the number of members shall be determined pursuant to a decision by the Minister, provided it does not exceed 18 members.



2. If the term of the board of directors expires without holding elections, or without completing the elections and appointing a new board of directors, the Minister may extend the term of the previous board of directors for a period of 180 days, renewable once for a similar period.
3. The Minister shall appoint one-third of the members of the chamber board of directors, unless he specifies a higher percentage in accordance with Article 9(1) of this Law.

Article 12

1. The Regulations shall determine the procedures for nomination and election, including rules for individual and group elections; procedures for balloting, objections, and appeals; and procedures for forming committees to supervise elections and review objections and appeals. Election results shall be approved pursuant to a decision by the Minister.
2. A commercial establishment may not have more than one member in a chamber board of directors.
3. A member of a chamber board of directors shall not be entitled to any remuneration for board membership or attendance of board meetings or committees or to any transportation or travel allowance.
4. A member may not be nominated for more than two consecutive terms; a board membership term shall be deemed full if its duration exceeds two years.

Article 13

1. If the number of nominees for membership of the chamber board of directors does not exceed the number of seats allocated for elected members, the election procedures shall be terminated and all candidates shall be deemed elected by acclamation.
2. If the number of members elected by acclamation is less than the number of seats allocated for elected members, the Minister shall issue a decision to complete the number from among chamber subscribers who meet the requirements specified in Article 16 of this Law.

Article 14

A chamber board of directors shall hold its first meeting within the period specified by the Regulations to select its chairman as well as his first and second deputies from among board members. Elections shall be held by secret ballot for each position separately. The member obtaining the absolute majority vote of attending members shall be selected. In the absence of such majority, a second round of voting shall be carried out immediately. In case of a tie in the second round of voting, a draw shall be held between the members who received an equal number of votes; such draw may be held in the presence of a representative from the Ministry.



Article 15

The first deputy of the chairman of a chamber shall act on behalf of the chairman and shall have the powers to carry out the chairman's duties in case of his absence or loss of board membership, in accordance with Article 17 of this Law. In the absence of the chairman and his first deputy or loss of their board membership, the second deputy shall act as the chairman of the chamber.

Article 16

An appointed or nominated member of a chamber board of directors shall:

1. have at least 10 years of experience, or at least five years if he holds a bachelor's degree or its equivalent; the Regulations shall specify the required experience;
2. have a valid registration in the commercial register for at least the last three years prior to nomination or appointment and pay the annual subscription fees;
3. not have been convicted of a crime impinging on honor or integrity, unless expunged from his record;
4. not be a member of another chamber board of directors;
5. not be a relative of any of the nominees; the Regulations shall determine the degree of kinship and priority for nominees who are relatives; and
6. provide a signed statement by which he undertakes to commit to membership objectives; comply with laws, regulations, and membership terms; avoid conflict of interests; and assist the board of directors in carrying out its duties.

Article 17

Board membership shall be terminated in the following cases:

1. Death.
2. Resignation; a member shall be deemed resigned if he fails to attend three consecutive or six non-consecutive board meetings without an excuse acceptable to the chairman.
3. Inability to perform membership duties.
4. Loss of any membership requirement specified in Article 16 of this Law.

With the exception of the case stipulated in paragraph (1) of this Article, the Minister shall issue a reasoned decision for termination of membership.

In all cases, a person whose membership is terminated for violating Article 16(6) of this Law may not be nominated for board membership in any chamber for eight years from the date of termination.



Article 18

If the seat of an elected board member becomes vacant due to any of the reasons referred to in Article 17 of this Law, the Minister shall appoint the nominee with the next highest votes. In the absence of such nominee, the Minister shall appoint a member from among the chamber's subscribers who meets the requirements referred to in Article 16 of this Law for the remaining term of the board. If the seat of a member appointed by the Minister becomes vacant, the Minister shall appoint a replacement.

Article 19

A chamber board of directors shall have the power to:

1. approve the chamber's general policies, plans, programs, and projects necessary for carrying out its duties;
2. review the chamber's draft internal regulations, including administrative and financial regulations, and regulations relating to chamber employees, governance, as well as training and scholarship programs, for approval by the general assembly;
3. issue decisions and instructions necessary for the chamber to carry out its duties;
4. sell, purchase, lease and rent, litigate, borrow, accept gifts, approve transfer of ownership, and secure liens on behalf of the chamber, as well as any other action within the chamber's duties;
5. monitor the chamber's performance and review its quarterly reports;
6. approve the chamber's annual report, final accounts, draft budget, and submit the same to the general assembly for approval;
7. provide the Ministry with a copy of the annual report, draft budget, and final accounts;
8. appoint the chamber's secretary general and terminate his service;
9. form committees relating to various sectors; and
10. form internal committees with appropriate powers.

Article 20

The chairman of a chamber shall be solely responsible for implementing the chamber's strategic duties, calling for meetings of the chamber's general assembly and board of directors, and chairing such meetings. The Regulations shall determine the chairman's authorities and powers.

Article 21

1. A chamber board of directors shall convene at the chamber's seat at least once every 60 days upon a call by the chairman; the call shall include the meeting's agenda.



2. The chairman of the chamber may, when necessary, call the board of directors to an urgent meeting. He shall, upon the written request of one-third of the board members, call for a meeting within 15 days following receipt of the request; otherwise, the Federation shall call for such meeting in accordance with procedures specified in the Regulations.

Article 22

The meetings of the chamber board of directors shall be deemed valid if attended by more than half of its members, provided the chairman or one of his deputies is among the attendees. In the absence of a quorum, the meeting shall, pursuant to a decision by the chairman or one of his deputies, be adjourned for a period not less than five days and not more than 10 days. In such case, the meeting shall be deemed valid if attended by at least one-third of the members, provided the chairman or one of his deputies is among the attendees. In the absence of a quorum for the second time, the meeting shall be adjourned, following the same procedure of the first adjournment. In this case, the meeting shall be deemed valid regardless of the number of attendees, provided the chairman or one of his deputies is among the attendees. Said meeting shall be attended by a representative from the Ministry. If the meeting is not held, the Ministry's representative shall include a note to this effect in his report, and the Ministry shall take the necessary actions.

Article 23

1. Board deliberations shall be confidential.
2. Board decisions shall pass by a majority vote of attending members. In case of a tie, the meeting chairman shall have the casting vote.
3. Without prejudice to Article 14 of this Law, decisions shall be voted on by open ballot, the manner of which shall be determined by the board.
4. The board of directors may invite any person it deems necessary to its meetings; such person shall attend in a non-voting capacity.
5. Meetings and voting on decisions may be carried out through electronic means; in the event of unanimous agreement, decisions may be passed by circulation. The Regulations shall determine the necessary rules.

Article 24

If the chairman of the chamber, or any of his deputies, a board member, or the secretary general has a direct or indirect interest in any contract or agreement concluded by the chamber, he must notify the board of directors of such interest, and shall not attend board deliberations on any matter relating to such contract or agreement, nor vote thereon.

Article 25

1. The chamber chairman and members shall be liable before the general assembly for misusing or squandering the chamber's funds or for violating



any of the provisions of this Law. With the exception of cases of fraud and forgery, no liability lawsuit shall be heard after the lapse of five years from the date of discovering the violation.

2. The chamber secretary general shall be liable before the board of directors for misusing or squandering the chamber's assets and funds or for violating any of the provisions of this Law relating to his duties. With the exception of cases of fraud and forgery, no liability lawsuit may be heard after the lapse of five years from the date of discovering the violation.

Article 26

A chamber board of directors may, pursuant to a reasoned decision by the Minister, be dissolved if:

1. the board exceeds the powers granted thereto under this Law; and
2. a dispute between board members disrupts the chamber's work and duties where such dispute cannot be resolved amicably through an ad hoc committee formed by the Board of Directors of the Federation.

In all cases, the dissolution decision shall include a call to the chamber general assembly to hold early elections for a new board of directors within a period not exceeding 90 days. The Minister shall appoint an interim board from among the chamber's subscribers to undertake the board's duties, pending the election of a new board.

Third: Chamber General Secretariat

Article 27

1. A chamber board of directors shall appoint an experienced, competent, and academically qualified full-time secretary general to be responsible for the chamber's administrative and financial affairs. He may, in a non-voting capacity, attend board meetings, except for closed meetings. The Regulations shall determine the criteria required for such appointment.
2. A chamber board of directors may hold closed meetings to review the performance of the chamber secretary general.
3. In all cases, and without prejudice to the provisions of the Labor Law, the term of the secretary general's contract shall not exceed the term of the board by more than one year. The succeeding board may renew his contract for not more than one additional year from the term of the new board.

Article 28

A chamber secretary general shall strive to achieve the chamber's objectives, and shall particularly have the following powers:

1. Supervise and monitor the chamber's activities.
2. Implement the decisions of the chamber board of directors.



3. Draft the internal regulations and submit them to the chamber board of directors for review prior to submitting them to the general assembly for approval.
4. Prepare the draft budget and submit it to the chamber board at least 60 days prior to commencement of the fiscal year.
5. Prepare the annual report and the final accounts and submit them to the chamber board of directors within 60 days from the commencement of the new fiscal year.
6. Set the chamber's general policies, plans, and programs and propose projects necessary for achieving its objectives.
7. Arrange the meetings of the chamber general assembly, board of directors, and committees, as well as seminars and conferences.
8. Prepare a quarterly report on the chamber's performance showing key performance indicators and submit it to the chamber's board of directors.
9. Appoint the chamber's employees, subject to provisions relating to nepotism.
10. Nominate the deputies of the chamber secretary general for approval by the board of directors.
11. Supervise and monitor the performance of the employees of the chamber's secretariat, and strive to optimize their performance.

Chapter 3: Subscription

Article 29

1. Any establishment registered in the commercial register shall subscribe to the chamber located in its area. If an establishment has multiple branches in the same area, it shall have a single subscription, as specified by the Regulations.
2. The Minister may, upon coordination with relevant agencies, permit persons engaging in a licensed activity who are not required to be registered in the commercial register to subscribe to the chamber; however, they shall not have voting, nomination, or election rights.

Article 30

The Regulations shall determine subscription classes and corresponding fees. Payment of subscription fees shall commence upon the lapse of three years from the date of registration in the commercial register.

Article 31

1. Without prejudice to Article 30 of this Law, chamber services shall be limited to subscribers. Non-payment of annual subscription fees shall result in



suspension of services

2. A subscriber for a period of less than three years shall pay the fee for any service provided thereto by the chamber.
3. The Regulations shall determine the services provided by the chamber, as well as certificates and documents it may issue or certify, and the corresponding fees.

Article 32

Subscription to a chamber shall be canceled if:

1. the subscriber's commercial registration is stricken off; or
2. the subscriber's license expires or is canceled with respect to activities which do not require registration in the commercial register.

In all cases, the subscriber whose subscription is canceled due to any of the cases referred to in paragraphs (1) and (2) of this Article may not recover the subscription fees for the remaining period.

Chapter 4: Chamber Financial Affairs

Article 33

A chamber's financial resources shall consist of the following:

1. Subscription fees.
2. Fees for issuance and certification of documents and certificates.
3. Returns on investment of the chamber's assets and funds.
4. Donations, gifts, and financial aid accepted by the board of directors.
5. Revenues from publications and training programs.
6. Fees of conciliation and arbitration services.
7. Fees prescribed by the board of directors for any other services provided to subscribers.

Article 34

A chamber's fiscal year is the fiscal year of the State.

Article 35

If a chamber's estimated budget is delayed, the previous estimated budget shall, pursuant to the Minister's approval, remain in effect pending approval of the budget by the general assembly within 90 days from the beginning of the fiscal year. If the 90-day period lapses without obtaining budget approval from the general assembly, the Ministry shall take the appropriate measures.



Article 36

1. Amounts not allocated in the budget and amounts exceeding their allocations in the budget may not be disbursed. Transfer between budget allocations is not permitted, nor shall a budget allocation be used for other than its designated purposes without the board's approval.
2. Any decision not consistent with the provisions of paragraph (1) of this Article shall be deemed null and void. Any person who commits or participates in such violation shall, to the extent of his involvement and within 30 days of being notified thereof, reimburse the chamber for funds disbursed without board approval or disbursed for other than their designated purposes.

Article 37

A chamber shall have one auditor, or more, licensed to practice in the Kingdom to be annually selected by the general assembly from among at least three auditors nominated by the board of directors. The general assembly shall approve his fees, and it may reappoint him for a period or periods not exceeding four consecutive years. Said auditor shall submit to the general assembly an annual report prepared in accordance with the auditing standards approved in the Kingdom, and a copy thereof shall be provided to the Ministry.

Article 38

A chamber's budget, financial statements, and final accounts shall be published in accordance with the Regulations.

Chapter 5: Performance Evaluation

Article 39

1. The Federation shall set criteria for the evaluation of chamber performance, to be approved by the Ministry.
2. Each chamber shall annually self-evaluate its performance in accordance with the approved evaluation criteria. The Regulations shall determine the manner of such evaluation. Said evaluation shall be reviewed by an independent consulting agency, and the results thereof shall be published as specified in the Regulations.
3. The Federation shall periodically survey subscribers to evaluate the performance of their respective chamber, and shall post the results of such survey on its website upon the Ministry's approval.
4. If the evaluation results referred to in paragraph (2) of this Article fall below the limit set by the Regulations, the Minister may grant the board of directors a period not exceeding one year to rectify the situation. If the evaluation results remain below the set limit upon the lapse of said period, the Minister may restructure the board and grant the new board a grace period not



exceeding one year to rectify the situation.

Part 2: Federation of Chambers

Chapter 1: Formation and Duties

Article 40

The Federation is a non-profit entity which aims to serve the common interests of the chambers, represent the various commercial businesses within the Kingdom and abroad, and strives to protect and develop them, in coordination with relevant agencies. The chambers in the Kingdom shall report to the Federation, and its headquarters shall be in the city of Riyadh.

Article 41

1. The Federation shall have a legal personality with financial and administrative independence, and shall operate under the supervision of the Ministry. The Chairman of the Federation's Board of Directors shall represent it before the judiciary and others, and may delegate such power if necessary.
2. The Federation may own property but may not, directly or indirectly, engage in commercial activities.

Article 42

The Federation shall:

1. represent the chambers in various commercial activities within the Kingdom and abroad;
2. serve the common interests of chambers, enhance their capabilities and contributions, and unify their position on issues involving commercial activities in the Kingdom;
3. promote cooperation between chambers, and between chambers and ministries, public agencies and institutions, and other relevant entities;
4. promote the contribution of the business sector to the national economy and social development programs to increase gross domestic product;
5. monitor internal and external economic changes, and analyze their impact on commercial activities in the Kingdom;
6. conduct research and studies, prepare evaluation reports on the performance of the business sector, and identify challenges facing businesses at the national level;
7. issue and publish magazines, periodicals, manuals, and other commercial publications, in accordance with statutory procedures;



8. provide the chambers with updates on laws, regulations, decisions, statistics, and any directives relating to commercial activities, and classify, publish, and communicate the same to relevant agencies inside the Kingdom and abroad;
9. hold lectures, symposia, and workshops promoting national interests, in coordination with relevant agencies;
10. organize conferences and national exhibitions, and participate in international exhibitions, in coordination with the Ministry;
11. send business delegations abroad, and receive foreign business delegations, in coordination with the Ministry and relevant agencies, and notifying them of the outcomes of such visits;
12. form national committees;
13. provide chambers with technical and administrative consultations, draft model internal regulations, including administrative and financial regulations, as well as regulations relating to personnel, training, and scholarships;
14. review and provide recommendations on laws, regulations, and decisions relating to commercial activities, and participate with other agencies, if applicable, in drafting laws, regulations, plans, and policies, in coordination with the chambers;
15. support national recruitment and capacity-building programs, in coordination with the chambers and relevant agencies, and provide any necessary assistance relating to commercial activities;
16. highlight potential opportunities and investment channels, contribute to the development of business environments, and collaborate with relevant agencies, including government agencies in joint committees and in coordination councils, on establishing investment partnerships within the Kingdom and abroad to open new markets for domestic products, attract foreign investments, transfer technology and knowledge, and raise the competitiveness of the Saudi business sector;
17. promote the role of family entities in achieving the Kingdom's economic and social development, and enhance their competitiveness in international markets;
18. provide relevant agencies with recommendations relating to commercial activities, and notify the Ministry of the same and the outcome thereof;
19. draft regulations for joint business councils with other countries to serve and develop various commercial activities at the international level, in coordination with relevant agencies, and submit the same to the Minister for approval;
20. nominate Saudi members in the joint business councils with other countries, in coordination with relevant agencies, and submit the same to the Minister for approval;
21. provide ministries, public agencies, and institutions with data, information, studies, and potential investment opportunities and publish the same; and



22. seek to resolve disputes arising among chambers and between board members of the same chamber.

Chapter 2: Administrative Organs

Article 43

The Federation shall comprise the following:

1. The General Assembly.
2. The Board of Directors.
3. The General Secretariat.

First: General Assembly

Article 44

The General Assembly of the Federation shall consist of all chambers. Each chamber shall be represented in the General Assembly by any board member other than the chairman, and the representation of each chamber shall be based on the number of subscribers, as specified by the Regulations, provided that each chamber has at least one member.

Article 45

The General Assembly of the Federation shall have the following powers:

1. Overseeing the activities of the Board of Directors.
2. Reviewing Federation-related issues submitted by any member.
3. Approving the Federation's annual report, final accounts of the ending fiscal year, and draft budget; and providing the Ministry with copies thereof.
4. Adopting the Federation's internal regulations, including administrative, financial, and governance regulations, as well as regulations relating to personnel, training, and scholarships, in accordance with applicable laws.
5. Approving the appointment of one auditor, or more.

Article 46

1. The Federation's General Assembly shall, upon a call by the Chairman, convene at its head office at least once a year within 90 days following the end of the fiscal year.
2. The Federation's General Assembly may convene upon a request submitted to the Chairman by the Board of Directors or by not less than 20% of the General Assembly. The Chairman shall call for the meeting within 30 days from the date of such request.



3. The Regulations shall determine the procedures and conditions for holding the General Assembly and for exercising its powers.
4. Meetings and voting may be carried out by electronic means in accordance with the Regulations.

Second: The Federation's Board of Directors

Article 47

The Federation's Board of Directors shall comprise the chairmen of all chambers.

Article 48

1. The Federation's Board of Directors shall hold its first meeting within the period specified in the Regulations to elect its Chairman and his deputies from among its members. Elections shall be carried out by secret ballot for each position separately. Selection shall be determined by the absolute majority vote of attending members. If such majority is not achieved, the voting shall be repeated immediately. In case of a tie in the second vote, a draw shall be held; such draw may be held in the presence of a representative from the Ministry.
2. The Federation Chairman and his deputies shall be appointed pursuant to a decision by the Minister for a term of three years.
3. The Federation Chairman may not nominate himself for the following term, unless he has served less than a year as chairman.
4. The first deputy of the Chairman shall assume the duties of the Chairman in the event of his absence or incapacity. In case of the absence of the Chairman and his first deputy, the second deputy shall assume the duties of the Chairman.
5. Without prejudice to paragraph (4) of this Article, if the chairman of any chamber is unable to attend any board meeting, he may delegate either of his deputies.

Article 49

The Federation's Board of Directors shall have the following powers:

1. Setting general policies, plans, and programs.
2. Issuing necessary decisions and directives.
3. Reviewing issues submitted by any of its members or by the Secretary General upon the approval of the Chairman.
4. Selling, purchasing, leasing and renting, litigating, borrowing, accepting gifts, approving transfer of ownership, and securing liens on behalf of the chamber, as well as any other action within the Federation's duties.
5. Seeking to amicably resolve disputes arising between chambers, in



accordance with the Regulations.

6. Seeking to resolve disputes arising between board members of the same chamber and submitting the findings to the Minister, in accordance with the Regulations.
7. Monitoring the Federation's performance and reviewing quarterly reports.
8. Discussing and approving the Federation's annual report, final accounts for the ending fiscal year, and draft budget; refer the same to the General Assembly for final approval; and providing a copy thereof to the Ministry.
9. Monitoring the chambers' key performance indicators.
10. Forming one or more committees from among its members and assigning them necessary powers.

Article 50

The Federation Chairman shall have the power to oversee matters relating to Federation strategies and call for and chair meetings of the General Assembly and the Board of Directors. The Regulations shall specify the Chairman's powers.

Article 51

1. The Federation's Board of Directors shall convene at least once every 90 days upon a call by the Chairman or a written request by at least one-third of its members. In the latter case, the Chairman shall call for a meeting within 15 days from receipt of the request.
2. The meetings of the Federation's Board of Directors shall be valid if attended by more than half of its members, provided the Chairman or one of his deputies is among the attendees. In the absence of a quorum, the meeting shall be deferred for a period not less than 15 days and not more than 30 days. In such case, the meeting shall be valid if attended by at least one-third of the members, provided the Chairman or one of his deputies is among the attendees. If the quorum is not met for the second time, the meeting shall be deferred for a period of 15 days. The third meeting shall be deemed valid regardless of the number of attendees, provided the Chairman or one of his deputies is among the attendees along with a representative from the Ministry. If the third meeting is not held, the Ministry shall take the necessary actions.
3. Decisions of the Federation's Board of Directors shall pass by the majority vote of attending members. In case of a tie, the meeting chairman shall have the casting vote. The Board may, in urgent cases, pass decisions by circulation in the event of unanimous agreement thereon.
4. Meetings and voting may be carried out by electronic means in accordance with the Regulations.



Third: General Secretariat of the Federation of Chambers

Article 52

1. The Federation's Board of Directors shall appoint an experienced, competent, and academically qualified Secretary General. He must, in a non-voting capacity, attend all Board meetings, except for closed meetings. The Regulations shall determine the criteria required for such appointment.
2. The Federation's Board of Directors may hold closed meetings to review the performance of the Secretary General.

Article 53

The Federation's Secretary General shall:

1. supervise and monitor the activities of the General Secretariat;
2. implement the decisions of the Federation's Board of Directors;
3. draft the Federation's internal regulations and submit them to the Board of Directors for review prior to their submission to the General Assembly for approval;
4. prepare the Federation's annual report and submit it to the Board within the first 60 days of the new fiscal year;
5. prepare the Federation's draft final accounts and draft budget and submit them to the Board at least 60 days prior to the end of the fiscal year;
6. arrange the meetings of the Federation's Board of Directors and General Assembly;
7. prepare a monthly report on the Board's performance showing key performance indicators and submit it to the Federation's Board of Directors;
8. appoint the employees of the General Secretariat of the Federation, except for his deputies who shall be appointed pursuant to a decision by the Board of Directors upon nomination by the Secretary General;
9. supervise and monitor the performance of the employees of the General Secretariat of the Federation and strive to optimize their performance; and
10. prepare the Federation's organizational structure and refer it to the Board of Directors for approval.

Chapter 3: The Federation Financial Affairs

Article 54

The Federation's financial resources shall consist of the following:

1. A percentage of the subscription fees collected by chambers, as specified in the Regulations.



2. Returns on investment of the Federation's assets and funds.
3. Donations, gifts, and financial aid accepted by the Federation's Board of Directors.
4. Revenues from publications and training programs.
5. A percentage of the chambers' certification fees, as specified in the Regulations.
6. Revenues generated from activities and events carried out by the Federation, or a percentage of the revenues generated from activities and events carried out jointly with the chambers, as specified in the Regulations.

Article 55

1. The Federation shall have one auditor, or more, licensed to practice in the Kingdom to be annually selected by the General Assembly from among at least three auditors nominated by its Board of Directors. The Federation may, upon the approval of the General Assembly, reappoint the auditor, provided his term of service does not exceed four consecutive years.
2. The auditor shall submit to the General Assembly an annual report prepared in accordance with the auditing standards approved in the Kingdom, and a copy thereof shall be provided to the Ministry.

Article 56

The Federation's budget, financial statements, and final accounts shall be published in accordance with the Regulations.

Part 3: Committees

Article 57

The Federation's Board of Directors shall form national committees from among subscribers or others to serve and promote commercial activities. Said national committees shall report to the Federation.

Article 58

A chamber board of directors shall form committees for various commercial activities, according to the classification approved by the General Authority for Statistics, and shall determine their powers. Committee members shall be elected from among chamber subscribers or others whose competence and experience may serve the interests of subscribers. Said committees shall be designated as sectoral committees and shall report to their chamber.

Article 59

The regulation governing national and sectoral committees shall be issued



pursuant to a decision by the Minister upon the recommendation of the Federation's Board of Directors. The regulations shall govern the establishment and membership of national and sectoral committees, as well as their work procedures.

Final Provisions

Article 60

Where this Law is silent, the provisions relating to chambers shall apply to the Federation, provided they do not conflict with the nature and duties of the Federation.

Article 61

The employees of the chambers and the Federation shall be subject to the provisions of the Labor Law and the Social Insurance Law.

Article 62

The Minister may, if necessary, appoint a representative at the chamber or the Federation to ensure the implementation of laws and decisions. Such representative may, in a non-voting capacity, attend the meetings of the general assembly, board of directors, and committees, and may access the minutes of meetings as well as ledgers and accounts.

Article 63

The Minister or his designee shall supervise the implementation of the provisions of this Law.

Article 64

The Minister shall, in coordination with the Ministry of Investment, the Ministry of Industry and Mineral Resources, and the Federation's Board of Directors, issue the Regulations within 150 days from the date of this Law's publication in the Official Gazette.

Article 65

This Law shall supersede the Chambers of Commerce and Industry Law promulgated pursuant to Royal Decree No. (M/6), dated 30/4/1400H, and shall repeal all conflicting provisions.

Article 66

This Law shall enter into force 180 days from the date of its publication in the Official Gazette.