



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

**Commercial Register Law**

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**Translation of Saudi Laws**

## NOTES:

1. This translation is provided for guidance. The governing text is the Arabic text.
2. 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, and who) refer to a natural and legal person.



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## Commercial Register Law

### Chapter 1: General Provisions

#### Article 1: Definitions

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

**Law:** Commercial Register Law.

**Regulations:** Implementing Regulations of the Law.

**Ministry:** Ministry of Commerce.

**Minister:** Minister of Commerce.

**Merchant:** A natural or legal person that is deemed a merchant under the Commercial Law.

**Commercial Register:** A registry that contains the data of merchants in a central electronic database.

**Registrar:** The government entity designated by the Minister to administer the Commercial Register.

#### Article 2: Objectives

This Law aims to facilitate commercial activities in the Kingdom by regulating the procedures of registration in the Commercial Register, taking the following into consideration:

1. Transparency: The data contained in the Commercial Register shall be accessible, searchable, and obtainable.
2. Reliability: The data contained in the Commercial Register shall be correct, accurate, and regularly updated.

#### Article 3: Commercial Register

The Ministry shall establish the Commercial Register and shall record therein the data specified by this Law, the Regulations, and other relevant laws, as well as any updates thereto.

#### Article 4: Powers and Duties of the Registrar

The registrar shall have the following powers and duties:

1. Registration of the tradenames and the merchants' data, and issuing registration certificates.
2. Providing the relevant entities with recommendations on matters relating to the Commercial Register.
3. Developing the procedures of registration in the Commercial Register by utilizing the best practices.
4. Raising awareness about the provisions of this Law.
5. Making any necessary corrections to the data contained in the Commercial Register in accordance with Article 19 of this Law.
6. Requesting from relevant entities data relating to the merchants registered in the Commercial Register to utilize such data in developing the business sector in the Kingdom.
7. Any other powers or duties provided for in the Regulations to realize the objectives of this Law.



## **Chapter 2: Registration in the Commercial Register**

### **Article 5: Mandatory Registration**

1. Every merchant must register in the Commercial Register.
2. The Ministry may, pursuant to controls specified in the Regulations, exempt certain categories of merchants from registration in the Commercial Register and shall determine the effects of such exemption.

### **Article 6: Mandatory Data for the Application of Registration in the Commercial Register**

1. Subject to relevant laws, a registration application must include the following data:
  - a) Applicant's name, address, and ID number.
  - b) Tradename under which the merchant intends to engage in the commercial activity.
  - c) Merchant's legal form.
  - d) Merchant's capital.
  - e) Name of the manager or managers, or members of the board of directors and their powers.
  - f) Address of the merchant's principal place of business.
  - g) Any other data specified in the Regulations.
2. The Ministry may specify in the Regulations the provisions relating to bank account information and other data that must be provided after completion of registration in the Commercial Register.

### **Article 7: Application Submission Procedures**

1. An application for registration in the Commercial Register shall be submitted to the registrar.
2. The registrar shall decide on the completed application within 10 days from the date of its submission. The registrar may extend said period in cases to be determined by the Regulations.
3. An applicant may, if the application is rejected due to an error or missing information, correct or complete said application within the period specified in the Regulations, otherwise the application shall be deemed canceled. If the application is canceled, the applicant may submit a new application.
4. If the application is rejected, the rejection decision shall be reasoned, and the applicant shall be notified thereof as specified in the Regulations. The applicant may appeal said decision before the Ministry within 60 days from the date the applicant is notified of the rejection decision.
5. The registrar shall specify the forms related to applications for registration, updates, annual confirmations, strike-offs, and extracts; copies of the certificates and documents required for registration; and any other related forms, in accordance with this Law and other relevant laws.

### **Article 8: Application Submission Method**

The submission of applications and the procedures related to the Commercial Register shall be made electronically. The Regulations shall specify the relevant provisions and an alternative submission method if electronic submission is not feasible.



### **Article 9: Registration of Various Activities**

A merchant may register various business activities in the Commercial Register, even if such activities are not related to each other, without prejudice to the provisions of other relevant laws.

### **Article 10: Updating the Commercial Register**

A merchant shall, in the event of any change or modification to the data contained in the Commercial Register, update such data within 15 days from the date of such change or modification.

### **Article 11: Annual Confirmation**

A merchant shall submit to the registrar an annual statement confirming the data contained in the Commercial Register, as specified in the Regulations.

### **Article 12: Responsibility for Data Correctness**

The registrar shall not be responsible for the correctness and accuracy of the data submitted by the merchant with regard to any of the services of the Commercial Register.

## **Chapter 3: Strike-off and Suspension of Registration in the Commercial Register**

### **Article 13: Voluntary Strike-off**

Subject to the provisions of the Companies Law and other relevant laws, a merchant may submit a request for a voluntary strike-off from the Commercial Register if he ceases his business activity, as specified in the Regulations.

### **Article 14: Compulsory Strike-off**

The registrar must strike-off the registration of a merchant from the Commercial Register in the following cases:

1. Issuance of a final court judgment to strike-off the registration from the Commercial Register.
2. Conclusion of liquidation proceedings in accordance with the Companies Law or the Bankruptcy Law.
3. Merchant's death, unless his heirs apply for modification of the registration. The registrar shall notify the heirs prior to striking off the registration, as specified in the Regulations.



## **Article 15: Suspension of Registration in the Commercial Register**

1. The registrar shall suspend the merchant's registration if he fails to submit his annual confirmation statement within 90 days from the date set for such confirmation.
2. The registrar shall, prior to suspending the registration in accordance with paragraph (1) of this Article, notify the merchant that his registration will be suspended 14 days following the date of notification. If the merchant fails to submit the annual confirmation statement prior to the lapse of said period, he shall be notified of the suspension decision.
3. The registrar shall record the decision to suspend the registration in the Commercial Register, and all licenses issued for such registration shall consequently be suspended. The Regulations shall specify any other effects resulting from the suspension decision.
4. Suspension of the registration in the Commercial Register shall be for a period of one year. The registrar shall lift the suspension if, within said period, the merchant submits a request to lift such suspension, provided that he submits the annual confirmation statement and pays the prescribed fees and the fine imposed pursuant to Article 21 of this Law.
5. With the exception of a company and a branch of a foreign company, if the merchant fails to take the necessary action in accordance with paragraph (4) of this Article, the registrar shall strike off his registration.
6. If a company or a branch of a foreign company fails to take the necessary action in accordance with paragraph (4) of this Article, it shall not be entitled to apply for the suspension to be lifted. The Ministry may, upon the expiration of the period referred to in paragraph (4) of this Article, demand the partners or shareholders to dissolve the company or may seek dissolution thereof from the competent court.

## **Chapter 4: Access to and Evidentiary Force of Registration Data**

### **Article 16: Display of Commercial Registration**

A merchant shall display the commercial registration data in a conspicuous place within the business premises, as specified in the Regulations.

### **Article 17: Evidentiary Force of Registration Data**

The data contained in the Commercial Register shall have evidentiary force, whether for or against the merchant, from the date of registration. Data that is required to be registered or updated shall not have evidentiary force against a third party unless registered or updated. However, said data shall have evidentiary force against the merchant.

### **Article 18: Access to Registration Data**

1. Any person may access the basic data contained in the Commercial Register, as specified in the Regulations.
2. Any person may request from the registrar a detailed extract of the data recorded in the Commercial Register or any other specific data, as specified in the Regulations. If no record is found in the register, the applicant shall be granted a certificate to this effect.



### **Article 19: Correction of Errors**

1. If the registrar detects a material error, whether typographical or mathematical, or a procedural error during the recording or modification of data, such error shall be corrected within five days from the date of detection thereof or from the date on which the merchant applies for correction.
2. If the registrar corrects the errors on its own initiative, the merchant shall be notified of such correction within five days from the date thereof.

### **Article 20: Entry of Final Judgments**

The competent court shall notify the registrar of the issuance of any of the following final judgments and decisions within 30 days from the date of their issuance:

1. Judgments or decisions accepting judicial deposit relating to the initiation or termination of any of the bankruptcy proceedings provided for in the Bankruptcy Law.
2. Judgments dissolving and liquidating or annulling companies and appointing or dismissing liquidators pursuant to the Companies Law.
3. Judgments relating to the termination or conclusion of liquidation proceedings pursuant to the Companies Law.
4. Judgments expunging the records of merchants.
5. Judgments and decisions imposing interdiction or guardianship, appointing or dismissing agents for absentees, or lifting interdiction.
6. Judgments and decisions authorizing a minor or his representative to engage in business activities, or withdrawing or restricting such authorization.
7. Judgments imposing criminal penalties that prevent a merchant from engaging in his business activities, and appointing a trustee and specifying the date of his appointment.
8. Judgments removing partners or shareholders or dismissing directors.
9. Judgments relating to receivership and determination of merchant's heirs.

Such judgments and decisions shall be entered into the Commercial Register upon notification thereof.



## Chapter 5: Violations

### Article 21: Types of Violations

1. Without prejudice to any penalty provided for by any other law, a fine not exceeding fifty thousand riyals shall be imposed on:
  - a) a person who provides incorrect data to be recorded in the Commercial Register;
  - b) a merchant who fails to comply with the provisions of Article 5(1) and Articles 10, 11, and 16 of this Law; and
  - c) a merchant who fails to comply with the provisions specified by the Ministry pursuant to Article 6(2) of this Law.
2. The fine may be doubled in case the violation is repeated. A violation shall be deemed repeated if it occurs within three years from the date of issuance of the final decision establishing the commission of the first violation.
3. The amount of a fine shall be determined pursuant to the gravity, circumstances, and impact of the violation and the size of the entity. The Regulations shall determine the violation classification schedule.

### Article 22: Detection and Recording of Violations

1. Employees to be appointed by a decision of the Minister shall detect and record any violations of the provisions of this Law and shall have the capacity of preliminary investigation officers.
2. The Minister shall issue the rules governing the functions and duties of the employees referred to in paragraph (1) of this Article.
3. The Minister shall issue the rules governing the remuneration of employees involved in the detection and recording of violations provided for in this Law, in agreement with the Ministry of Finance and the Ministry of Human Resources and Social Development.

### Article 23: Violation Review Committee

A committee, or more, shall be formed by a decision of the Minister. Said committee shall consist of at least three members and shall be chaired by a member having legal qualifications. The committee shall have the power to review the violations and impose the penalties provided for in Article 21 of this Law. The Minister may specify the violations for which penalties may be imposed directly without being referred to the committee. The working rules of the committee and the remuneration of its chairman, members, and secretariat shall be determined by a decision of the Minister.

### Article 24: Alternative Procedures

If it is established that a merchant has committed any of the violations provided for in Article 21 of this Law, the committee may, in addition to or in lieu of the prescribed penalties, take any of the following measures:

1. Issuing a warning notice to the merchant.
2. Compelling the merchant to take the necessary measures to avoid future violations.
3. Compelling the merchant to take the measures necessary to remedy the impact of the violation.
4. Issuing a decision to correct the data contained in the Commercial Register.





### **Article 25: Appeals**

A person against whom a decision is rendered pursuant to the provisions of this Law may appeal such decision before the competent court within 30 days from the date of notification thereof, as specified in the Regulations.

## **Chapter 6: Concluding Provisions**

### **Article 26: Assignment of Duties**

The Minister may seek the assistance of public or private entities in performing the tasks assigned to the registrar, and may assign certain tasks to such entities.

### **Article 27: Fees**

The Regulations shall specify the fees for the services rendered by the registrar in implementation of the provisions of this Law.

### **Article 28: Issuance of Regulations**

The Minister shall issue the Regulations within 180 days from the date of publication of this Law in the Official Gazette. The Regulations shall become effective on the date this Law enters into force.

### **Article 29: Entry into Force**

This Law shall supersede the Commercial Register Law issued by Royal Decree No. M/1, dated 21/2/1416H, and shall enter into force 180 days following the date of its publication in the Official Gazette.