



Regulations for Rectifying the Status of **Anti-Concealment** **Law Violators**



General Provisions

- 1** Words and terms contained herein shall have the meaning ascribed to them in Article (1) of the Anti-Concealment Law promulgated by Royal Decree No. (M/4) dated 1/1/1442H.
- 2** The Regulations aim to provide Saudis and non-Saudis who practice economic activities with the opportunity to rectify their status as specified in section (2) of the Royal Decree No. (M/4) dated 1/1/1442H, identify the options and mechanisms for rectifying status and clarify the procedures for reviewing rectification requests.
- 3** Whoever submits a request to the Ministry to rectify his/her status-through one of the options specified in section (2) of the Regulations-before 15/01/1443 H, shall be exempt from the penalties stipulated in the Anti-Concealment Law issued by Royal Decree No. (M/22), dated 4/5/1425 H and the Anti-Concealment Law issued by Royal Decree No. (M/4), dated 1/1/1442 H. He/she shall also be exempt from other penalties resulting from the crime and proceeds thereof subject to rectification as well as from paying income tax retroactively.
- 4** The Regulations shall not prejudice any private rights resulting from the transactions entered into by the Saudi or non-Saudis.



Options for Rectifying Status

A Saudi or non-Saudi who practices an economic activity in violation of the provisions of the Anti-Concealment Law issued by Royal Decree No. (M/22), dated 4/5/1425 H, and the Anti-Concealment Law issued by Royal Decree No. (M/4), dated 1/1/1442 H, may submit a request to the Ministry to rectify his/her status along with the Disclosure Form prepared by the Ministry for this purpose as per the Regulations. Said rectification shall be made according to the following options:

- 1 Establishing partnership in the enterprise between the Saudi and non-Saudi after fulfilling the regulatory requirements that enable the non-Saudi to become a partners in the enterprise.
- 2 Registering the ownership of the enterprise in the name of the non-Saudi through an agreement between the Saudi and non- Saudi on transferring the ownership of the enterprise to the non-Saudi after fulfilling the regulatory requirements that enable the non-Saudi to acquire the enterprise.
- 3 The Saudi continues to practice the economic activity by adding a new partner (Saudi or licensed foreign investor) to the enterprise after fulfilling the regulatory requirements and registering the same with the Ministry.
- 4 The Saudi disposes the enterprise by sale, assignment or dissolution according to the regular procedures.
- 5 The non-Saudi obtains the Saudi premium residency by virtue of the Premium Residency Law and proceeds rectifying his/her status by utilizing the benefits of the premium residency.
- 6 The non-Saudi leaves the kingdom permanently after providing an undertaking proving the non-existence of private rights resulting from any transactions entered into in the enterprise and after announcing the same in any of the means specified by the Ministry in order to invite whoever has a right to report his/her claim within a period not exceeding (thirty) days from the date of the announcement.



Procedures for Reviewing Rectification Requests

- 1** The Ministry shall review the rectification request to ensure the fulfillment of necessary requirements and notify the applicant to complete the procedures of rectification within a period of (90) days from the date of notification. In case the procedures for rectification were not completed during this period, the Ministry may- upon justifiable grounds - extend the period.
- 2** In case the procedures for rectification were not completed within the period referred to in paragraph (1) of this section, the applicant shall complete the procedures for rectification through another rectification option within a maximum period of (180) days from the date of expiry of the first period referred to in paragraph (1) of this section.
- 3** Based on the rectification request submitted by the Saudi or non-Saudi, the Ministry shall take the necessary actions with the other party which include reviewing whether his/her status is in violation of the provisions of the Anti-Concealment Law issued by Royal Decree No. (M/22), dated 4/5/1425 H, or the Anti-Concealment Law issued by Royal Decree No. (M/4), dated 1/1/1442 H.



Fourth:

Content of Disclosure Form

- 1** The Disclosure Form as provided for in section (2) of the Regulations shall contain the following:
Personal information of the concerned parties, including contact information.
- 2** Information about the commercial register of the enterprise including the type of the activity, the number of branches - if any, the length of practice period, the proceeds to be covered by rectification and information about licenses or permits for practicing the activity -if any.
- 3** The selected option for rectifying status in accordance with the Regulations.
- 4** The agreement between the Saudi and non-Saudi on rectifying the status of the enterprise - if any.
- 5** In case the Saudi party wishes to transfer the ownership of the enterprise to another party, the information of the transferee shall be provided.
- 6** Any information related to the activity, enterprise or its owner to be requested by the Ministry for the purposes of completing the application.



Final Provisions

- 1** Whoever applies for rectifying his/her status as per these Regulations shall enjoy all the rights set forth in the relevant laws, including the right of residency and movement.
- 2** The exemption -stipulated in these Regulations- shall not include whoever has been arrested for committing a crime or violation of the provisions of the Anti-Concealment Law issued by Royal Decree No. (M/22), dated 4/5/1425 H, or the Anti-Concealment Law issued by Royal Decree No. (M/4), dated 1/1/1442 H. before submitting the rectification request, or anyone referred to the Public Prosecution or the competent court before applying for rectification.
- 3** The Ministry shall, in coordination with other authorities, lay down necessary procedures for executing the Regulations including the forms required for implementing the options contained therein.





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