

Communication and Information Technology Commission Ordinance

**Issued under the Council of Ministers resolution No. (74)
dated 05/03/1422H (corresponding to 27/05/2001)**

**Amended pursuant to the Council of Ministers resolution No. (133)
dated 21/05/1424H (corresponding to 21/07/2003)**

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Article one:

The following expressions shall have the meanings hereunder assigned to them unless otherwise specified:

The Act	Telecommunications Act.
The Ordinance:	Ordinance of the Saudi Communications Commission.
The Ministry:	The Ministry of Post, Telegraph & Telephone.
The Minister:	The Minister of Post, Telegraph & Telephone.
The Commission:	Saudi Communications Commission.[1]
The Board:	Board of the Saudi Communications Commission.
The Governor:	The Governor of the Saudi Communications Commission.
Member:	Member of the Board of the Saudi Communications Commission.

Article Two:

In accordance with this Ordinance, a regulatory authority, to be named "The Saudi Communications Commission", shall be established and shall have legal standing and financial and administrative independence. The Commission shall have its head office in Riyadh and has the right to establish branches or offices within the Kingdom, and reports to the Minister.

Article Three:

The Commission assumes the regulation of the telecommunications sector for the provision of advanced and reliable telecommunications services in any part of the Kingdom by the companies that will be licensed in accordance with the Act. The commission shall undertake the following:

- a) Issue the necessary licenses in accordance with the Act, the Bylaws and this Ordinance
- b) Ensure the implementation of the conditions specified in the granted licenses, and propose the conditions related to Universal Service and Universal Access
- c) Implement the approved policies, plans and programs for developing the telecommunications sector and establish the necessary procedures
- d) Seek to achieve the orderly expansion of the telecommunications infrastructure and telecommunications services which are provided to the users in an effective and reliable manner
- e) Encourage reliance on market forces for the provision of telecommunication services

- f) Prepare the Bylaws for the Act, ensuring clarity, equity, effectiveness and adequacy
- g) Encourage investment in telecommunication services and their infrastructure, and encourage the provision of reliable telecommunications services at affordable prices and high quality in all the provinces of the Kingdom
- h) Establish the National Plan for Frequency Spectrum after coordination with the concerned parties and forward it to the Ministry in order to submit it to the Council of Ministers
- i) Propose the fees for the usage of the frequencies allocated to different usages, and forward such fees to the Ministry in order to reach an agreement on them between the Minister and the Minister of Finance and National Economy and forward for approval to the Council of Ministers
- j) Protect the interests of users in respect of public telecommunications services and the Internet, monitor the performance of licensed entities providing such services and take the necessary measures to obligate these entities to abide by the license conditions, including type and level of services and development of new and innovative services
- k) Propose regulations related to the telecommunications sector and their amendments, and review the issues associated with the sector which are raised by the concerned parties, and in particular by the licensed operators or users including the disputes involving network access and interconnection, and take the necessary decisions concerning such issues within the scope of its authority
- l) Ensure the users and licensed operators perform their duties without prejudice to the public interest
- m) Encourage research and development in the telecommunications sector and encourage modernization of telecommunications networks and services
- n) Establish bases for determination of the rates of telecommunications services as required by competition
- o) Approve the general business conditions of the licensed operators
- p) Allocate the frequency bands assigned to civil and commercial usage and ensure the effective use of the frequencies
- q) Establish, manage and supervise the National Numbering Plan
- r) Enhance efforts to develop business practices and set performance standards for the different services in the telecommunications sector and monitor compliance therewith
- s) Coordinate with the Ministry regarding the representation of the Kingdom in relevant domestic, regional and international bodies in the telecommunications sector
- t) Any other functions conferred upon it under the Act and Bylaws

Article Four:

1. The Commission shall have a Board chaired by the Minister, and membership of the following
 - a) The Governor as a Deputy Chairman to the Board
 - b) A representative from the Ministry of PTT
 - c) A representative from the Ministry of Finance and National Economy
 - d) A representative from the Ministry of Commerce
 - e) A representative from King Abdul Aziz City for Science & Technology
 - f) Three members from the private sector to be nominated by the Minister and appointed by a Council of Ministers' resolution
2. The remuneration for attending the Board sessions shall be determined through a Council of Ministers' resolution

Article Five:

The Board is the higher authority of the Commission, and has the power to supervise the management and performance of the Commission and to establish a general policy to be followed by the Commission. The Board shall have the ultimate power to manage the commission which include, in particular, the following:

- a) Approve the internal, financial, administrative and technical Bylaws of the Commission
- b) Determine the fees obtained by the Commission against any activities or services it provides to the operators and similar parties, in accordance with the Act
- c) Approve granting of licenses that are within its jurisdiction
- d) Approve the National Numbering Plan and supervise its implementation
- e) Approve the business plan and operational plans of the Commission within the framework of the Government general plan
- f) Approve purchasing and selling of real estate & properties, required to achieve the Commission's objectives
- g) Approve the Commission's budget proposal and its final accounts, the Auditor's Report and the Annual Report for submission according to the Act
- h) Conclude agreements and various types of contracts within the limits of the Board's authority and delegate the Commission's personnel for concluding such agreements
- i) Form committees and empower them with necessary authorization to carry out their tasks
- j) Approve salary structure for the Commission's staff who are subject to the Labor and Workmen Law
- k) Supervise the technical, administrative and financial work of the Commission

Article Six:

1. The Board meetings shall be held at the Headquarters of the Commission and can be held in any other location inside the Kingdom
2. The Board shall meet at the invitation of its Chairman at least once every three months or whenever deemed necessary or if requested by at least five Members. The agenda should be included in the invitation. The Board meeting shall be valid only if attended by a majority of the members including the Chairman or his deputy. Resolutions shall be adopted by majority vote of the members present; and in case of a tie, the side on which the Chairman votes shall prevail
3. Deliberations and resolutions of the Board shall be recorded in Minutes signed by the Chairman and the members present. Resolutions applicable to operators, service providers, equipment manufacturers and distributors or users shall be published in the official Gazette and at least in two daily newspapers provided that such publication does not compromise public interest or business confidentiality. The Governor will directly inform the concerned parties ,as appropriate , of these resolutions
4. A Member has no right to delegate another person to vote on his behalf during his absence. A dissenting Member may record his dissent and its justification in the Minutes of the Board Meetings
5. A Member has no right to disclose any of the Commission's confidential information that come to his knowledge due to his membership of the Board
6. The Board may invite to its meetings any persons whose knowledge and expertise it wishes to enlist, without such persons having the right to vote

Article Seven:

In the course of performing the responsibilities and duties assigned to it, the Commission may enlist the services of specialized agencies, academic or technical institutions or qualified consultants to assist in the performance of certain functions and duties. The Commission may also cooperate and coordinate with other ministries or government agencies or bodies as it deems appropriate for the proper performance of its functions.

Article Eight:

The Commission shall have a Governor at the "Excellent" grade, who will be nominated by the Minister and appointed by a Royal Decree, and he shall be the executive officer responsible for the management of the Commission. His responsibilities are governed by the Ordinance and the Board decisions. The Governor shall assume, in particular, the following authorities and functions:

- a) Supervise the preparation for the Board meeting
- b) Follow up on the implementation of the resolutions issued by the Board
- c) Monitor the preparation of the Commission Budget Proposal, Final Accounts and the Annual Report for submission to the Board
- d) Supervise the Commission's staff as per the authority conferred on him and in accordance with the regulations
- e) Issue orders for the Commission's expenses according to the approved Annual Budget
- f) Provide the Board with periodic reports on the operations, achievements and activities of the Commission
- g) Propose plans and programs of the Commission and monitor their implementation after being approved by the Board

- h) Represent the Commission in its contacts with other agencies and before the courts and may delegate others to do so
- i) Delegate some of these authorities and functions to the officials in the Commission

Article Nine:

The Governor shall have deputies who will be appointed by a decree from the Board based on the nomination by the Governor. The deputies of the Governor shall assume the authorities conferred upon them by the Governor in accordance with this Ordinance

Article Ten:

The Commission's financial resources shall be derived from the following sources:

- a) Share allocated to the Commission from the fees charged by the government for the licenses issued to the operators
- b) Fees charged by the Commission for works and services provided by the Commission according to this Ordinance
- c) Income from fines imposed in accordance with the Act

Article Eleven:

The Commission's funds shall be deposited in an account opened for it with the Saudi Arabian Monetary Agency (SAMA). Spending from these funds shall be in accordance with the Commission's approved budget. With the exception of funds required for funding future projects approved in the Commission's Annual Budget and for meeting its obligations, funds in excess of the Commission's needs during the fiscal year shall revert to the Kingdom's General Treasury and shall be remitted to the current account of the Ministry of Finance and National Economy.

Article Twelve:

The Commission shall collect the fees charged for the provision of commercial services, usage of frequencies and issuance and renewal of licenses, and deposit these amounts with the General Treasury in a current account of the Ministry of Finance and National Economy.

Article Thirteen:

The custom exemptions regarding Commission's imports shall be in accordance with the established regulations applied to the imports of public corporations.

Article Fourteen:

The Commission's fiscal year is the same fiscal year of the State. As an exception the Commission's first fiscal year which shall begin as of the date of the coming into force of this Ordinance.

Article Fifteen:

Except for the Governor, all the employees of the Commission shall be subject to the Labor and Workmen Law and to the Social Insurance Regulations.

Article Sixteen:

The Governor shall within 90, ninety days, from the start of each fiscal year submit to the Minister an Annual Report ,after being approved by the Board, stating the Commission's accomplishments during the past year compared with the objectives of the general development plan, the difficulties encountered and the proposals for work improvement and progress. This Report will be submitted by the Minister to the chairman of the Council of Ministers.

Article Seventeen:

Without prejudice to the right of the Bureau of the Comptroller General to monitor the Commission's accounts, the Board shall appoint one or more independent auditors, natural or juridical persons, licensed to practice in the Kingdom and shall determine their fees. In the case of more than one auditor, they shall be collectively accountable to the Commission for their work. The auditor's report will be submitted to the Board, with a copy to the Bureau of the Comptroller General.

Article Eighteen:

The Ordinance of this Organization supersedes all contravening terms and provisions.

Article Nineteen:

This Ordinance shall be published in the official Gazette and shall come into force as of the date of its publication.

[1] Pursuant to the council of ministers resolution no. 133 dated 21/5/1424H the name of the "Saudi Communication Commission" (SCC) has been replaced with "the **Communication and Information Technology Commission** " (CITC).

[2] Pursuant to the council of ministers resolution no. 133 dated 21/5/1424H, the following IT tasks has been assigned to **the Commission**.

1. Implement the policies, plans and programs approved for the development of information technology and set out the appropriate procedures.
2. Propose regulations and its amendments related to information technology, and pursue approval of these regulations from the appropriate authorities.
3. Propose terms related to universal access and universal service.
4. Issue the necessary licenses in accordance with the terms and acts related to them.
5. Follow up evolution and news in the field of information technology and make use of them.
6. Organize expansion of the infrastructure of information technology in coordination with the concerned government and private organizations.
7. Encourage investment in information technology services, their manufacture and qualifying human resources working in this field.
8. Set out the master plan for information technology after coordinating with the concerned parties in order to approve it.
9. Coordinate with government organizations in regard to the necessary arrangements for the evolution to the e-government.
10. Coordinate with government and private organizations in regard to the necessary arrangements for the evolution to the e-commerce.
11. Coordinate with related organizations in regard to the necessary technology for creating data bases for those concerned organizations
12. Safeguard the interest of users in regard to information technology services.
13. Follow up government efforts in regard to information technology and encourage them.
14. Hold conferences and symposiums related to information technology and participate in such events inside and outside the Kingdom.