


E - Commerce Law

The English translation is prepared for convenience. For all purposes, the Arabic language version of these Laws and Regulations shall be the original, governing instrument. In the event of any conflict between the Arabic version of these Laws and Regulations and any subsequent translation into any other language, the Arabic language version shall govern and control.

Law

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Article One

For the purpose of applying the provisions of the Law, the following words and phrases - wherever they appear in the Law - indicate the meanings defined in this article, unless otherwise stipulated by the context:

The Law: Electronic Commerce Law.

The Regulations: The Implementing Regulations of the Law.

The Ministry: Ministry of Commerce and Investment.

The Minister: Minister of Commerce and Investment.

E-Commerce: An activity of an economic nature practiced, in whole or in part, by electronic means by the Service Provider and the Consumer, in order to sell products, or provide services, or advertise products or services, or exchange data in relation to said products or services.

Data: Any piece of data, regardless of its source or form, used directly or indirectly when dealing with e-commerce.

The Person: Any natural or legal person.

The Trader: the person registered in the commercial register practicing E-commerce.

The Practitioner: the person not registered in the commercial register practicing E-commerce.

Service Provider: The Trader or the Practitioner.

The Consumer: the person who practices E-commerce in order to obtain products or services provided by the Service Provider.

The Contract: the agreement concluded electronically between the parties dealing in E-commerce.

The Electronic Shop: An electronic platform that allows the Service Provider to display or sell a product, or to provide a service, advertise the product or service, or exchange data in relation to the product or service.

E-Shops Authentication Entities: The entities authorized by the Ministry to authenticate the Electronic shops.

Electronic Communication: Statement, declaration, notice, request or offer made by the parties to the contract by electronic means at the stage of negotiation of the contract or during its execution.

Electronic Advertisement: Any advertisement by electronic means carried out by the Service Provider, in order to promote the sale of a product or the provision of a service, directly or indirectly.

Electronic means: Any technology used by means of communication and information technology, whether electrical, electromagnetic, visual, optical, or digital, or any other similar technical means.

Article Two

The provisions of the Law shall apply to each of the following:

- a- The Service Provider within the Kingdom.
- b- The Practitioner outside the Kingdom who offers products or services within the Kingdom through means that allow the Consumer to have access to the products or services.
- c- The Consumer.

Article Three

1-For the purposes of applying the provisions of the Law, Place of Business of the Service Provider indicates:

- a- For the Trader, the Place of Business is the address registered in his commercial register.
 - b- For the Practitioner, the Place of Business is the place he determines in his electronic shop, unless otherwise proven.
- 2- If the Service Provider has more than one place of business and has not specified one of them, the recognized place of business shall be the one closest to the contract, taking into account the circumstances that the parties were aware of or anticipated at any time prior to or at the conclusion of the contract.
- 3- If the Practitioner is a natural person who does not have a Place of Business, the recognized Place of Business shall be his legal residence, according to the standards and conditions specified by the Regulations.
- 4- The place is not considered a Place of Business merely because it includes the equipment and technology supporting the information system used by the Service Provider to conclude the contract, or enables other parties to have access to the referenced information system.
- 5- The use of a domain name or e-mail address that is connected to a particular country by the Service Provider does not create a presumption that the Place of Business is located in that State.

Article Four

If the Consumer commits an error in an Electronic Communication and the communication technology did not allow for a correction, the Consumer may notify the Service Provider of the error immediately upon becoming aware of it within the time limit set by the Regulations. This notification is then deemed to be an error-correction if the Consumer has not benefited from the Service Provider's product or otherwise derived utility from it

Article Five

- 1- Unless the Service Provider and the Consumer agree to another period, and without prejudice to the provisions of any other law, the Service Provider may not keep personal consumer data or Electronic Communications except for the period required by the nature of e-commerce transaction. Necessary measures must be taken to protect the Consumer's personal data and maintain its confidentiality during the period of retention. The Service Provider shall be responsible for protecting the personal data and Electronic Communications of the Consumer that are in his possession or under control the entities he is dealing with or with its agents. The Regulations shall specify the relevant personal data to which confidentiality must be maintained in accordance with its importance.
- 2- The Service Provider may not use the personal data or Electronic Communications of the Consumer for unlicensed or unauthorized purposes, or disclose them to third parties, with or without charge, except with the consent of the Consumer to which the personal data relates, or as required by laws.

Article Six

The Service Provider must disclose the following information in the Electronic Shop:

- a- The Service Provider's name or any distinctive identification thereof, and the Service Provider's address, unless registered with one of the E-Shops Authentication Entities.
- b- The Service Provider's contact information.
- c- The name and number of registration if registered to a commercial registry, or other publicly available record.
- d- Other information specified by the Regulations.

Article Seven

The Service Provider shall provide a statement to the Consumer clarifying the terms and conditions of the contract to be concluded, provided that the statement includes the following:

- a- Procedures that must be followed to conclude the contract.
- b- Information related to the Service Provider.
- c- Basic characteristics of the products or services under contract.
- d- The total price including all fees, taxes or additional amounts related to delivery (if any).
- e- Payment, delivery and implementation arrangements.
- f- Warranty information (if any).
- g- Other information specified by the Regulations.

The Regulations shall specify the necessary requirements for the data that the Service Provider must submit according to the nature of each operation.

Article Eight

The Service Provider shall submit a receipt to the consumer after the conclusion of the contract, indicating the costs of purchasing each product or service, and the total price including all fees, taxes or additional amounts related to delivery, if any, and the date and place of delivery, in accordance with the Regulations

Article Nine

A Service Provider practicing a profession subject to special regulation and requiring a license or authorization to practice shall disclose:

- a- The entity in which the Service Provider is registered, and the license information or authorization issued by the entity to the Service Provider.
- b- The applicable professional title, and the country that granted it.
- c- Other data specified by the Regulations.

Article Ten

- 1- The Electronic Advertisement shall be considered among the contractual documents supplementing contracts and binding to the parties to the contract.
- 2- An Electronic Advertisement must contain the following:
 - a- The name of the advertised product or service.
 - b- The name of the Service Provider, and any distinctive identification thereof, unless registered with one of the E-shops Authentication Entities.
 - c- Contact information of the Service Provider.
 - d- Other information specified by the Regulations.

Article 11

The Electronic Advertisement shall not include:

- a- Any false display, statement, allegation, or misrepresentation that may lead, directly or indirectly, to deceiving or misleading the consumer.
- b- A logo or trademark that the Service Provider does not have the right to use or a counterfeit trademark.

Article 12

Without prejudice to the incidence of the penalties stipulated in Article (Eighteen) of the Law, if it is proved that the Service Provider contravenes the provisions of the second paragraph of Article (Ten) or Article (Eleven) of the Law, the Ministry shall have the power to order him to rectify the violation or withdraw the advertisement within one day from the date of its notification.

Article 13

- 1- Without prejudice to the contractual and regulatory provisions of warranty, the Consumer may – except in circumstances stipulated in paragraph (2) of this Article - terminate the contract within seven days following the date of receipt of the product, or the date of contract for the provision of the service, only if the Consumer has not used the Service Provider's product, benefited from the service or derived any utility thereof. In this case, the Consumer shall bear the costs of the termination of the contract unless the parties to the contract have agreed otherwise.
- 2- The Consumer shall not be entitled to terminate the contract under paragraph (1) of this Article in the following cases:
 - a- If the contract contains products manufactured at the request of the Consumer or according to the specifications which the Consumer specified, except for products that are defective or do not conform to the agreed specifications.
 - b- If the contract contains video tapes, compact discs, software or computer programs that have been used by the Consumer.

c- If the contract deals with the purchase of newspapers, magazines, publications and books.

d- If there is a defect in the product due to poor possession by the Consumer.

e- The contract deals with the provision of accommodation, transportation or food services.

f- If the contract deals with the purchase of online software download products, excluding software that has a defect that prevents the completion of the download, or does not conform to what was agreed upon.

g- Other conditions determined by the Regulations as required by the nature of the products or services.

Article 14

1- Unless the Service Provider and the Consumer agree to another period for the delivery or execution of the contract, the Consumer may terminate the contract if the Service Provider delays delivery or execution for a period of more than fifteen days from the date of conclusion of the contract or from the agreed date, and may recover the payment made under the contract for the product or service or other costs of such delay, unless the delay is due to force majeure.

2- Without prejudice to the provisions of paragraph 1 of this Article, the Service Provider is obliged to inform the Consumer of any anticipated delay or difficulties that have a material effect on the delivery or execution of the contract.

Article 15

The Trader shall register the Electronic Shop in the Commercial Register in accordance with the Commercial Register law, and the Regulations shall specify the necessary requirements for that.

Article 16

The Ministry oversees the E-commerce sector and issues, as needed, the rules necessary to regulate the sector in order to enhance the role of e-commerce and protect the integrity of its transactions, and this includes organizing the following:

a- E-shops Authentication Entities,

b- Electronic platforms that act as intermediaries between the Service Provider and the consumer.

Article 17

If the Service Provider contravenes any of the provisions of the Law or Regulation, the Minister or the person delegated by the Minister may, in urgent and necessary cases, take a decision to block the Electronic Shop - in coordination with the competent authority - in whole or in part until the violation is resolved or decided, whichever is earlier, and refer of the violation to the committee stipulated in paragraph (1) of Article nineteen of the Law within a maximum period of three days from the blocking of the Electronic Shop; the committee shall decide on the violation within a period not exceeding ten days from the date of referral. The committee may rescind the decision to block the Electronic Shop wholly or in part if it considers that justified.

Article 18

Without prejudice to any more severe penalties stipulated in other law, contravention of the provisions of the Law and Regulations shall result in one or more of the following penalties:

a- Warning.

b- A fine not exceeding (1,000,000) one million Riyals.

c- Temporarily or permanently suspension of the E-commerce activity.

d- Blocking the Electronic Shop - in coordination with the competent authority - partially or completely, temporarily or permanently.

Article 19

1- One or more committees shall be formed by Ministerial Decision to consider violations of the provisions of the Law and the Regulation and to impose the penalties provided for in Article (Eighteen) of the Law. The number of members shall be no less than three, at least one of whom shall be a legal adviser, and the decisions of the Committee shall be issued by a majority. And the Minister shall issue by virtue of Ministerial Decision the rules of the committee's work and determine the remuneration of its members.

2- The choice of penalties shall take into account the seriousness of the violation and its frequency, the size of the Service Provider's activity and the damage caused to others as a result of the violation.

Article 20

Any person against whom a decision was issued on the basis of the Law may object against it before the Administrative Court in accordance with the provisions of the Procedural Law of the Board of Grievances.

Article 21

The decision on penalties to the violation may include publication of the violation at the expense of the violator in one or more of the local newspapers issued in his place of residence, or in another suitable way, depending on the type of offense committed and its impact and effect, provided that the publication shall be after the decision is final or rendered not subject to appeal by the expiry of the specified period for appeal.

Article 22

The competent court shall adjudicate disputes including claims for compensation arising from the application of the provisions of the Law.

Article 23

Employees appointed - by Ministerial Decision- shall supervise and inspect electronic commerce transactions and violations of the provisions of the Law and Regulations.

Article 24

In the absence of any special provision in the Law, the provisions of the Electronic Transactions Law and other related laws shall apply to electronic commerce.

Article 25

The Minister shall issue the Regulations within ninety days from the date of publication of the Law in the Official Gazette and shall come into force from the date of its implementation.

Article 26

The Law shall come into force ninety days after the date of its publication in the Official Gazette.

 Attachments



 Rule Attachment (/_layouts/15/MCIRegulationsAPIs.ashx?siteURL=https://regulations.mci.gov.sa/&lng=en&op=Download&isInline=false&attId=9704b0fe-1a76-4c63-864a-aa8500a6087a)