



Coronavirus (COVID-19) in Saudi Arabia Force Majeure or State of Emergency?

25 March 2020

Introduction

This is a brief guide to address the most common legal consequences to the Coronavirus (COVID-19) outbreak ("**Outbreak**") on entities (governmental and private) which are operating in the Kingdom of Saudi Arabia ("**KSA**").

This brief will address the concepts of force majeure and state of emergency under Sharia Law as interpreted by judges in KSA. We will then identify whether the Outbreak is force majeure or state of emergency. Finally we will explain the effect of the Outbreak on different legal aspects in KSA.

As the Outbreak is an ongoing and progressing situation this information is subject to change.

Definition

As the civil law of the land in KSA is the principles of Islamic Sharia which are not codified by a consolidated set of principles, we often rely on the main sources of Islamic Sharia – the Holy Quran, Sunna and main Islamic Jurists teachings - to deduce such principles.

Although not being defined explicitly by Quran nor Sunna, the concept of force majeure and state of emergency, specifically arising out of pandemics ("*Gawa'eh*"), was established by the saying of the Holy Prophet Mohammed namely "*If you heard of a plague in a country do not enter it, and if you are in a country having plague do not leave it*". This Sunna along with the common Sharia principal "*private harm can be borne to avoid public harm*" opened the door for the main Sharia jurists to adopt the concepts of force majeure and state of emergency in their teachings that were further adopted by the judges in KSA.

Additionally, the concepts of force majeure and state of emergency was defined in different specialized laws, as will be elaborated on below. However these definitions apply only on the contracts/situations addressed by laws stated for therein and cannot be applied per se on different contracts.

Force Majeure

The concept of force majeure in Sharia Law is based upon the concept of "*bearing the burden*"

when one or more of the reciprocal obligations under a contract cannot be fulfilled. Hence it can be defined as "*all hardship that could not have been expected and cannot be avoided which affect the subject matter of the contract and makes it impossible to complete*".

The Sharia jurists further classified an event as force majeure on the condition that fulfilling the party(ies) obligation(s) is/are impossible for an alien reason.

This interpretation of force majeure, such as a pandemic, was further adopted by the judges in KSA particularly in case number 4241/1/Q of the year 1429H as appealed under appellate number 208/S/3 of the year 1431H. In this case the defendant argued that bird flu is a pandemic that lead to the destruction of goods (chicken eggs) he received and that he should not pay for them. The Court defined a pandemic as "*a disease that affects crops and lead to its destruction without any involvement from humans like drought or flood*". The Court further relied on a Sunna that "*if the sold goods were destructed by a pandemic it shall not be paid for*". The Court applied the test of whether the defendant received the goods before or after being destructed; as the defendant received the goods in a good condition and they were destructed after a period of one year from delivery, the Court eventually decided that the defendant pay for the goods.

The result of a status of force majeure is, generally, the termination of the contract in whole or in part if the impossible obligation of the contract can be separated from the main contract.

State of Emergency

The state of emergency concept has been derived by the Sharia Jurists from the Hanafi School concept of "excuse" which is the case in which fulfilling a contractual obligation by one party causes a great deal of hardship on that party. Hence this concept can be defined as unavoidable, unexpected and exceptional incidents that cause hardship for the party(ies) when fulfilling its/their obligation(s).

This interpretation for the state of emergency was further adopted by the judges in KSA in several judgments among which is case number 1885/1/Q of the year 1425H and appealed under

appellate number (381/AS/1). In this case the Rift Valley Fever was considered an epidemic which the judge considered as a state of emergency and decided that the penalty for delay imposed by one party according to the contract shall be refunded. Measures taken by the Government during that fever are at no comparison to current measure which is arguably grounds for a judicially-approved state of emergency. The King of KSA on his televised speech on the evening of 19 March 2020 declared the nation of KSA and the world are going through difficult days and we are yet to face even more difficulties. This may be interpreted as a state of emergency given the extreme measures taken by the Government immediately after the King's speech in banning travel and public transportation.

The result of a state of emergency differs between suspension of obligations, splitting the damage upon the parties or even termination.

It shall be noted that, when there is no force majeure clause in a contract, a court in KSA will enjoy the discretionary power to decide that the Outbreak is either force majeure, a state of emergency or has no effect on the contract at all. Moreover a court in KSA will also enjoy discretionary power on how to divide the burden arising out of the Outbreak between the parties to the contract affected by the Outbreak. In all cases, we anticipate that the court will consider some or all of following factors, among others when deciding on whether the Outbreak is force majeure, state of emergence or none:

- is there a clear and specific policy, law, regulation or contract clause that regulate such a situation?
- does it affect the whole contract or not?
- does it affect the contract before it starts or during its implementation?
- did one of the parties contribute to the increase of the sustained harm?
- is it possible to implement the contract in a different way?
- is it possible to mitigate the harm?

Force majeure and the state of emergency both share a common condition which is that the party claiming either force majeure or the state of emergency should not have contributed in the resolution of force majeure or the state of emergency. Additionally, they share how the

Sharia Principle and the judicial practice in KSA deal with the harm arising out of force majeure or state of emergency in the same way in terms of dividing the burden on both parties as the case may be.

On the other hand force majeure differs from state of emergency in terms of how immediate their respective effect takes place.

Our understanding is that, aside from contracts addressing force majeure, force majeure immediately leads to the termination of the contract with no action needed (i.e. no legal requirement to send a notice nor to file judicial application). However, the party aggrieved from such termination may recourse to the court with a claim for damages.

As for state of emergency, its application will require the aggrieved party either to send a notice to the other party or to submit an application for the competent court to suspended, delay or terminate the contract affected by the Outbreak.

The Outbreak

Our view towards whether the Outbreak can be categorised as force majeure or a state of emergency *vis a vis* contracts in KSA is that: "*It Depends*".

The WHO classified the Outbreak as a pandemic. KSA also took several measures to contain the Outbreak and to prevent it from spreading further including, but not limited to: the ban on international flights to and from KSA; an obligatory quarantine for those travelling from an infected country; shutting down shopping malls and leisure venues; and instructing governmental and private entities to work remotely.

Contracts usually include a clause addressing force majeure; such clauses define force majeure to include the Outbreak either explicitly (epidemics) or implicitly (adopting a general definition of including what precludes the performance of the contract). In this case, the force majeure clause will apply since there is an established Sunna principle stating that "*Muslims shall abide by their agreements*". The effect of force majeure on the contract will also be upheld as per the clause. However, a contract might not include a force majeure clause or it includes a force majeure clause that does not include the Outbreak among its definitions. In this case, the

principles of force majeure or the state of emergency will apply.

Generally, if the contract is impossible to perform as a result of the Outbreak *de facto* (for example, broadcasting rights of a football match in KSA cannot be exercised because of the cancellation of the tournament by FIFA) or *de jure* (for example, the governmental decision of cancelling all wedding events), then the Outbreak will be considered as force majeure for this specific contract resulting in the termination of the contract.

On the other hand, if the fulfilment of the contractual obligation(s) cannot be achieved without hardship that goes beyond the normal and expected hardship in different contracts, then the Outbreak will be considered as a state of emergency resulting in the suspension, delay or termination.

Effect

In this section we are going to elaborate our preliminary views on the possible consequences on a set of different contracts/situations under the applicable laws of KSA.



Following the Outbreak, the first thing to consider in a commercial contract is to check whether or not the contract addressed force majeure or state of emergency.. If it was addressed, then follow the force majeure clause; if not, then the aggrieved party has one of the following options:

First option

If the contract became impossible to perform as a result of the Outbreak, then the contract is deemed to be terminated. However, the aggrieved party should first seek legal advice before adopting such approach because even if it would be legitimate, it will have significant consequences.

As the contract will be deemed as terminated the aggrieved party, after assessing the harm sustained, may directly initiate settlement negotiations with the other party. Otherwise the aggrieved party may initiate judicial proceedings before a competent court, or arbitral tribunal as

the case may be, to claim damages for the sustained harm. The aggrieved party shall keep in mind that the harm sustained by both parties will likely be divided on both parties by the court or arbitral tribunal considering the claim.

Second option

If fulfilling the obligation(s) under the contract will cause significant hardship, that exceeds the hardship that can be expected from a diligent person in the normal course of action considering the terms and circumstances of the contract, it is our view that the aggrieved party shall first try to renegotiate the terms of the contract amicably either to suspend the obligations under the contract, delay the performance of obligations or alter the termination clause of the contract. Otherwise the aggrieved party may initiate judicial proceedings before the competent court or arbitral tribunal seeking suspension, delay or termination of the contract in addition to claiming damages.

By way of example, supply and distribution contracts by which local agents are obliged to purchase a specified amount of goods from the manufacturer will be affected by the Outbreak in a way that makes fulfilling the obligations of the local agents – and perhaps the manufacturer as well for not being able to comply with the distributor purchase orders – a significant, exceptional and unexpected hardship. In our view, the Outbreak has, generally speaking and subject to case-by-case analysis, the effect of state of emergency on these kinds of contracts (so far). Because it is still possible for local agents to import goods as there is no ban on importation into KSA, local agents might not be able to sell of the agreed imported quota which will only lead to over stocking their warehouse. We are of the opinion that parties to supply and distribution contracts shall pre-emptively initiate the process of re-negotiating the terms and conditions of their contracts, in compliance to the state of emergency principle, wilfully and in good faith to avoid possible adverse future consequences. **Contracts governed by the Government Tender and Procurement Law (“GTPL”)** Issued by virtue of the Royal Decree number M/128 on 13/11/1440H and its executive regulation (“**Executive Regulation**”) addressed the effect of both the force majeure and state of emergency.

Although it did not define force majeure, the GTPL defined state of emergency to be "A situation at which there is a serious and unexpected threat to the public safety, security or health; or a disturbing situation which threatens lives or properties that cannot be dealt with through the normal procedure of the tender."

Articles 68 and 69 of the GTPL provided that a contract price can be decreased, by an amount not exceeding 20%, if during the performance of the contract a financial hardship took place which could not have been anticipated. The Executive Regulation further elaborated that if the hardship exceeds 20% of the value of the contract, the aggrieved party shall file a claim before the Administrative Court to claim additional reduction.

Article 113 of the Executive Regulation draws the conditions and procedure for requesting the reduction. The most crucial of which is that the financial hardship shall pertain to the custom fees, taxes or the price of materials or officially fixed price services and that the hardship is not a result of the aggrieved party's delay in fulfilling its obligations.

Article 74 of the GTPL granted the governmental entity the right to extend the duration of the contract or waive the prescribed penalty for delay if a state of emergency occurs. Articles 125 and 126 of the Executive Regulation define the scope and procedures for applying article 74 of the GTPL.

Article 133 of the Executive Regulation, grants the governmental entity the right to terminate the contract if the performance of the contract is impossible due to the occurrence of force majeure.



Like commercial contracts, the first thing to do as landlord or tenant in KSA is to review the lease contract to check whether or not the Outbreak has been addressed in the force majeure clause. If it is addressed, then follow the process prescribed in this clause. Based on our experience, the majority of leases in KSA do not include a force majeure clause, hence the principles of Sharia will apply, as indicated below.

If the lease contract did not include a force majeure clause, then we need to differentiate

between two different types of lease contracts at this stage as follows:

Short term leases

Short term leases in this context is a lease for a period less than the one through which the KSA government imposed the precautionary measures addressing the Outbreak, to which the Outbreak will act as force majeure leading to the termination of the lease. If the lessee has already paid the rent in advance, we are of the view that such rent shall be refunded by the lessor.

Long term leases

We are of the view that the Outbreak acts as a state of emergency entitling the lessee the right to request suspension or the alteration of the contract for long term leases.

At this stage of the Outbreak, we believe that generally, commercial lease contracts do not face a state of force majeure yet. As till now the measures taken by the government of KSA are temporary.



There are different aspects of workforce management that have been or might be affected by the Outbreak. We are going address these topics one by one.

Enforced leave

Neither KSA Labor Law 51/m 23/8/1426 as amended ("**Labor Law**"), nor the Executive Regulation for Human Resources for Civil Services ("**Civil Services Regulation**") provides employers with the right to require employees to go on short-term leave or unpaid leave. They only provide sick leave which is paid initially and then unpaid, maternity and paternity leave, annual leave and pilgrimage leave.

Reducing salaries

In theory, employees who are employed under an employment contract, continue to be entitled to their salary as provided for in their contract. Unless their contract includes the express right to be placed on short-term leave which is not

something contracts generally include in KSA, the legal position is not definitive till now.

However we noted that article 119 of the Labor Law stated, *“full time employees who are affected by a temporary group reduction of working hours for an economic, technical or structural reason are not to be considered as a part time worker”*. Our reading is that, despite not explicitly stating the employer’s right to reduce working hours and hence the salaries for economic reasons, the legislator in KSA considered it as an option. It is to be noted that our reading has not been tested before Labor Courts in KSA.

We have highlighted some practical options available to our clients in order to overcome the hardship arising from the Labor Law and the Civil Services Regulation as follows:

- **Sick Leave and Pay** – Employees who are absent from work due to sickness (either a confirmed case of COVID-19 or who are displaying symptoms) would be entitled to statutory or company sick pay and the usual sickness absence reporting procedures and provision of a medical certificate would apply. In connection to this, a notification has been issued by the Ministry of Health along with the procedure to obtain the medical certificate online has been also been explained. There is a risk that employees will claim to be sick, especially if the alternative is unpaid leave, therefore it is still advisable to request a medical certificate or evidence.
- **home working/remote working** – before requesting short-term or unpaid leave, given the Saudi Government’s focus on promotion of flexible-working, our view is that employers will be expected to demonstrate that they have considered alternatives, such as flexible working or homeworking before placing employees on short-term or unpaid leave.
- **annual leave** – employees can choose to take their annual leave and be paid, and/or the employer can specify the dates on which any annual leave must be taken, although this is likely to be contested by the employees
- **unpaid leave** – article 116 of the Labor Law entitles the employee to have unpaid leave after seeking approval of the

employer. Hence we deduce that unpaid leave may not be imposed on the employee against his/her will; the Ministry of Human Resources confirmed this through announcing that the *“labor system in the Kingdom of Saudi Arabia does not allow granting or forcing employees to go on unpaid leave without their consent”*.

- renegotiate the terms of the employment contact, by either decreasing the working hours and salary, or agreeing on the option to take unpaid leave. This negotiation can be suggested by the employers to the employees as an alternative to redundancy.

Redundancy

Under article 74 of the Labor Law, the employer can terminate the employment contract in the case of force majeure (which was not defined) or in case that the department/activity at which the employee is working has been cancelled. If the employer adopted article 74 to terminate an employment contract, the employee will be entitled to his full end of service remuneration. In case the employee filed a claim of wrongful termination before the Labor Courts in KSA denying the occurrence of force majeure or that the department/activity which he/she was working at was not cancelled, the Labor Court will assess the claim and if it concluded that the termination was wrongful it will issue its judgment obliging the employer to pay damages to the employee on top of the end of services entitlements.

Article 210 of the Civil Executive Regulations provides that a civil servant may be terminated if the job has been cancelled or a Royal Decree is issued with such effect.

Employers liability

Articles 121 and 122 of the Labor Law imposes an obligation on the employer to safeguard the safety and health requirements in the workplace to protect the employees from harm and disease. Accordingly, if an employee managed to prove that he/she got infected with COVID-19 in the workplace, he/she may file a claim against the employer for failing to fulfil its obligations under articles 121 and 122 of the Labor Law. The test that will be applied by the Labor Court to decide

on this issue is whether the employer followed the updated version of safety requirements published by the Ministry of Human Resources or not.



Insurance policies

Although the insurance companies in KSA are organized by the Saudi Arabian Monetary Authority ("**SAMA**") the terms and conditions addressing premium, coverage, value, notices, procedures and force majeure are to be decided between the parties.

As the subject matter of an insurance policy is covering a subject matter against certain situations for a specific value, hence to decide whether the Outbreak will trigger the insurance policy, a thorough review will need to be conducted of such policy terms and conditions.

As for the due premiums for the policy, if the policy did address the force majeure or the state of emergency then we are of the opinion that the principles of Islamic Sharia will apply as it will be applied to general commercial contracts.



Litigation

Generally speaking, the Civil Procedure Law issued by virtue of the Royal Decree number M/1 on 22/1/1435H as amended ("**CPL**") provides that the attendance of the parties to a scheduled hearing is obligatory. However, if a party did not attend then he/she may submit an excuse for not attending. The Court enjoys discretionary power to evaluate such excuse.

As a result of the Outbreak, the Ministry of Justice issued a circular instructing courts and litigants throughout KSA to deal with cases remotely through the established online platform by submitting statements and following up on the procedural progress of cases. The Ministry of Justice issued an executive manual for judicial remote operation during the suspension period.

Although the CPL did not specify the conditions for submitting oral submissions and witness statements via video conferencing, the CPL did not forbid it. Hence we can anticipate that if the Outbreak lasts for a longer period, the Ministry of

Justice will issue further circular(s) allowing Court hearings to be fully conducted via video conferencing.



Bankruptcy

Article 31 of the Executive Regulation of the Bankruptcy Law, issued by virtue of the Cabinet Decree number 622 on 24/12/1439H ("**Bankruptcy Executive Regulation**"), addressed the potential consequences of the Outbreak by granting the right to the creditors or the trustee of a bankruptcy to submit a request to the competent court to adjust the bankruptcy plan for a force majeure (it was not defined) or a state of emergency (which was defined as "*like exceptional economic or financial disturbance or the death of the guarantor*").

On another related note, companies may be tempted to start acquiring other companies in distress as a result of the Outbreak. Hence, caution shall be exercised in this regard as will be elaborated in the following scenarios:

Scenario 1: The Outbreak lasted for a longer period and the deal went well

In this scenario, it is most likely that the acquired company will be relieved from its burden and will hold no grudges against the acquiring company which may be suffering in the future.

Scenario 2: The Outbreak was resolved shortly after the deal was concluded

In this scenario, the acquired company may attempt to annul the acquisition by relying on a Sharia Principle of unfairness ("**الغبن**"), which can be defined as sale for an unfair price as a result of deceit.

The acquired company may claim that the acquiring company deceived it in assessing the value of the acquired company, which was done on the anticipation that the Outbreak would last for longer, which it did not. If a contract is deemed to be unfair by a Court in KSA, the aggrieved party will be granted the right to annul such contract. Assessing whether an acquisition is unfair or not cannot be done on general terms

as each and every case needs to be assessed individually.

However, as preliminary advice, any acquisition taking place during the Outbreak needs to include a detailed representation clause addressing the acquaintance of all the surrounding circumstances and potential progress of the Outbreak in order to mitigate the risk of claiming unfairness in the future.



Data privacy

We think that the issue of sharing personal medical information is a relevant topic to the Outbreak.

Companies and medical institutions may encounter the issue of being required by a governmental authority to disclose personal medical data of their employees or patients.

Companies

There is no data privacy law enacted in KSA. Additionally, personal data privacy of employees is not addressed in the Labor Law. So basically, if a company doing business in KSA is asked by a competent authority to disclose personal medical data of its employees in relation to the Outbreak, it can disclose such data.

However, many employment contracts include a data privacy clause. Data privacy clauses often waive the obligation to keep the data confidential whenever asked by a competent authority; hence, such clauses can be relied upon in disclosing personal medical data of employees if they exist.

Accordingly, if a company encounters a request to disclose personal medical data of its employees, it should first check its employment contracts.

Health institutions

The confidentiality of medical data of patients is waived by virtue of Article 12 of the Private Health Institutions Law, issued by virtue of the Royal

Decree Number M/40 on 3/11/1423H and its executive regulation. This article obliges private health institutions to report any diagnosed infectious condition, and send details directly to the quarantine departments at the Ministry of Health hospitals.

Despite the fact that medical practitioners are obliged to preserve the confidentiality of personal confidential data of their patients as stated in article 21 of the Medical Profession Practice Law issued by virtue of the Royal Decree number M/59 on 4/11/1426H. Article 21.A.2 of the same law grants the medical practitioners the right to disclose such data if the patient is diagnosed with an infectious disease.



General Construction Contracts with the government of KSA

There is a model contract to be adopted by the government when it enters into a general construction contract. Article 51 of the model contract defines force majeure to be any unexpected incident that occurs after entering into the contract due to which the performance of the contract becomes impossible in whole or in part. Furthermore, articles 52 and 54 of the model contract addresses the effect of the force majeure and how the aggrieved party can benefit from such incident.



Mining contracts

Article 28 of the consolidated GCC Mining Law issued by virtue of the Cabinet Decree number 289 on 6/7/1435H, defines force majeure to be the incidents which are commonly considered force majeure that were unexpected at the time of issuing the license and which cannot be attributed to any of the parties that led to the impossibility of fulfilling the obligations under the contract. The effect of force majeure under this article is the extension of the contract term for a period equivalent to the period of the force majeure, after the consent of the authorized entity.

Appendix 1

Topic	Regulations and government action
Health and safety measures	<ul style="list-style-type: none">– Partial curfew for 21 days effective March 23 from 19:00 – 06:00 the next days (Riyadh, Makkah (Mecca) and Medina from 15:00 effective 26 March); certain exemptions for commercial and public services– Effective 15:00 Thursday 26 March, travel ban out of or into each of the KSA’s 13 administrative principalities with emphasis on travel bans out of or into the cities of Riyadh, Makkah (Mecca) and Medina (exemptions on curfew applies to this ban)– quarantine– the Ministry of Health has prepared 25 hospitals and 8,000 beds to handle any COVID-19 cases– suspends all schools (online classes)– paid sick leave for 14 days for those who just came back from the countries that detected COVID-19 cases– the suspension of all sport activities in all tournaments and competitions, as well as the closure of private sports halls and centres– the closure of shopping malls and all activities within their premises, including restaurants and children’s play areas. However, supermarkets and pharmacies within the malls are allowed to open as usual– the prevention of eating and drinking inside restaurants and cafes, and these include both open or closed facilities. The restaurants and cafes can offer takeaway and drive-through services– the prevention of gatherings in open and closed public places, including parks and desert areas– the closure of all fun cities and other places designated for games and recreational activities within and outside shopping malls– the prevention of all public social events including receiving condolences, holding wedding parties and similar events in all wedding halls and rest houses– the imposition of a fine up to 500,000 riyals (S\$183,300) on people who do not disclose their health-related information and travel details at entry points– all banks and financial institutions to work remotely for a period of 16 days starting on 16 March. However, there is an exemption for some critical departments and jobs in financial firms that necessitate the presence of employees, and all banks shall designate some branches of banks and financial firms to provide only necessary services that are not available online– the suspension of all Friday and other main prayers at mosques across the Kingdom, except the prayers at the Two Holy Mosques in Mecca and Medina

<p>Employment issues</p>	<ul style="list-style-type: none"> – suspension of employees attendance at their workplaces in all government agencies except for those in the health, security and military sectors, for 16 days starting on 16 March – suspension of employees coming to the main offices of the private sector for a period of 15 days starting on 17 March. The private sector shall reduce the number of workers in its branches, offices, and other facilities to the minimum necessary for the conduct of work and the availability of supply chains, so that the number of workers required to be present in the workplace does not exceed 40% of the total employees at the facility’s headquarters, with the adherence to several policies issued by the Ministry of Human Resources and Social Development – grant a compulsory leave of 14 days, not counted from the leave balance, for all employees who fall into the following cases: pregnant and lactating women; respiratory diseases; immunodeficiency diseases and users of immunosuppressive drugs; tumours; chronic diseases; and workers over fifty-five years old – for private sector establishments that provide utility services to government agencies, they must coordinate with those bodies before suspending attendance at workplaces – the Ministry of Human Resources and Social Development has adopted the following decisions: <ul style="list-style-type: none"> – lifting the halt on wage protection in the current phase – temporarily lifting the halt on private sector firms to rectify their activity – lifting the halt due to non-payment of fines – employing a Saudi will be counted immediately in Nitaqat for all firms – all fines pertaining to recruitment of workers shall cease – allowing borrowing of workers via Ajeer Program to facilitate work procedures and reduce the burdens related to manpower for the impacted sectors, and to assist the sectors in demand
<p>Product compliance matters</p>	<ul style="list-style-type: none"> – all products should be in compliance with the Saudi Standards, Metrology and Quality Organization (SASO) requirements – there is no maximum percentage of using alcohol as a component of the hygiene and sterile materials
<p>Pricing requirements</p>	<ul style="list-style-type: none"> – the control teams of the Ministry of Commerce have intensified their field tours at the shops and warehouses to verify the abundance of products and basic commodities and have visited 3,723 hypermarkets in all regions of the Kingdom. The results have shown an abundance of supplies and consumables, stable prices, adequate stock availability and the continuity of supply baskets to markets and outlets – the imposition of fines for manipulating the price of any products that might be in need during such period (for example, medical equipment or specific kinds of food). A fine not exceeding 10% of the total annual sales value subject of the violation. When it is impossible to estimate the annual sales, the fine shall not exceed 10 million riyals. The Committee may, at its discretion, impose a fine not exceeding three times the gains made by the violator as a result of the violation

Quotas	<ul style="list-style-type: none"> – face masks – kind N95 (two pieces for each individual) – face masks – the original one (10 pieces for each individual) – hand sanitizer liquid (one piece for each individual)
Import/export requirements	<ul style="list-style-type: none"> – the suspension of all exports of medicines, pharmaceuticals and medical equipment of all types
Economic	<ul style="list-style-type: none"> – exemption from expat levy for those whose Iqama has expired from now until 30 June 2020, by extending their Iqama for a period of three months without charge – enabling employers to refund the fees of issued work visas that were not used during the ban on entry and exit, even if they were stamped in the passport, or to extend them for a period of three months without charge – enabling employers to extend exit and re-entry visas that were not used during the ban on entry and exit from the Kingdom for a period of three months without charge – enabling business owners, for a period of three months starting from 22 March 2020, to postpone the payment of value-added tax, excise tax, income tax, and the submission of Zakat declarations and the payment of obligations due therefrom. The decision allows also to grant zakat certificates without restrictions for the period of fiscal year 2019, and to accept instalment requests to the General Authority of Zakat and Income Tax without applying the condition of advance payment. In addition, postponing the execution of services suspension procedures and financial seizure by the General Authority of Zakat and Income – postponing the collection of customs duties on imports for a period of 30 days against the submission of a bank guarantee for the next three months starting from 22 March 2020 – postponing the payment of some government services fees and municipal fees due on the private sector for a period of three months starting from 22 March 2020
Other notable topics	<ul style="list-style-type: none"> – the Saudi Arabia Monetary Authority (“SAMA”) had prepared a 50 billion riyal (\$13 billion) package to help small and medium-sized enterprises cope with the economic impacts of COVID-19 outbreak – the General Authority of Ports suspended shipping services (maritime passenger trips), excluding cargo, between the Kingdom and several countries as part of the precautionary measures to stem the spread of coronavirus. However, the decision states that there will be no ban for services of evacuation, cargo and trade trips – but there should be no assigning on/off procedures for onboard seafarers of ships which arrive to Saudi ports – the temporary suspension of entry for individuals seeking to perform Umrah pilgrimage in Mecca or visiting the Prophet's Mosque in Madina for both internal and external individuals – the suspension of international flights in Saudi Arabia began for two weeks as of 15 March

- the Ministry of Health advised the public to avoid holding official or social parties and events with more than 50 attendees. It also underlined the need to avoid handshakes
- the Judicial Council decides to postpone all cases before the courts, to activate the trial, and to conduct a remote hearing
- the Saudi Food and Drug Authority (“SFDA”) expedited the evaluation process and issuing the Medical Devices Marketing Authorization (“MDMA”) for medical Personal Protective Equipment (“PPE”) such as medical masks, medical gloves, and single-use protective clothing to be within two working days after ensuring their safety. It also provide distribution companies with temporary importing licenses until completing their registration through MDMA
- the SFDA is also issuing an emergency approval and importing permission for IVD kits (for research use) specifically used for the diagnosis of COVID-19
- assigning telephone numbers to report any: gatherings, marriages, rest houses, violating shops, and high prices. It also assigned a telephone number to obtain medical consultations
- the Capital Market Authority suspends holding assemblies of companies listed in financial market temporarily, and holding them through modern technological means
- the suspension of all domestic flights, buses, taxis (except of the service provided in airports for air transport, as estimated by GACA and the activity of transporting individuals of special vehicles working with applications) and trains for 14 days starting of 21 March
- the Communications and Information Technology Commission (“CITC”) directed telecommunications companies to calculate the free tariff for the approved educational and health digital platforms
- extending truck entry hours to and from cities.



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