



UNODC

United Nations Office on Drugs and Crime

Country Review Report of the Kingdom of Saudi Arabia

Review by Nauru and Ireland of the implementation by
Saudi Arabia of articles 5-14 and 51-59 of the United Nations
Convention against Corruption for the review cycle 2016-2021

I. Introduction

1. The Conference of the States Parties to the United Nations Convention against Corruption (hereinafter, UNCAC or the Convention) was established pursuant to article 63 of the Convention to, inter alia, promote and review the implementation of the Convention.
2. In accordance with article 63, paragraph 7, of the Convention, the Conference established at its third session, held in Doha from 9 to 13 November 2009, the Mechanism for the Review of Implementation of the Convention. The Mechanism was established also pursuant to article 4, paragraph 1, of the Convention, which states that States parties shall carry out their obligations under the Convention in a manner consistent with the principles of sovereign equality and territorial integrity of States and of non-intervention in the domestic affairs of other States.
3. The Review Mechanism is an intergovernmental process whose overall goal is to assist States parties in implementing the Convention.
4. The review process is based on the terms of reference of the Review Mechanism.

II. Process

5. The following review of the implementation by Saudi Arabia of the Convention is based on the completed response to the comprehensive self-assessment checklist received from Saudi Arabia, and any supplementary information provided in accordance with paragraph 27 of the terms of reference of the Review Mechanism and the outcome of the constructive dialogue between the governmental experts from Nauru, Ireland and Saudi Arabia, by means of telephone conferences, e-mail exchanges or any further means of direct dialogue in accordance with the terms of reference and involving from Nauru: Mr. Graham Leung (Secretary for Justice and Border Control) and Mr. Victor Soriano (Deputy Registrar of Corporations, Department of Justice and Border Control); from Ireland: Mr. Michael Dreelan (Advisory Counsel, Office of the Attorney General), Mr. Gearoid Begley (Detective Superintendent, Criminal Assets Bureau) and Mr. Ronan O'Reilly (Public Procurement Policy Advisor, Office of Government Procurement); and from the Secretariat: Ms. Tanja Santucci, Mr. Issam AlKhayat and Mr. Mohamed Cherbal.
6. A country visit, agreed to by Saudi Arabia, was conducted in Riyadh from 16 to 18 May 2017.

III. Executive summary

1. Introduction: overview of the legal and institutional framework of Saudi Arabia in the context of implementation of the United Nations Convention against Corruption

Saudi Arabia signed the Convention on 9 January 2004 and ratified it on 23 January 2013 pursuant to Royal Decree No. M/5. Saudi Arabia deposited its instrument of ratification with the Secretary-General of the United Nations on 29 April 2013.

The implementation by Saudi Arabia of chapters III and IV of the Convention was reviewed in the fourth year of the first review cycle, and the executive summary of that review was published on 24 September 2015 (CAC/COSP/IRG/I/4/1/Add.20).

Saudi Arabia has committed itself to pursue zero tolerance against corruption and does not grant immunity from prosecution to any person or public official, including members of the royal family.

Saudi Arabia has adopted the principle of direct implementation of international conventions. Article 70 of the Basic Law on Governance stipulates that laws, international treaties and agreements, and privileges are issued and amended by royal decrees. Thus, the international conventions to which Saudi Arabia has acceded are an integral part of domestic law and have the same status as national laws. In case of conflicting provisions, the terms of international treaties and agreements are applied (art. 81, Basic Law on Governance).

The national legal framework against corruption includes the Anti-Bribery Law, the Anti-Money-Laundering Law, the Law on the Management of Public Funds, the Banking Control Law, the Cooperative Insurance Companies Control Law, the Finance Companies Control Law, the Criminal Procedure Law, the Personnel Disciplinary Law, the Civil Service Law and Royal Decree No. 43 on Protecting the Integrity of the Public Service. Saudi Arabia is a party to a number of international agreements on international cooperation, crime control and crime prevention.

The law enforcement authorities of Saudi Arabia cooperate through different mechanisms and networks, including the Financial Action Task Force (FATF) (observer since 2015), the Middle East and North Africa Financial Action Task Force (MENAFATF) (member since 2005), and the Egmont Group of Financial Intelligence Units, the International Criminal Police Organization (INTERPOL) and the Gulf Cooperation Council.

Entities involved in the prevention and countering of corruption include: the National Anti-Corruption Commission (Nazaha), the public prosecution service, the judiciary, the Ministry of Interior, the Ministry of Justice, the Control and Investigation Board, the General Auditing Bureau, the General Directorate of Financial Investigation and the General Directorate of Administrative Investigation (both under the Presidency of State Security), the Monetary Agency of Saudi Arabia, the Capital Markets Authority, the Ministry of Finance, and Ministry of Civil Service. The Standing Committee on Requests for Legal Assistance plays a key role in the field of international cooperation. The Standing Committee on Anti-Money-Laundering and the Standing Committee on Combating Terrorism and its Financing, as well as a working group to follow up the implementation of the Convention, have also been established.

2. Chapter II: preventive measures

2.1. Observations on the implementation of the articles under review

Preventive anti-corruption policies and practices; preventive anti-corruption body or bodies (arts. 5 and 6)

Saudi Arabia has adopted a formal written strategy, the National Strategy for Maintaining Integrity and Combating Corruption (Council of Ministers Resolution No. 43 of 19 February 2007). Nazaha is responsible for overall coordination and follow-up on the implementation of the Strategy with all public and private sector institutions, which in turn are obligated to coordinate with Nazaha. Nazaha constantly follows up on the implementation of the Strategy with relevant entities, requests statistics on implementation, and is required to report annually to the King. It conducts various monitoring, oversight, outreach and awareness-raising activities, in coordination with relevant public authorities.

Since its adoption, many efforts were made in the field of prevention, as well as the adoption and modification of laws, in cooperation with various stakeholders. For example, each institution has developed a comprehensive programme on corruption prevention, awareness-raising and revising policies and procedures.

As for measuring progress in achieving the Strategy's objectives, a Standing Committee was established in Nazaha in September 2016 to follow up and monitor the implementation of the Strategy. The Committee has conducted a preliminary evaluation of the Strategy's overall implementation, based on indicators developed in consultation with different stakeholders. Based on these key performance indicators, a public dashboard was developed, which shows overall results and progress achieved, and a model for follow-up and evaluation was developed, for which implementation is ongoing.

Currently, a team in Nazaha is reviewing the Strategy and is expected to issue recommendations for its revision to the competent entities.

Nazaha is the main body tasked with preventing corruption, including awareness-raising and receiving complaints. It has carried out several measures in this area, and a specific focus has been promoting integrity in education in partnership with the Ministry of Education. Nazaha also worked closely with the Ministries of Interior, Defence and Justice, among others, on corruption prevention measures, including the adoption of an information sharing system for corruption court judgments to be transferred to Nazaha for monitoring and appropriate action.

Nazaha is also responsible for conducting periodic reviews of relevant laws and procedures (art. 3 (8), Statute of Nazaha). Other institutions also conduct evaluations of anti-corruption laws and regulations. For example, the Ministry of Finance is updating the Government Tenders and Procurement Law in consultation with public and private sector entities. Other laws under revision at the time of review include the Anti-Bribery Law, Law on Abuse of Power, Law on the Management of Public Funds, and Statute of Nazaha. A draft law on the Protection of Victims, Witnesses and Persons of Equivalent Status and one on the Freedom of Circulation of Information have also been prepared.

Saudi Arabia actively engages in regional and international cooperation and participates regularly in relevant conferences, meetings and forums, including the working groups under this Convention and the Group of 20 Anti-Corruption Working Group. National entities have signed a number of memorandums of understanding on cooperation and engage in training and exchange of expertise with other government agencies involved in combating corruption.

Nazaha was established by Royal Decree No. A/65 (18 March 2011). The Commission appears to be adequately trained, possess sufficient resources and has adopted measures to safeguard its legal, operational and budgetary independence.

Public sector; codes of conduct for public officials; measures relating to the judiciary and prosecution services (arts. 7, 8 and 11)

The recruitment, hiring, promotion, and retirement of civil servants is regulated by the Civil Service Law (Royal Decree No. 49 of 1977). Other applicable laws include the Personnel Disciplinary Law and Royal Decree No. 43 on Protecting the Integrity of the Public Service.

Pursuant to article 1 of the Civil Service Law, competency is the basis for the selection of applicants for the civil service. To achieve the principle of merit, the Ministry of Civil Service sets rules and procedures for the selection and assessment of candidates. Vacancies for positions in class 10 and below are published online through a web-based application named Jadara.

Criteria for promotion have also been developed, which establish conditions that both the candidate and the public entity must meet. Retirement is governed by provisions on the end-of-service requirements set forth in the Civil Service Law.

The Kingdom has adopted multiple salaries scales for the civil service, depending on the different nature of functions and the special status of some positions.

Additional measures on hiring, promotion and termination apply to certain categories of officials, such as members of the Council of Ministers, the Shura Council, the judiciary, the public prosecution service and Nazaha.

Training comprises part of the regular duties of civil servants (art. 34, Civil Service Law). Additional integrity training is conducted for some categories of officials, such as members of the judiciary, the public prosecution service and procurement officers.

Elections in the Kingdom are only conducted for members of the Municipal Councils. The Law on the Election of Members of the Municipal Councils (2011) sets forth eligibility requirements to strengthen integrity and prevent conflicts of interest (art. 19). The law requires transparency in reporting funding sources to the local elections commission (art. 23) and prohibits foreign and governmental funding of campaigns (art. 16). Civil servants are further prohibited from influencing, directly or indirectly, any electoral campaign (art. 15).

Some rules preventing conflicts of interest are set forth in the Civil Service Law. Articles 13 and 14 prohibit civil servants from establishing or working for any company, or serving on its board of directors, and from engaging in external work for an organization the employing institution is party to.

Royal decree No. 43 on Protecting the Integrity of the Public Service provides for punishment of public officials who engage in any trade or profession without official permission.

In 2016, the Kingdom issued the Code of Conduct and Ethics (Council of Ministers' Resolution No. 555 of 27/09/2016) enforceable on all civil servants, except those governed by specific codes of conduct. The Code includes a chapter V on conflicts of interest which requires civil servants, inter alia, to obtain approval before seeking private sector employment and to disclose in writing any actual or potential conflict of interest (art. 19). A conflict of interest is defined as a situation where there is a special interest, whether actual or potential, for the official or another person that affects their objectivity or neutrality in making a decision or expressing an opinion related to their functions, including but not limited to: (a) the existence of an interest between the employee and the contracting party; and (b) consanguinity up to the fourth degree (art. 19 (3) of the Code of Conduct). Disclosures must be made in writing "to the party designated by the employer"; however, no verification procedures are outlined.

Due to the specific nature of their work, specialized standards of conduct are in force for Nazaha, the Monetary Agency of Saudi Arabia, the judiciary and the public prosecution service, which contain further conflict-of-interest provisions. Nazaha is further tasked with developing rules for maintaining integrity (art. 13, Statute of Nazaha), which would, inter alia, require public officials to observe a cooling-off period before engaging in employment in the private sector.

Generally, the acceptance of gifts by civil servants, including from a foreign Government, is prohibited (art. 15, Code of Conduct). Under the Nazaha Code of Conduct, staff are also prohibited from accepting any gifts in connection with their functions. The rules on gifts contain exemptions for public officials during official functions and events, as set forth in the rules governing the acceptance by officials in government agencies of gifts given to them during

official visits and events (issued by the Council of Ministers Resolution No. 60 of 18 Safar 1437 A.H. (30 November A.D. 2015)), as well as for members of the Shura Council, as per the rules governing the acceptance by Members of the Council and its senior officials of gifts given to them during official visits and events, published on the Council's website.

The human resources departments of the different entities are entrusted with the enforcement of the codes of conduct. Violations are addressed through administrative procedures in accordance with the Personnel Disciplinary Law (Royal Decree No. M/7 of March 1971). In case of a violation requiring dismissal, the disciplinary proceedings are referred to the Administrative Court (art. 13, Law on the Board of Grievances).

Public officials have a duty to report violations of regulations to their line manager or any competent authority (art. 20, Code of Conduct). Nazaha receives reports through various channels, including in person, by mail or fax, via the Internet or a telephone hotline, and anonymously via a dedicated mobile phone application.

Nazaha ensures the confidentiality of reports and takes steps to ensure adequate protection of reporting persons from threats or mistreatment. A draft law on the protection of victims, witnesses and persons of equivalent status is still under consideration.

The independence of the judiciary is established (arts. 44 and 46, Basic Law on Governance; art. 1, Law on the Judiciary). Rules and conditions for the appointment and qualification of judges are set forth in the Law on the Judiciary (arts. 31, 33–36) and the detailed rules issued by the Supreme Judicial Council (Resolution 2058/18/33 of 31 May 2012).

The Judicial Inspection Authority conducts inspections of the work of the judiciary (chap. 4, sect. 4 (arts. 55–57), Law on the Judiciary). Section 5 (arts. 58–68) lays out rules on discipline of judges.

The organization and functioning of the public prosecution service are regulated by Royal Decree No. M/56 of 29 May 1989. Its members are considered members of the judiciary and therefore subject, in the exercise of their duties, only to the provisions of the Islamic Sharia and the laws in force (art. 5). Assessment of the performance of members by the inspection and follow-up unit of the public prosecution service and disciplinary measures are enshrined in the law.

A code of conduct for the judiciary for Gulf Cooperation Council countries was issued in October 2016 and is considered part of the national legislation. Article 146 of the Criminal Procedure Law further applies the rules related to impartiality of judges under the sharia procedure law to the recusal and disqualification of judges (part 8, Law on Procedure before Sharia Courts). A draft code of conduct for judges has also been prepared. For the public prosecution service, a specialized code of conduct is in force, which requires its members to be committed to impartiality, integrity and fairness (art. 2). The Criminal Procedure Law further contains rules on the impartiality of members of the public prosecution service in assuming cases or issuing decisions (art. 21).

Public procurement and management of public finances (art. 9)

Public procurement in Saudi Arabia is regulated by the Government Tenders and Public Procurement Law (Royal Decree No. M/58 of 27 September 2006), which stipulates that all government works and procurement must be put up for public tender, except as excluded under the law (art. 6). The implementing regulation requires the publication of tender documents (art. 6) and establishes bid submission procedures (arts. 14–23) Contracts are awarded to the lowest

bidder and the best in technical terms, which complies with the terms and specifications (art. 29). The Law on Government Competition and Procurement System, adopted in January 2018, introduces both price and non-price elements in bid evaluation criteria, to achieve the concept of best value for money.

Tender decisions are subject to oversight by Government controllers, review by the General Auditing Bureau and monitoring by Nazaha. Contracts for which implementation exceeds a one-year duration that are valued above SAR 5 million are to be submitted by governmental institutions and entities for review by the Ministry of Finance before signature (art. 32, Tenders and Procurement Law). The right to file judicial complaints against an administrative authority, including cases related to contracts to which the authority is party, is established (art. 13, Law on the Board of Grievances).

Several preventive measures have been adopted to enhance integrity in public procurement (e.g., art. 17, Tenders and Procurement Law). Article 19 of the Code of Conduct and Ethics requires recusal of public servants from any decision aimed at influencing any contract award which a member of their family is part of, as well as for disclosure of conflicts of interest. Integrity training of procurement officers is conducted by the National Institute of Public Administration.

The Ministry of Finance is currently establishing an integrated electronic system of government tenders and procurements.

The national budget of the Kingdom is prepared by the Ministry of Finance, following consultations with all government agencies, and submitted to the Council of Economic and Development Affairs before adoption by the Council of Ministers. The budget is implemented according to Guidelines issued by the Ministry of Finance. Expenditures are monitored through an electronic accounting system, under supervision of financial controllers. Penalties for violations, if public funds are not properly collected, disbursed or spent are provided in the Law on the Management of Public Funds and in the Criminal Code in cases of embezzlement. The General Auditing Bureau is entrusted with the task of post-audit of all State revenues and expenditures (art. 7, Law on the General Auditing Bureau).

Council of Ministers Resolution No. 225 of 20 Sha'ban 1425 A.H. (5 October A.D. 2004) establishes internal audit units in government entities responsible for monitoring collections and disbursements and ensuring the proper recording of transactions and accounting records, with external oversight by regulators such as the General Auditing Bureau, the Control and Investigation Board, Nazaha and the Ministry of Finance.

The Ministry of Finance has introduced a financial risk management framework as one of the initiatives under the National Transformation Program through the development of a medium-term financial policy framework.

Public reporting; participation of society (arts. 10 and 13)

Access to information is stipulated in the National Anti-Corruption Strategy and considered one of the means of achieving its objectives (Third). The dissemination of information is ensured through specialized online portals, such as the e-government portal of Saudi Arabia and the websites of the Monetary Agency of Saudi Arabia and the Ministry of Finance. The Board of Grievances has the authority to hear claims in matters involving adverse decisions on requests for information or other administrative action.

With regard to simplifying administrative procedures, several programmes in the Kingdom are switching to electronic service delivery, under a comprehensive programme named Yesser.

Constant coordination is carried out to streamline procedures across institutions. Nazaha, in collaboration with other entities, such as the Shura Council, is responsible for monitoring administrative reforms.

A number of steps are taken to measure the progress of administrative reforms. For example, the National Centre for Measuring the Performance of Public Entities, which is organizationally linked to the Prime Minister, was established with a mandate that includes monitoring transparency and efficiency in the public administration. Several institutions also publish statistics and reports on government performance.

To promote the participation of civil society in national anti-corruption efforts, Nazaha engages civil society in its outreach activities and has established integrity clubs in schools and universities. Collaborative efforts with the public and channels of communication are set out in article 3 of the Nazaha Statute. The Decision Making Support Centre, organizationally linked to the Royal Court, contributes to raising awareness of Government decisions and to creating communication channels with the public.

A draft law on freedom of circulation of information has been prepared, which would grant any natural or legal person the right to access information of any public entity, except for confidential information affecting sovereignty and national security.

Private sector (art. 12)

The National Anti-Corruption Strategy includes the engagement of the private sector as an element to protect integrity and counter corruption. Nazaha promotes private sector efforts to adopt anti-corruption plans and programmes, and monitors their implementation (art. 3 (5), Nazaha Statute).

The Kingdom has issued several laws that provide for measures to strengthen integrity and counter corruption in the private sector and to enhance accounting and auditing standards. These laws include the Banking Control Law, the Finance Companies Control Law, the Cooperative Insurance Companies Control Law, the Companies Law, the Capital Market Law and the Anti-Money-Laundering Law, which also establish penalties for non-compliance. Additional regulations and instructions related to governance include internal auditing guidelines and instructions related to the work of administrative boards, committees, executive and internal departments and external auditors.

Regulatory authorities such as the Monetary Agency of Saudi Arabia supervise the financial sector. Violations, once discovered, are addressed through the regular administrative or criminal procedure. Statistics on violations of the auditing and accounting laws and regulations are maintained by the Association of Auditors of Saudi Arabia.

A number of integrity standards exist for the private sector. For example, in March 2014, the Monetary Agency of Saudi Arabia issued the main principles of governance in banks operating in the Kingdom, which cover, inter alia, conflicts of interest and the mechanism for supervising the integrity and performance of members. The Capital Markets Authority has issued corporate governance regulations addressing good governance standards for listed companies and the Monetary Agency of Saudi Arabia has issued the Code of Conduct Regulation for the Insurance Market.

Conflicts of interest in the private sector are also regulated by the Corporate Governance Regulation (chap. 6, arts. 18 and 43) and Companies Law (art. 11). The Capital Markets

Authority has issued regulations, which provide rules of conduct for Capital Markets Authority authorized persons and establish controls on client assets (art. 41).

Both the Monetary Agency of Saudi Arabia and the Capital Markets Authority require prospective employees in private sector entities to file disclosures covering conflicts of interest, assets and qualifications (fit and proper forms), which are inspected by the same authorities. Listed companies are further required to comply with instructions governing corporate announcements and to disclose material corporate events, pursuant to the Companies Law and the Capital Market Law.

The tax deductibility of expenses constituting bribes, including when paid abroad, is prohibited (art. 13, Income Tax Law).

Measures to prevent money-laundering (art. 14)

The legal regime of Saudi Arabia on anti-money-laundering consists principally of the Anti-Money-Laundering Law (2012) and its implementing regulation, as well as rules, circulars and guidelines issued by the Monetary Agency of Saudi Arabia, including those applicable to banks, finance companies, cooperative insurance companies, and the opening of bank accounts. Guidelines, instructions and circulars on anti-money-laundering have also been issued by the General Directorate of Financial Investigation.

The Standing Committee on anti-money-laundering under the chairmanship of the Monetary Agency of Saudi Arabia ensures the implementation of the FATF recommendations and applicable laws and regulations. The Monetary Agency of Saudi Arabia and the Capital Markets Authority carry out a supervisory role over financial and designated non-financial institutions and conduct inspection and supervision to ensure compliance with anti-money-laundering requirements.

The financial investigation unit was established in 2003 and commenced its operations in 2005. The General Directorate of Financial Investigation receives, analyses and disseminates suspicious activity reports, and directs other activities related to anti-money-laundering. It is a member of the Egmont Group.

All supervisory and regulatory entities responsible for anti-money-laundering and law enforcement cooperate and exchange information in practice, both domestically and internationally.

The inter-institutional Standing Committee on anti-money-laundering was established by Council of Ministers Resolution No. 15 (3 May 1999). The Committee's tasks include to consider all issues relating to anti-money-laundering in the Kingdom, and to submit suggestions to the King on methods to improve the anti-money-laundering framework.

The Kingdom is currently assessing national risks in terms of anti-money-laundering. A task force has been established for this purpose within the Anti-Money-Laundering Standing Committee.

To comply with the requirements of combating money-laundering and the financing of terrorism, all financial and non-financial institutions must have in place efficient internal control systems, apply know-your-customer standards, develop systems for monitoring and reporting transactions, prepare customer profiles and verify account data, and ensure adequate employee qualifications and training. The rules require beneficial ownership identification and record-keeping, as well as enhanced due diligence of clients, accounts and transactions (see art. 52).

Several institutions provide instructions and guidance to identify high-risk accounts, such as the General Directorate of Financial Investigation, the Monetary Agency of Saudi Arabia, the Capital Markets Authority, the Ministry of Justice and the Ministry of Trade and Investment.

A system of declaration of cash, negotiable instruments and precious metals is established (art. 16, Anti-Money-Laundering Law). Sanctions for false or incomplete declarations are provided for (art. 16-5, implementing regulations).

The Kingdom has satisfactorily addressed the deficiencies of its 2010 FATF/MENAFATF mutual evaluation to the level of compliance of, at a minimum, Largely Compliant.

2.2. Successes and good practices

- *Saudi Arabia actively engages in regional and international cooperation relating to combating corruption as well as initiatives-based training aimed at strengthening integrity and exchange of expertise (art. 5).*
- *Various forms of continuous professional and specialized training to counter corruption and strengthen integrity are provided to public sector institutions, in particular for the public prosecution service, the judiciary and other public entities, based on relevant national and international good practices (art. 6).*
- *Saudi Arabia demonstrates progress in making the procurement process open and transparent, enabled by the eProcurement system; the proposed introduction of a whitelist will facilitate contracting with suppliers of high integrity standards (art. 9).*
- *Various initiatives have been taken across government to simplify administrative procedures and introduce e-government and services (art. 10).*

2.3. Challenges in implementation

It is recommended that Saudi Arabia:

- *Continue efforts to strengthen monitoring and evaluation of the National Strategy for Maintaining Integrity and Combating Corruption, including by setting reporting mechanisms and building a national database to collect data and statistics related to corruption from all relevant parties, with a view to continue the assessment of the strategy's implementation and to determine its impact on a current and continuous basis; in addition, the reviewers welcome efforts to further enhance the Strategy and constantly update it, building on the results of the monitoring and evaluation; authorities should continue to promote and monitor implementation of the National Strategy for Maintaining Integrity and Combating Corruption by the private sector, and promote the active contribution of non-public entities in the development of anti-corruption policy (art. 5).*
- *Continue to enhance coordination and cooperation between relevant anti-corruption entities, namely Nazaha, the Monetary Agency of Saudi Arabia (i.e., regarding access to financial information and verification of asset disclosures), the public prosecution service (i.e., regarding prosecution of corruption offenders and gathering of evidence), the General Directorate of Financial Investigation (i.e., regarding the link between money-laundering, corruption and asset recovery) and judiciary (i.e., on the return of assets) (art. 5).*
- *Continue to strengthen the risk-based approach to prevention activities undertaken by Nazaha and public entities, especially in identified priority areas; steps in this direction are seen as a welcome development (art. 5).*
- *While welcoming the legal, operational and budgetary independence of Nazaha, continue to preserve such independence (art. 6).*

- *Take necessary administrative steps to enact the rules contained in the Statute of Nazaha: implementing regulations for reporting corruption and communication channels to receive, verify and act on reports (art. 3 (12)), rules on financial declarations and oath (art. 9) and rules for maintaining integrity (arts. 13 and 6).*
- *Assess the current rules and regulations around conflicts of interest, including the acceptance of gifts, with a view to developing a clearer set of rules that are broader and more in line with international good practices; Saudi Arabia is encouraged to consider adopting a more clearly defined procedure for receiving and verifying conflicts of interest disclosures, and providing guidance to officials on this concept (art. 8).*
- *Continue efforts towards implementing the Law on Government Competition and Procurement System (art. 9 (1)). In the budgetary context and in the process of long-term economic forecasting, continue efforts towards implementing a clearly defined, centrally developed system of risk analysis and management, and train officials involved in budgeting and expenditure management accordingly (art. 9 (2)).*
- *Continue efforts to enhance transparency by providing current and up-to-date information on government performance and service delivery; the reviewers welcome the work of the National Centre for Measuring the Performance of Public Entities in this context (art. 10).*
- *Take necessary administrative steps to adopt a freedom of information law (art. 13).*
- *Take steps to address the remaining deficiencies of the FATF/MENAFATF review (art. 14).*

3. Chapter V: asset recovery

3.1. Observations on the implementation of the articles under review

General provision; special cooperation; bilateral and multilateral agreements and arrangements (arts. 51, 56 and 59)

The confiscation and recovery of assets is regulated primarily in the Anti-Money-Laundering Law and its implementing regulation, as well as the Anti-Bribery Law, the Law on Abuse of Power, the Law on the Management of Public Funds, the Royal Decree on Protecting the Integrity of the Public Service, the Criminal Procedure Law, and the Law on Procedure before Sharia Courts. Procedures for asset recovery through international cooperation are spelled out in the Procedural Manual for Asset Recovery in the Kingdom of Saudi Arabia (also known as the asset recovery guide) and the rules of procedure of the Standing Committee on Requests for Legal Assistance.

Saudi Arabia has never refused a request related to asset recovery to date, although several requests were returned for further specification. There have been several requests for asset recovery under the Convention.

Saudi Arabia has adopted a policy of providing “informal” assistance in reviewing requests for mutual legal assistance before their formal submission, and consults as a matter of practice with requesting States before rejecting or deferring requests (arts. 15 (4) and 18, rules of procedure of the Committee).

Domestic authorities spontaneously transmit information, especially in anti-money-laundering cases and cases on the financing of terrorism (art. 25, Anti-Money-Laundering Law; asset recovery guide). The General Directorate of Financial Investigation has signed 28 memorandums of understanding on cooperation, including voluntary exchange of information. Authorities also share information spontaneously through the Egmont Group and INTERPOL.

The Riyadh Arab Agreement for Judicial Cooperation and other treaties the Kingdom is party to include rules for special cooperation.

The Kingdom has concluded numerous bilateral and multilateral cooperation agreements in the areas of crime control and the tracing of criminals and proceeds of crime, such as with the Gulf Cooperation Council Security Agreement and several bilateral agreements.

Asset recovery is subject to dual criminality, and presupposes the existence of an agreement or reciprocity, as stipulated in the asset recovery guide. Saudi Arabia implements the provisions of this Convention directly in cases where no relevant agreement applies.

Prevention and detection of transfers of proceeds of crime; financial intelligence unit (arts. 52 and 58)

Financial institutions and designated non-financial businesses and professions are subject to the requirements of customer due diligence, in accordance with the Anti-Money-Laundering Law (arts. 1, 5–8, 12) and its implementing regulation. Customer due diligence, know-your-customer and beneficial ownership verification are also required pursuant to rules issued by the Monetary Agency of Saudi Arabia and the Capital Markets Authority. The rules establish necessary measures for institutions to verify the identity of customers and beneficial owners, and to monitor and report suspicious transactions, including through intermediaries. The rules also require enhanced scrutiny of high-risk accounts and politically exposed persons, including their family members and close associates. Record-keeping requirements are spelled out (art. 6, Anti-Money-Laundering Law).

Recent amendments to the regulations incorporate the requirements of FATF on matters such as dealing with high-risk jurisdictions, periodic updating of client account information, and monitoring and reporting. The Monetary Agency of Saudi Arabia conducts trainings on these requirements and has also established a manual on combating embezzlement and financial fraud control guidelines.

The rules on correspondent banking and prohibition on dealing with “shell banks” are found in the rules on anti-money-laundering and combating the financing of terrorism for banks, money exchange businesses, and branches of foreign banks.

Asset declarations are currently required for Nazaha, pursuant to the rules of Nazaha on financial disclosures adopted by the President of Nazaha in Resolution No. 2 of 4 December 2011. Verification is done by a specialized department in Nazaha, which receives the relevant forms every three years and upon termination of service. The department is mandated with the power of inspection and verification and may recommend administrative punishment in case of violations. Declarations of financial and non-financial interests are also required for staff of the Monetary Agency of Saudi Arabia pursuant to the Agency’s code of conduct.

As for other public officials, a draft regulation on requirements for financial disclosures by some categories of State employees, prepared by Nazaha, would require asset declarations by a wider group of officials, including over foreign financial interests (art. 6, para. 2 of the draft). There is currently no disclosure requirement for public officials concerning interests in foreign financial accounts.

Measures for direct recovery of property; mechanisms for recovery of property through international cooperation in confiscation; international cooperation for purposes of confiscation (arts. 53, 54 and 55)

Saudi Arabia legislation establishes the basic right of an injured party, whether legal or natural, domestic or foreign, to initiate an action to establish ownership of property or sue for compensation in the domestic courts. This is presumed to include foreign governments.

Article 27 of the Anti-Money-Laundering Law allows the national authorities to give effect to confiscation orders issued by the competent courts of other countries, if the proceeds or means can be confiscated according to laws applicable in the Kingdom. When a request for enforcement of a foreign judgment is received, the Standing Committee on Requests for Legal Assistance transmits the judgment to the competent court to order its execution (art. 14 (3), rules of procedure of the Committee; asset recovery guide). Specific observations on the domestic confiscation regime were issued during the first review cycle.

Provisional measures leading to confiscation (seizure and tracing) on the basis of a legal assistance request are addressed in article 26 of the Anti-Money-Laundering Law; provisions in the asset recovery guide and the rules of procedure of the Standing Committee on Requests for Legal Assistance further provide for domestic confiscation orders on the basis of a foreign request. Several national laws provide for seizing or confiscating property obtained through, or used in, corruption-related offences.

As a general rule, the principle upheld in Saudi Arabia law is that confiscation must be based on a conviction; however, the lapse of a public criminal action does not preclude confiscation proceedings (art. 22, Criminal Procedure Law; art. 10, regulation implementing the Criminal Procedure Law). In asset recovery matters, the asset recovery guide specifically provides for non-conviction-based confiscation. Case examples were referred to where assets were seized domestically in the absence of a conviction.

Seized property is preserved in accordance with the directions of the court within whose jurisdiction an investigation has been conducted (art. 93, Criminal Procedure Law). In accordance with the asset recovery guide, the order of seizure is required to set out the manner in which funds are kept and managed, and the competent court may appoint an administrator, if necessary, whose expenses are to be deducted from the value of the property. Pending the establishment of a specialized asset management office, as foreseen by Resolution No. 451 (2017) of the Council of Ministers, seized and confiscated assets are managed by the Authority of Guardianship for the Funds of Minors and Similar Persons and service providers licensed by the Ministry of Justice.

Return and disposal of assets (art. 57)

In accordance with the asset recovery guide and rules of procedure of the Standing Committee on Requests for Legal Assistance, proceeds of crime devolve to the Kingdom, unless otherwise agreed on a case-by-case basis, or in accordance with relevant bilateral agreements or treaties. The provisions of this Convention are directly applicable in cases where no relevant agreement applies and take precedence over arrangements concluded on a case-by-case basis. A request received from another State party in accordance with article 57 would be executed accordingly.

When a decision to return assets has been taken, it is the policy of the Kingdom to return assets without deducting any share, except in exceptional cases to cover reasonable costs, as provided

for in the applicable agreements. There have been no cases to date where Saudi Arabia has deducted expenses related to asset recovery.

Article 17 of the Anti-Money-Laundering Law provides that confiscated funds may be disposed of according to the law or shared with countries that are parties to valid agreements or treaties with the Kingdom. Saudi Arabia has not concluded any agreements related to asset sharing and there have been no cases involving asset sharing to date.

Saudi Arabia does not impose any conditions on the return of assets.

The return of property to previous legitimate owners and compensation for victims of crime are regulated (art. 3, Royal Decree No. 43 on Protecting the Integrity of the Public Service; art. 68, Criminal Procedure Law; art. 9, Law on the Management of Public Funds).

The asset recovery guide and rules of procedure of the Standing Committee on Requests for Legal Assistance further set out that, in all cases where legal assistance is provided, the right of the Kingdom to proceeds of crime as well as the rights of bona fide persons may not be prejudiced.

3.2. Successes and good practices

- *Saudi Arabia has developed clear guidance to facilitate asset recovery procedures, in the form of a dedicated manual (available in English and Arabic);*
- *Saudi Arabia has adopted a policy of providing “informal” assistance in reviewing requests for mutual legal assistance before their formal submission, and consults as a matter of practice with requesting States before rejecting or deferring requests (arts. 15 (4) and 18, rules of procedure of the Standing Committee on Requests for Legal Assistance).*

3.3. Challenges in implementation

It is recommended that Saudi Arabia:

- *Continue efforts to review the asset disclosure systems in line with international good practices; for example, the adoption of an electronic filing system could simplify verifications; the reviewers welcome steps being taken by Saudi Arabia to extend asset declaration requirements to a wider category of public officials and encourage the authorities to adopt disclosure and record-keeping requirements concerning foreign financial accounts (art. 52).*
- *Continue efforts to prepare a specific law on the establishment of a specialized office for the management, administration and preservation of property, as foreseen by Resolution No. 451 (2017) of the Council of Ministers, with a view to permitting competent authorities to preserve property for confiscation (art. 54).*
- *Consider specifying procedures for non-conviction-based forfeiture more clearly in the legislation (art. 54 (1) (c)).*
- *Building on existing judicial practice, consider including a reference in the asset recovery guide to the specific mechanisms and requirements of article 57 and monitor the application thereof in all asset recovery cases; further consider legislative clarification (art. 57).*

IV. Implementation of the Convention

A. Ratification of the Convention

1. Please provide information on the ratification/acceptance/approval/accession process of the United Nations Convention against Corruption in your country (date of ratification/acceptance/approval of/accession to the Convention, date of entry into force of the Convention in your country, procedure to be followed for ratification/acceptance/approval of/accession to international conventions etc.).

Saudi Arabia signed the Convention on 9 January 2004 and ratified it on 23 January 2013 by Royal Decree No. M/5. Saudi Arabia deposited its instrument of ratification of the Convention with the Secretary-General of the United Nations on 29 April 2013 (C.N.265.2013.TREATIES-XVIII.14 (Depositary Notification)).

The implementation by Saudi Arabia of chapters III and IV of the Convention was reviewed in the fourth year of the first review cycle, and the executive summary of that review was published on 24 September 2015 (CAC/COSP/IRG/I/4/1/Add.20).

Saudi Arabia has committed itself to pursue zero tolerance against corruption and does not grant immunity from prosecution to any person or public official, including members of the royal family. According to a statement by King Salman ibn Abd al-Aziz on 4 June 2015, "The Kingdom does not tolerate corruption from any person,... nor does it provide immunity to anyone engaged in corruption cases." According to Crown Prince and Deputy Prime Minister and Minister of Defense Mohammed bin Salman bin Abdulaziz, no person involved in corruption, "whoever he is, whether a minister or a prince, or whoever", will be immune from investigation and prosecution. "Anyone with enough evidence against him will be held accountable."

B. Legal system of Saudi Arabia

2. Please briefly describe the legal and institutional system of your country.

Saudi Arabia has adopted the principle of direct implementation of international conventions. Article 70 of the Basic Law of Governance stipulates that laws, international treaties and agreements, and privileges are issued and amended by Royal Decrees. Thus, the international conventions to which Saudi Arabia has acceded are an integral part of domestic law and have the same status as national laws. In case of conflicting provisions, the terms of international treaties and agreements are applied (Art. 81, Basic Law of Governance).

The Kingdom of Saudi Arabia adopts the principle of the dual judicial system with the existence of two type of courts: public and administrative. In the public

judiciary, there are courts of three levels of litigation: the Supreme Court, the courts of appeal, the courts of first instance.

Courts of first instance include: general courts, criminal courts, family courts, commercial courts, and labour courts. The Supreme Council of Magistracy may establish other specialized courts after the approval of the King. Criminal procedure is based on an accusatory system and consists of the two phases of investigation and trial. Articles 6, 9, 19, 20, 21, 22, 23 of the Judiciary Code and article 4 of the Code of Criminal Procedure provide for this.

In the administrative judiciary, there are also courts of three levels of litigation: the Supreme Administrative Court, the Administrative Courts of Appeal and the Administrative Courts. The Administrative Judicial Council may establish specialized courts after the King's approval, as stipulated in Articles 5 and 8 of the Law of the Board of Grievances.

The national legal framework for preventing and combating corruption includes provisions from a number of laws, in particular:

- The Anti-Bribery Law issued by Royal Decree No. M/36 dated 29/12/1412 AH (30 June 1992),
- The Anti-Money-Laundering Law issued by Royal Decree No. M/39 of 25/06/1424H (24 August 2003) and amended by the Royal Decree No. M/31 of 11/5/1433 H (3 April 2012)¹,
- The Law on the Management of Public Funds issued by Royal Decree No. M/18 of 23/02/1436H (15 December 2014) (currently under revision),
- Banking Control Law issued by Royal Decree No. M/5 dated 22/02/1386 (11 June 1966),
- Cooperative Insurance Companies Control Law issued by Royal Decree No. M/32 of 02/06/1424 (31 July 2003),
- Finance Companies Control Law issued by Royal Decree No. M/51 dated 13/08/1433H (2 July 2012),
- The Criminal Procedure Law issued by Royal Decree No. M/39 of 28/07/1422 (16 October 2001), amended by Royal Decree No. M/2 of 26 November 2013,
- The Civil Service Law (Royal Decree No. 49 of 1977),
- The Personnel Disciplinary Law issued by Royal Decree No. M/7 of 29 March 1971, under which the Control and Investigation Body was established,

¹ The Anti-Money Laundering Law No. 20 was adopted by Royal Decree on 5/2/1439 H (25 October 2017), including its implementing regulation. The new law was not yet in force at the time of review.

- Royal Decree No. 43 on Protecting the Integrity of the Public Service, dated 29/11/1377 AH (16 June 1958).

The Kingdom of Saudi Arabia implements Islamic Sharia (Islamic Law) and rules in accordance with its provisions regarding specific penalties for certain crimes. Regarding offences for which no specific punishments are provided for in the Quran and Sunnah [the Prophet's tradition], the Kingdom of Saudi Arabia adopts laws that are consistent with the provisions of Islamic Sharia. The "ta'zir" (discretionary punishment) is part of the legal policy in Islam. It is not necessary to have a specific legislation that defines a crime and the penalty associated with it under the "ta'zir" category, because "ta'zir" in Islamic legislation is a penalty that falls within the discretionary power of the judge with regard to crimes for which no provisions exist [in the Quran and Sunnah].

Saudi Arabia has a number of bodies and organs involved in combating corruption, though not all of them operate within the framework of corruption prevention, most notably:

- National Anti-Corruption Commission (Nazaha)
- Public Prosecution (formerly Bureau of Investigation and Public Prosecution)
- Board of Grievances
- Ministry of Interior
- Ministry of Justice
- Control and Investigation Board (CIB)
- General Auditing Bureau (GAB)
- General Directorate of Financial Investigation (GDFI) (formerly General Administration of Financial Investigations) and General Directorate Investigation - Administrative Investigation Department, both under the Presidency of State Security²
- Saudi Arabian Monetary Agency (SAMA)
- Capital Markets Authority (CMA)
- Ministry of Finance (MOF), and
- Ministry of Civil Service

Moreover, the Standing Committee on Requests for Legal Assistance plays a key role in the field of international cooperation. Standing Committees on Anti-Money Laundering³ and Combating Terrorism and its Financing as well as a working group to follow up the implementation of the Convention have also been established.

² https://www.moi.gov.sa/wps/portal/Home/sectors/safiu!/ut/p/z1/04_iUIDg4tKPAFJABjKBwtGPykssy0xPLMnMz0vM0Y_Qj4wyizfwNDHxMDQx8nY3DXUycAwM9A6zNHI1NHA10_fSj8KvIDg1T78gO1ARAO8ahJs!/

³ <http://www.sama.gov.sa/en-US/AntiMoney/Pages/home.aspx>

C. Implementation of selected articles

II. Preventive measures

Article 5. Preventive anti-corruption policies and practices

Article 5, paragraph 1

1. *Each State Party shall, in accordance with the fundamental principles of its legal system, develop and implement or maintain effective, coordinated anti-corruption policies that promote the participation of society and reflect the principles of the rule of law, proper management of public affairs and public property, integrity, transparency and accountability.*

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

1- The National Strategy for Maintaining Integrity and Combating Corruption was issued by the Resolution of the Council of Ministers No. 43 of 1/2/1428 H (19 February 2007):

“A National Anti-Corruption Commission shall be established with a view to performing the following functions:

- a. Following up the implementation of the strategy, monitoring results thereof, evaluating and checking its performance and laying down working programs and implementation mechanisms.*
- b. Coordinating the efforts of both the public and private sectors in planning, monitoring and evaluating the anti-corruption programs.*
- c. Receiving and reviewing periodic reports and statistics produced by the competent agencies and preparing relevant analytical data in this regard.*
- d. Collecting, classifying, categorizing, analyzing and exchanging information, data and statistics with the relevant competent agencies.”*

The Strategy also deals with the importance of civil society organizations participation in the protection of integrity and combating corruption through the following:

“Third: Means

To achieve the objectives of the National Strategy for Maintaining Integrity and Combating Corruption, the following means shall be applied:...

4 - Involve civil society institutions in maintaining integrity and combating corruption, as follows:

- a. Engaging some civil society members in the proposed national committee for combating corruption.*
- b. Involving these institutions, according to their specialties, in the study of the phenomenon of corruption and studying their opinions and suggestions to reduce it.*
- c. Encouraging professional and academic organizations such as physicians, lawyers, engineers and accountants to express opinions on the monitoring, financial and administrative laws and to submit suggestions as to developing and updating them.*
- d. Encouraging chambers of commerce and industry to prepare plans and programs to raise the awareness of businessmen and merchants on the dangers, causes and effects of corruption and receiving their views on financial and commercial laws.”*

2- The National Anti-Corruption Commission Nazaha was established by virtue of the Royal Decree No. A/65 of 13/04/1432 H (18 March 2011), and granted full independence. The Statute of the Commission was issued by Council of Ministers Resolution No. 165 of 28/05/1432 H (2 March 2011) (attached) in order to protect integrity, to promote the principle of transparency, and to combat financial and administrative corruption in all its forms, manifestations, and ways. Hence, the following prerogatives:

“Article 3. Objectives and Powers

The Commission aims to maintain integrity, promote transparency and combat financial and administrative corruption in all forms, manifestations and means. To this end, it shall have the following powers:

- 1- Pursuing the implementation of orders and directives relating to matters of public concern and citizens’ interests to ensure compliance therewith.*
- 2- Investigating financial and administrative corruption in public works contracts, operating and maintenance contracts and other contracts relating to matters of public concern and citizens’ interests in entities working within the competencies of the Commission, and undertaking the necessary legal procedures regarding any contract involving corruption or which was entered into or is being executed in contravention of the laws and regulations applicable.*
- 3- Referring irregularities and violations relating to financial and administrative corruption – upon detection – to the monitoring or investigation agencies as the case may require, along with notifying the head of the institution with which the contravening employee is affiliated. The Commission shall have access to the investigation developments and shall follow up the*

progress of proceedings. It shall also have the right to demand the authorities to take any precautionary or preventive measures in accordance with what is required by the laws against persons suspected, due to the presence of evidence or presumptions, of committing acts within the definition of corruption. In all cases, if the Commission deems that such violations and irregularities amount to an institutional level in any entity under the Commission's jurisdiction, it shall report the same to the King to decide thereupon.

- 4- Working on meeting the objectives set forth in the National Strategy for Maintaining Integrity and Combating Corruption, and pursuing the implementation thereof with the authorities, as well as monitoring, assessing, and reviewing its outcomes, and putting in place programs of action and implementation mechanisms thereof.*
- 5- Promoting the efforts of both private and public sectors to adopt plans and programs for maintaining integrity and combating corruption, pursuing implementation and assessing the results thereof.*
- 6- Pursuing the recovery of stolen assets and proceeds of corruption crimes, with the relevant authorities.*
- 7- Reviewing the work approaches and measures of entities working within the Commission's competencies, in order to identify and address deficiencies that may lead to corruption, to ensure the Commission's objectives and implementing its competencies.*
- 8- Recommending laws and policies necessary to prevent and combat corruption and conducting a periodic review of the relevant laws and rules, to identify shortcomings, and work on their improvement, and submit the same in accordance with legal procedures.*
- 9- Establishing the necessary controls to submitting financial disclosures and taking a functional oath of office – for some categories of the government employees – and reporting such to the King to consider the approval thereof.*
- 10- Pursuing the level of compliance of entities working within the Commission's competencies with the enforcement of laws criminalizing financial and administrative corruption, and promoting accountability of each person, regardless of the personality or position.*
- 11- Pursuing the implementation of obligations relating to maintaining integrity and combating corruption stipulated in the international agreements to which the Kingdom is a party.*
- 12- Providing direct communication channels to the public to receive and verify reports on acts involving corruption, and taking the necessary actions thereon.*

- 13- *Cooperating with the relevant entities and civil society organizations to develop the realization of the sense of citizenship and the significance of protecting public funds, facilities and properties, to ensure the proper management and preservation thereof.*
- 14- *Receiving and examining – as per the requirements of the Commission – periodical reports and statistics from entities working within the Commission’s competencies, preparing analytical data, and taking the necessary action thereon.*
- 15- *Supporting research and studies relating to maintaining integrity and combating corruption, and urging the authorities, specialized research centres and civil society organisations to contribute to that effect.*
- 16- *Conducting studies and surveys relating to the impact of corruption on the social cohesion and economic development, carrying out analyses and devising methods to deal with it.*
- 17- *Collecting, classifying and analysing information, data, and statistics relating to corruption and setting up databases and information systems relating thereto.*
- 18- *Raising awareness of the concept of corruption, establishing and identifying the risks and impacts thereof, demonstrating the importance of maintaining integrity, promoting self-monitoring and intolerance of corruption, and encouraging civil society organizations and the media to cooperate and contribute to that matter.*
- 19- *Representing the Kingdom in international conferences and forums on transparency, maintaining integrity and combating corruption, as well as cooperating with regional and international commissions and organizations working in this field.*
- 20- *Organizing conferences, seminars, and training courses on transparency, integrity, and combating corruption.*
- 21- *Any other power entrusted to the Commission pursuant to special provisions.”*

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

The National Strategy for Maintaining Integrity and Combating Corruption was approved in 2007, by Resolution of the Council of Ministers, before the establishment of Nazaha in 2011. The Saudi legislator tasked the Commission with the implementation of the Strategy and follow up, in accordance with Article 3, para. 4 of the Statute establishing Nazaha.

Regarding its implementation, Nazaha clarified that all society components are partners in and responsible for implementation, with relevant provisions directed towards public and

private sector institutions, as well as civil society, the media, households and religious institutions in order to prevent corruption and safeguard integrity. Nazaha is responsible for coordination and follow up on the implementation of the Strategy with all government and private sector entities, which in turn have the obligation to coordinate with Nazaha.

More specifically regarding the application of the Strategy to different stakeholders in the public and private sectors, Nazaha coordinates implementation of the Strategy by public sector and other institutions in which the Government owns a 25 percent share, including supervisory authorities like the Saudi Arabian Monetary Agency (SAMA) and the Capital Markets Authority (CMA), which are obligated to comply with the Strategy's provisions. For all other private sector and non-governmental stakeholders, Nazaha monitors the application and implementation of the Strategy by such entities, which are encouraged to abide by its provisions, including through various monitoring, oversight, outreach and awareness raising activities, and in coordination with relevant supervisory authorities, as described below.

To inform stakeholders of their mandate, Nazaha conducts awareness raising in line with the Strategy which is inclusive to all sectors. This includes outreach through the media, Internet websites and telephone inquiries, print publications and annual reports.

Since its adoption, many efforts were made in the field of prevention to implement the Strategy, as well as the adoption and modification of laws in cooperation with various stakeholder entities. For example, each institution has developed a comprehensive programme on corruption prevention and the revision of policies and procedures. It was explained that government institutions are modifying their systems and raising awareness of these measures, including through workshops conducted together with Nazaha, in order to proactively counter corruption.

Nazaha constantly follows up on the implementation of the Strategy with other government entities, including the Public Prosecution, requests statistics on implementation, and is obligated to report annually to the King.

In terms of measurable achievements since the policy was issued, it was explained that Nazaha has taken the lead in the development of an anti-corruption database and the preparation of periodic statistics and reports on corruption. Several studies have been published on Nazaha's website, as described further under article 5, para. 2 of the Convention.

As for monitoring and evaluation of the implementation of the Convention, Nazaha clarified that currently there is a team in Nazaha working on the revision of the Strategy and its provisions, which would lead to recommendations at the end of the review, and monthly report on the achievement made on this aspect to HE the President of Nazaha. In

addition, several institutions are currently revising their work procedures and relevant provisions. Furthermore, revisions of laws and practices are undertaken on the basis of monitoring work by Nazaha, self-evaluation by the institutions, and government participation in international fora and conferences.

More specifically as for measuring progress in achieving the Strategy's stated objectives, Nazaha officials explained that a Standing Committee was established in the Commission on 26/12/1437 H (28 September 2016), to follow-up and monitor the implementation of the Strategy. The Committee has prepared a preliminary report on progress made in achieving the Strategy's objectives. Work is still underway to produce a final evaluation, which would include conclusions and recommendations, as well as a methodology for revising and recalibrating the Strategy.

A preliminary evaluation of the overall implementation of the Strategy was conducted after examining and sorting the results achieved in specific areas (zones/categories) for each paragraph of the Strategy and in light of information received from the concerned departments, since the establishment of the Commission. The following categorization was adopted in consultation with different stakeholders:

- Green: achieved 75% implementation or above
- Yellow: achieved between 51% - 74% implementation
- Red: achieved 50% implementation or less.

Based on these key performance indicators, a public dashboard was developed, which shows progress achieved and summarizes the overall level of implementation of the Strategy, as follows:

- **Green:** applies to 27 paragraphs (equivalent to 61%), including paragraphs that have been included therein, although there have been developments that prevented following up their implementation.
- **Yellow:** applies to 14 paragraphs (equivalent to 30%).
- **Red:** applies to 4 paragraphs (equivalent to 9%).

In preparing the work of the Committee, it was envisaged to present an overview of the level of performance reached so far in implementing all paragraphs of the Strategy. In this regard, a model for the follow-up and evaluation of results was developed, which covers the following areas:

- The number and the content of the article.
- The entities concerned by the implementation of the paragraph (within and outside the Commission), according to the Mechanism of distribution of the follow-up tasks to monitor implementation, which was adopted by decision of the President of the Commission No. 1277, dated 21/12/1433 H (05 November 2012).
- Outputs and percentage of accomplishments achieved.
- The results.
- Observations, suggestions and procedure going forward.

The Commission has reached an overview of conclusions about what has been carried out during the previous period and what should be done in the next phase. Overall, the Commission envisages the following:

1. The importance of reviewing the Mechanism of distribution of tasks issued by decision of the President of the Commission No. 1277 on 21/12/1433 H, as some obstacles to implementation were due to some mechanisms specified in the decision;
2. Some of the paragraphs in the Strategy are vague in nature and lead to different understandings of what it is required for their achievement;
3. The mean No. (6) related to the "improvement of the family, employment and living conditions of citizens..." is of a general nature, which overlaps with the competencies of other government agencies and is governed by the policies and economic orientations of the State.

Nazaha officials emphasized that the responsibility for implementing the Strategy rests with all components of society, in particular when it comes to corruption prevention, which constitutes the largest component of the Strategy.

As for the revision of the Strategy, it is expected that the final report of the Standing Committee monitoring the implementation of the Strategy would recommend adopting an evaluation methodology.

Regarding the process by which the Strategy was developed, it was explained that, prior to the establishment of Nazaha, there were a number of committees and workshops held, in coordination with the Shura Council, under the Ministry of Interior including task forces that came on board with the establishment of Nazaha.

Nazaha confirmed that all articles of the Strategy are mandatory and that there is no defined end date or projected timeframe for the Strategy.

Reported challenges in the implementation of the Strategy include:

- Its comprehensive scope, addressing many different rules, regulations and government institutions, as well as the long time horizon.
- Measuring the percentage of implementation. While it is feasible to assess the implementation of provisions related to the mandate of Nazaha, obstacles in collecting data from other institutions were encountered. While Nazaha has an indicator to measure the extent of the implementation of the Strategy and its effectiveness, it was explained that it is appropriate to further enhance and review the Strategy and constantly update it.
- Studying the efficiency of the Strategy (based on results of implementation), in order to improve or amend it.
- Continuing Nazaha's efforts to enhance cooperation on corruption prevention among all stakeholders.

In order to overcome problems in collecting data from relevant institutions (which proved particularly difficult in the efforts to develop a national database on anti-corruption), Nazaha signed an MoU with the World Bank and included this topic in the discussions related to the revision of the Strategy with the UN Development Programme (UNDP). Nazaha also indicated that an index for measuring corruption is under development by the Research Department and due to the sensitivity of the matter it has not been published yet.

With regard to the methodology of its work, Nazaha pointed out that is shifting from receiving reports to a risk based approach to its work in fighting corruption.

Nazaha strives to learn from other experiences and good practices and also shares its own experiences with external partners, in areas such as the e-procurement initiative of the Kingdom, which was presented during the last meeting of the G-20 Anti-Corruption Working Group.

Implementation of the Strategy by the Private Sector:

According to para. 5 (e) of the Strategy, which aims to educate the public and reinforce ethical conduct, including through the development of *“educational awareness programs in the field of maintaining integrity and combating corruption in public and private sector”*, the Commission cooperates with the private sector through the adoption of plans and programmes to protect integrity and fight corruption for the purpose of raising awareness and spreading the culture of combating corruption. It also encourages initiatives in the field of protecting integrity and combating corruption in the private sector through the participation and organization of a number of forums, programmes, conferences, meetings and workshops involving experts, representatives of international organizations, and executive directors of major national and international companies operating in the Kingdom.

Monitoring the implementation of the Strategy by the private sector is conducted through the participation of the Commission in the above-mentioned programmes and events, and through receiving reports and statistics from government agencies supervising the private sector, including the Ministry of Commerce and Investment, the Council of Saudi Chambers, and the Chambers of Commerce and Industry. These reports from the supervisory authorities cover progress achieved and next steps in implementing the plans and programmes to protect integrity and fight corruption in the private sector. The Commission further urges members of the commercial and industrial chambers of the private sector to provide their views about proposed financial and commercial regulations to improve and amend such regulations or clarify procedures to address the loopholes from which corruption can occur. Nazaha officials reported that they are also currently developing benchmarks for anti-corruption measures in the private sector and work on draft guidelines in this regard is underway.

As noted above, Nazaha officials confirmed that the private sector is considered as a partner in implementing the Strategy and preserving integrity, and noted for instance that the Council of Saudi Chambers has benefited from trainings in fighting corruption organized by Nazaha, including a training on the Convention and the implementation review process organized in collaboration with UNODC in April 2017.

More specifically, the private sector (Saudi Chambers) was consulted in the course of the country review, including in preparing the self-assessment checklist and by participating in the meetings of the country visit, together with civil society.

(b) Observations on the implementation of the article

Saudi Arabia has demonstrated a serious commitment to fighting corruption and strengthening integrity at the highest level of government. This is reflected in, for example, the comprehensive scope and breadth of the National Strategy for Maintaining Integrity and Combating Corruption (issued by Resolution of the Council of Ministers No. 43 of 1/2/1428 H (19 February 2007), and the work of Nazaha in monitoring and overseeing the achievement of its stated objectives, all of which are underpinned by dedicated resources for implementation.

Nonetheless, based on a review of the Strategy and the explanations provided during the country visit, the following observations and recommendations are made:

1. It is recommended that Saudi Arabia continue efforts to strengthen monitoring and evaluation of the National Strategy for Maintaining Integrity and Combating Corruption, including by setting reporting mechanisms and building a national database to collect data and statistics related to corruption from all relevant parties, with a view to continue the assessment of the strategy's implementation and to determine its impact on a current and continuous basis. The reviewers acknowledge the specific tools that have been developed in this regard, such as key performance indicators on the levels of implementation and the public dashboard, and encourage Saudi Arabia to continue these efforts and assessments to ensure they are current and continuous.
2. The reviewers acknowledge that the process to revise the Strategy is ongoing and welcome efforts to further enhance the Strategy and constantly update it, building on the results of the monitoring and evaluation work, in particular in areas identified as ones that require strengthening. The authorities should continue to promote and monitor implementation of the National Strategy for Maintaining Integrity and Combating Corruption by the private sector, and promote the active contribution of non-public entities in the development of anti-corruption policy.
3. It is recommended that Saudi Arabia continue to enhance coordination and cooperation between relevant anti-corruption entities, namely Nazaha, SAMA (i.e., in regard to access to financial information and verification of asset disclosures), Public Prosecution (i.e., in regard to the prosecution of corruption offenders and gathering of evidence), GDFI (i.e., regarding the link between money laundering, corruption and asset recovery) and the judiciary (i.e., on the return of assets).

Article 5, paragraph 2

2. *Each State Party shall endeavour to establish and promote effective practices aimed at the prevention of corruption.*

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The National Strategy for Maintaining Integrity and Combating Corruption stipulates in addition to what has been mentioned previously:

“Third: Means

To achieve the objectives of the National Strategy for Maintaining Integrity and Combating Corruption, the following means shall be applied:...

5 - Educating the public and reinforcing ethical conduct through the following:

- a. Developing religious consciousness to maintain integrity and combat corruption through various media, mosque leaders, scholars, educational institutions, among other things, and conducting national awareness campaigns against corruption.*
- b. Emphasizing the role of the family in the upbringing of children and its pivotal role in building an Islamic society resistant to all forms of corruption.*
- c. Encouraging public and university institutions to incorporate topics in their educational curricula and carrying out regular educational programs on maintaining integrity and honesty and combating corruption and dishonesty.*
- d. Encouraging citizens and residents to cooperate with the authorities concerned with combating corruption and report corruption offences and perpetrators.*
- e. Developing educational awareness programs in the field of maintaining integrity and combating corruption in the public and private sectors.”*

The National Anti-Corruption Commission also has a special department for awareness-raising and education.

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

Details on the efforts and key achievements of the Commission in maintaining integrity and enhancing transparency are included under article 6, paragraph 1.

Furthermore, the Commission also conducted the following assessments, as provided in Nazaha's 2011-2014 performance summary report⁴:

"4. Support of research and studies:

The Commission conducted several acts in order to measure the levels of corruption in the Kingdom such as:

- a. Contracting with King Abdullah Institute in King Saud University to prepare a study entitled, "Study of Financial and Administrative Corruption in the Kingdom: Degree, Causes, Impacts, and Ways to Treat and Combat".*
- b. Carrying out the implementation of a project study, "The degree of integrity and transparency in the health sector and ways to strengthening it".*
- c. Implementation of field research entitled, "The Reality of Administrative Corruption in Saudi's Governmental Bodies and How to Overcome it". This research was conducted in cooperation with the Institute of Public Administration.*
- d. Carrying out the implementation of a project study on the degree of integrity and transparency in Riyadh's municipalities."*

Monitoring and evaluation is being carried out for several programmes pertaining to the implementation of the Strategy, such as evaluations on the preventive and awareness raising programmes of Nazaha. There is a revision for the activities done by the Commission under the Strategy.

A particular area of focus under the Strategy has been promoting integrity among the youth and in primary schools, and various education initiatives have been developed by Nazaha in cooperation with the Ministry of Education (e.g., "Project Lawin (paint)" using picture books to protect public money, and a programme that aims to reinforce values through the arts, with activities carried out in the city of Jeddah and other places in cooperation with cultural, artistic and civil society entities). A conference held in 2013 on the topic of corruption prevention through education included a component on the UN Convention against Corruption. As for training and education programmes, Nazaha has further developed a number of programmes for academic and educational institutions. In this context 43 integrity clubs have been established in the universities in KSA (documentation was provided in Arabic), and this initiative has been supported by the Crown Prince and his deputy, including in the colleges of the Ministry of Defence.

Work is currently being done between Nazaha and the Ministry of Education in order to raise awareness for students in relation to the dangers of corruption and reinforcing the principles of integrity and transparency. In this regard Nazaha avails the participations at international events to learn from best practices.

⁴ <http://www.nazaha.gov.sa/en/About/Pages/ReportsEN.aspx>

In addition, each institution has developed a comprehensive programme on corruption prevention, awareness raising and revising policies and procedures, such as the Government Programme on Public Procurement and Competitiveness, Saafah civil society organization programme, and others. Nazaha has also worked closely with institutions such as the Ministry of Interior, Ministry of Defense and Ministry of Justice, among others, on corruption prevention measures.

The Council of Saudi Chambers has also conducted workshops to raise awareness of the Strategy among the private sector.

As for prevention efforts in the judiciary, the rulings of the judiciary are publicly disseminated on an electronic web portal for crimes of bribery, trading in influence and the judgments related to disciplinary measures taken against public officials. An information sharing system for corruption court judgments to be transferred to Nazaha for monitoring and appropriate action has also been approved for implementation.

As for informing the public, Nazaha has a hotline to receive corruption reports and inquiries about the status and follow up to the reported acts. Information is published on the Commission's website regarding corruption cases and their administration. The Commission uses all modern means of communication including Snapchat, Facebook, YouTube, etc. and also has as an account on Twitter with more than half a million followers.

(b) Observations on the implementation of the article

The reviewers acknowledge the various prevention activities undertaken by Nazaha and by public entities in coordination with Nazaha to strengthen integrity and counter corruption. That being said, it is recommended that Saudi Arabia continue to strengthen the risk-based approach to this work, in particular as it is not always clear that the activities are clearly linked to priority areas identified in the implementation of the Strategy, nor how the impact of these activities is measured. Efforts in this direction, including the move toward a risk-based approach in Nazaha's work and to create public sector corruption risk assessments (e.g., by establishing anti-corruption committees in public institutions), are seen as a welcome development in this regard.

Article 5, paragraph 3

3. *Each State Party shall endeavour to periodically evaluate relevant legal instruments and administrative measures with a view to determining their adequacy to prevent and fight corruption.*

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The National Anti-Corruption Commission, in accordance with paragraph 8 of Article 3 of its Statute, issued by Council of Ministers Resolution No. 165 of 28/05/1432 H (2 March 2011), is competent to “*recommend laws and policies necessary to prevent and combat corruption and conduct a periodic review of the relevant laws and rules, to identify shortcomings, and work on their improvement, and submit the same in accordance with legal procedures*”.

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

In terms of law revisions, the following updates were provided by the authorities:

- Updating of the Government Tenders and Procurement Law. The Ministry of Finance is consulting with public and private sector entities, including studying their submission and proposals. It is expected that the new law will be adopted in the coming 9 to 12 months. There will also be a revision of the procedures in governmental entities that are prone to corruption.
- Submission of the draft law to revise the Law on the Management of Public Funds issued by Royal Decree No. M/18 of 23/02/1436H (15 December 2014). The draft amendment has been prepared, reviewed by the Council of Economic Affairs and Development within the scope of the National Transformation Program on the restructuring of government, and is currently at the head office of the Council of Ministers for adoption. The law would require, inter alia, asset declarations to be made by some categories of State employees, including members of the Public Prosecution (see article 8, para. 5 below).
- Study of updating the Anti-Bribery Law. An order was given to refer all laws, including the Anti-Bribery Law, Law on Abuse of Power and the draft law on the management of public funds (covering illicit enrichment and asset declarations) to the Ministry of Economy and Planning which is assigned with the National Transformation Program, governance and computerization. The Ministry will review, synthesize and refer the laws to the Shura Council and the head office of the Council of Ministers in order to adopt deterring legislation on anti-corruption.
- Adoption of several measures on the work of the Anti-Corruption Commission.
- The draft law on the protection of victims, witnesses and persons of equivalent status (whistleblower law) is under consideration.
- A draft law on Freedom of Circulation of Information has also been prepared (see art. 13, para. 1 below).

Further detail, as provided in Nazaha’s 2011-2014 performance summary report:

“2. Development of regulations and procedures:

The Commission has examined issues relating to the development of regulations and procedures on:

- a. Protecting integrity rules and granting of rewards to whistleblowers of corruption cases.*
- b. Financial disclosure rules and oath of office for some categories of public officials.”*

It was further explained that the review of legal instruments and administrative measures is initiated either based on complaints received regarding outdated or ineffective mechanisms or procedures, or based on internal assessments, for instance regarding delays in public service delivery.

(b) Observations on the implementation of the article

Whilst the authorities have displayed significant progress in this area, it is recommended that Saudi Arabia assess the current rules and regulations around conflicts of interest, including the acceptance of gifts, with a view to developing a clearer set of rules that are broader and more in line with international good practices (see article 8 below).

Article 5, paragraph 4

4. States Parties shall, as appropriate and in accordance with the fundamental principles of their legal system, collaborate with each other and with relevant international and regional organizations in promoting and developing the measures referred to in this article. That collaboration may include participation in international programmes and projects aimed at the prevention of corruption.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Commission, according to its Statute, is competent in:

- 1. “Representing the Kingdom in international conferences and forums on transparency, maintaining integrity and combating corruption, as well as cooperating with regional and international commissions and organizations working in this field.*
- 2. Organizing conferences, seminars, and training courses on transparency, integrity, and combating corruption.”*
- 3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.**

Over the past years, the Commission participated in most meetings of the working groups of the Conference of the States Parties to the United Nations Convention against Corruption. The Commission organized a workshop jointly with the United Nations Office on Drugs and Crime (UNODC), to train governmental experts in the Kingdom of Saudi Arabia on the requirements of the review of implementation of the Convention. The Kingdom of Saudi Arabia is also a principal member of the agreement on the establishment of the International Anti-Corruption Academy, based in Austria.

The Kingdom has signed several memoranda of understanding in the area of cooperation and exchange of experiences and expertise with many government agencies involved in combating corruption, in addition to engaging in training (Malaysia, Indonesia, the World Bank, and the UNODC).

Further detail, as provided in Nazaha's 2011-2014 performance summary report:
"2- Representing the Kingdom at the international conferences and forums related to protecting integrity and combating corruption:

a. Participation:

The Commission has participated in several international conferences and forums as the table below shows some of these participations.

Table 5: The Commission's participations

Subject	Location
The 15th International Conference Against Corruption	Brazil
"Domination of Law" forum, which was conducted during the visit of high-level Saudi delegation to USA. This delegation was headed by the Minister of Justice.	USA
The Second International Meeting of Corruption Inspectors.	
Visit to the International Justice Project Organization, World Bank, and the Organization of Public Integrity.	
Meetings of G20 Anti-Corruption Working Group.	Russian Federation, Canada, France
Compliance with Combating Corruption and Bribery Conference.	UK
The 4th session of the Open-ended Intergovernmental Working Group on the Prevention of Corruption to UNCAC (Vienna, 26 to 28 August 2013).	Austria
The 7th session of the Open-ended Intergovernmental Working Group on Asset Recovery in the UNODC (Vienna, 29-30 August 2013).	
5th session of the Implementation Review Group to UNCAC (Vienna, 2-6 June 2014)	

The 8th session of the Open-ended Intergovernmental Working Group on Asset Recovery (Vienna, 11-12 September 2014).	
World Economic Forum	
Participation in Arab Forum on Asset Recovery.	Switzerland
3rd annual conference of the International Anti-Corruption Academy (IACA).	Azerbaijan
2nd annual conference of the IACA.	Thailand
The 4th Summit of Combating Corruption and Protecting Integrity in the Middle East.	Emirates
Visit to the Kuwait Anti-Corruption Authority.	
The 6th Kuwait forum of transparency.	Kuwait
Regional workshop on promoting integrity in the justice sector.	Jordan
The second regional dialogue of the Middle East and North Africa entitled, For more Transparent, Fair, and Sustainable legal systems	Tunisia
The 4th conference of the Arab Integrity and Anti-Corruption Network.	Lebanon
Regional workshop on integrity in the relationship between the public and private sector.	
The second Arab forum to recover stolen funds.	Morocco
The regional consultation meeting of the anti-corruption cooperation.	
The 6th and 7th meetings of the International Association of Anti-Corruption Authorities.	Malaysia, Panama
The 5th session of the Conference of the States Parties to UNCAC (25-29 November 2013).	Panama
Visit to the Egyptian Administrative Control Authority.	
Participation in the workshops related to the discussion of comparative study between UNCAC and the Arab convention against corruption.	Egypt
Participation in the annual seminar organized by the Arab organization to combat corruption.	
Participation in the workshop of corruption perceptions index.	Oman

b. Visits:

Some of the Commission's officials visited several important organizations and institutions that are concerned with the evaluation of the Kingdom in the field of combating corruption, especially ones that provide Transparency International with information about corruption. These organizations and institutions are:

- *Global Insight.*
- *Transparency International Branch in the UK.*
- *The Economist Intelligence Unit.*
- *Bertelsmann Foundation in Germany.*

- *Political Risk Services Organization.*
- *The World Bank.*
- *The World Justice Project.*
- *The World Governance Index group.”*

Nazaha participates in international fora, conferences and activities and shares information on best practices, including in the G-20. This international cooperation contributes to revising practices and filling gaps in the legislation. For example, revisions of laws and regulations on asset tracing and beneficial ownership transparency were undertaken on the basis of surveys of G-20 partners.

(b) Observations on the implementation of the article

The reviewers note that this provision has been complied with given that the Commission and other institutions have participated in international fora relating to combatting corruption as well as initiatives-based training aimed at strengthening integrity and transparency. In terms of exchanging and sharing experiences between organizations that are established to fight corruption, the Commission has shown initiative by visiting several key external organizations to share and learn from best practices in combatting corruption. The Kingdom’s participation in international meetings as well as workshops is a significant step towards the implementation of the provision.

(c) Successes and good practices

The above-mentioned international cooperation measures could also be identified as a good practice.

Article 6. Preventive anti-corruption body or bodies

Article 6, paragraph 1

1. Each State Party shall, in accordance with the fundamental principles of its legal system, ensure the existence of a body or bodies, as appropriate, that prevent corruption by such means as:

- (a) Implementing the policies referred to in article 5 of this Convention and, where appropriate, overseeing and coordinating the implementation of those policies;*
- (b) Increasing and disseminating knowledge about the prevention of corruption.*

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

- 1- The National Anti-Corruption Commission was established by Royal Decree No. A/65 of 13/04/1432 H (18 March 2011). Article 4 of this Decree reads:

“The Commission shall have the power to audit all government agencies, without exception to anyone whosoever. The Commission shall be in charge of pursuing the implementation of orders and directives pertaining to public matters, and shall have the power to pursue the multiple facets of administrative and financial corruption.”

Article 2 of the Statute of the Commission states:

“The Commission shall report directly to the King, and shall enjoy legal personality as well as full financial and administrative independence to ensure performance of its duties with neutrality and without influence from any entity whatsoever. No person may interfere in the Commission’s affairs.”

- 2- Article 7 of the Statute of the Commission states:

“The President shall oversee achievement of the Commission’s objectives and exercise of powers and oversee its administration, finance and personnel, and manage its affairs. He may in particular:

- a. Oversee the drafting of the Commission’s financial and functional regulations⁵ and bring the same before the King for approval.*
- b. Issue the Commission’s administrative regulations and organizational structure.⁶*
- c. Represent the Commission before public and private entities and other organizations.*
- d. Oversee the preparation of the Commission’s draft budget, and bring the same before the King for approval.”*

Appointment to the Commission

Article 9 of the Statute of the Commission states:

“In addition to requirements specified in the functional regulations referred to in Article 7, paragraph 1 of this Statute, a person assuming any duties relating to the Commission shall meet the following conditions:

- 1 - Be a person of wisdom, honesty, integrity and neutrality*
- 2 - Not have been sentenced to a hadd (punishment prescribed by Sharia) or ta’zir (discretionary punishment), convicted of a crime impinging on honor or integrity or subjected to a disciplinary decision dismissing him from a public office, even if rehabilitated.*
- 3 - Submit a financial declaration*

⁵ Financial and functional regulations of the Commission: <http://www.nazaha.gov.sa/en/About/Rules/1.pdf>

⁶ Administrative regulations and organizational structure of the Commission: <http://www.nazaha.gov.sa/en/About/Rules/2.pdf>

4 - Not engage in any work – directly or indirectly, paid or unpaid, in government or private sector – while employed by the Commission.”

- 3- The training manual and grant for the National Anti-Corruption Commission⁷ was adopted by a decision of the President of the National Anti-Corruption Commission. The employees in the Commission will benefit from one training session or more each year. The Commission encourages providing scholarships for Master and Doctoral degrees in accordance with the needs of the Commission. Training is considered as an obligation for the employees.

The Commission's Guide to Training and Scholarship was adopted by Decision No. 8 of the Chairman on 01/02/1433 H to provide appropriate training and scholarship opportunities that meet the needs of the Commission in terms of human capacities and resources to achieve its goals.

The Commission developed a training program on anti-corruption, in coordination and cooperation with the Institute of Public Administration, which is the academic authority in charge of training government staff. The Commission is currently working on the preparation of an anti-corruption Master program in cooperation with the Institute of Public Administration.

The Commission Statute (Article 3(8)) also states: *“Recommending laws and policies necessary to prevent and combat corruption and conducting a periodic review of the relevant laws and rules, to identify shortcomings, and work on their improvement, and submit the same in accordance with legal procedures.”*

As noted in the introduction, Saudi Arabia has a number of bodies and organs involved in combating corruption, though not all of them operate within the framework of corruption prevention, most notably:

- National Anti-Corruption Commission (Nazaha)
- Public Prosecution (formerly Bureau of Investigation and Public Prosecution)
- Board of Grievances
- Ministry of Interior
- Ministry of Justice
- Control and Investigation Board (CIB)
- General Auditing Bureau (GAB)
- General Directorate of Financial Investigation (GDFI) under the Presidency of State Security
- Saudi Arabian Monetary Agency (SAMA)
- Capital Markets Authority (CMA)

⁷Training manual and grant of the Commission: <http://www.nazaha.gov.sa/en/About/Rules/4.pdf>

- Ministry of Finance (MOF) (Government Procurement Portal⁸)
- Ministry of Civil Service, and
- Directorate of Administrative Investigation of the Presidency of State Security.

Moreover, the Standing Committee on Requests for Legal Assistance plays a key role in the field of international cooperation.

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

The efforts and results of the Commission in maintaining integrity and enhancing transparency are summarized in Nazaha's 2011-2014 performance summary report⁹:

"Most important achievements of the Commission in accordance with its jurisdiction set out in its Statute:

First: The Commission's Efforts in Maintaining Integrity and Enhancing Transparency.

The Commission endeavored to review and examine several policies, plans, regulations, and procedures as part of its efforts to protect integrity and promote the principle of transparency and to achieve the objectives of the national strategy of protecting integrity and combating corruption. Therefore, the Commission achieved the following:

1. Review of work methods and procedures, and propose the necessary regulations and policies to prevent and combat corruption:

The Commission has visited several government agencies in order to make sure of the following:

- a. The availability of clear working methods and procedures to provide services for the citizens.*
- b. Documentation of procedures related to obtaining the provided services.*
- c. Awareness of automated and non-automated services which are provided by the government agencies, and the procedures related to how to obtain those services.*
- d. Making sure that the services that do not require the presence of the beneficiaries are accessed electronically and interactively.*

2. Development of regulations and procedures:

The Commission has examined several issues relating to the development of regulations and procedures, including:

- a. Protecting integrity rules and granting of rewards to whistleblowers of corruption cases.*
- b. Financial disclosure rules and oath of office for some categories of public officials.*
- c. Anti-bribery law.*

⁸ <https://www.mof.gov.sa/en/tenders/Pages/saudiegp.aspx>

⁹ <http://www.nazaha.gov.sa/en/About/Pages/ReportsEN.aspx>

- d. Management of public funds law project.*
- e. The Project of updating the Government Tenders and Procurement Regulation Law.*
- f. The law of public lands distribution.*

3. Raising awareness of the concept of anti-corruption, and developing the sense of citizenship, and the importance of protecting public funds, facilities, and properties:

The Commission worked on the implementation of its own media strategy to inform and educate the citizens about the importance of combating corruption and protecting integrity, where the Commission carried out a series of lectures and workshops as follows:

- Holding 13 workshops in various Saudi universities. These workshops were entitled, “Integrity is our Objective”.*
- The establishment of “The Best Practices to Protect Integrity and Combat Corruption Forum in the Private Sector”.*
- A seminar entitled “The Role of Internal Auditing in Protecting Integrity and Combating Corruption”.*
- A seminar entitled “The Role of Educational and Civil Society Institutions in Protecting Integrity and Combating Corruption”.*
- A seminar entitled “The Reality of Administrative Corruption in the Kingdom and the Efforts to Overcome It”. This seminar was conducted in the Institute of Public Administration in Riyadh.*
- Holding training courses at the Social Responsibility Club in King Saud University, Riyadh.*
- Holding of specialized training course for governmental experts to review the United Nations Convention against Corruption (UNCAC).*
- A workshop entitled “The role of Law Firms in Protecting Integrity and Combating Corruption”.*
- A workshop entitled “The Role of the Engineering Sector in Protecting Integrity and Combating Corruption”.*
- Training course entitled “The Aspects of Financial and Administrative Corruption and Ways to Combat It”. This session was conducted in the Commission’s headquarter.*
- Seminar of religious faith as a mean of protecting integrity and combating corruption. This seminar was conducted in Imam Muhammad bin Saud Islamic University.*
- The forum of the best governance practices to protect integrity and combat corruption in the family enterprises.*
- A seminar entitled “Awareness Programs to Protect Integrity and Combat Corruption in Cooperation with GCC, in 2014”.*
- Preparation of a training program entitled “The Entrance to Combat Corruption”. This program was designed for internal auditors in government sector.*
- Establishment of 26 integrity clubs in local universities and colleges.*
- Establishment of a several committees at government bodies entitled as The Committee of Protecting Integrity and Combating Corruption.*
- The Ministry of Education issued the strategic plan to protect integrity and combat*

corruption. The Ministry also established integrity clubs within the Saudi universities' student clubs.

- The Saudi Arabian National Guard established the strategic plan of protecting integrity and combating corruption, under the name "The General Strategy of The Saudi Arabian National Guard for Integrity 'I'm Aware'".
- The Commission prepared educational awareness programs to protect integrity and combat corruption. These programs consisted of introductory brochures and the sending of 10 million SMS.
- Distribution of more than 5.4 million booklets and publications to the public and private bodies. These are a few examples:
 - "The National Strategy for Maintaining Integrity and Combating Corruption".
 - "A Manager's Values and instructions" booklet.
 - "Our Message to You" booklet.
 - "Damages of Financial and Administrative Corruption" booklet.
 - "Integrity and Bribery" booklet.
 - "National Anti-corruption Commission Introductory Broacher".
 - "Instructions of Financial Disclosure" booklet.
 - "Corruption and its Effects" booklet.
 - "Creative Models" booklet.
 - "Favoritism" booklet.
- Displaying of Commission's printed publications on awareness activities within local exhibitions such as:
 - 1- The Commission's stand in Janadriya's Festival for Heritage and Culture (annually).
 - 2- Riyadh International Book Fair (annually).
 - 3- Riyadh International Exhibition Center (annually).
 - 4- Okaz Market, Taif (annually).
- The Commission has set up its own accounts in several social networking sites such as Twitter (@nazaha_gov_sa), and Instagram (@nazahagovsa). These accounts allow the public to interact with the Commission, and also raise awareness of the concepts of integrity and anti-corruption through tweets, photos, and video clips.

4. Support of research and studies:

The Commission conducted several acts in order to measure the levels of corruption in the Kingdom such as:

- a. Contracting with King Abdullah Institute in King Saud University to prepare a study (entitled, Study of Financial and Administrative Corruption in the Kingdom: Degree, Causes, Impacts, and Ways to Treat and Combat).
- b. Carrying out the implementation of a project study (the degree of integrity and transparency in the health sector and ways to strengthening it).

c. Implementation of field research (entitled, The Reality of Administrative Corruption in Saudi's Governmental Bodies and How to Overcome it"). This research was conducted in cooperation with the Institute of Public Administration.

d. Carrying out the implementation of a project study on the degree of integrity and transparency in Riyadh's municipalities."

On the preventive work of Nazaha, it was further indicated that the Commission meets with the national counterparts with the objective to raise awareness in relation to the national Strategy; statistics are collected in this regard.

As described above, one area that Nazaha has been particularly active in is in developing programmes to promote integrity in educational curricula and academia, such as the many efforts to raise awareness in the education sector including initiatives such as "Lawin", the creation of over 43 integrity clubs in schools, and others.

There are many training and outreach programmes carried out by the Commission, such as a course with the Association of Internal Auditors. This programme, which extends for more than one year, includes the Heads of departments of internal auditing units and stresses on adopting programmes and activities to fight corruption. Nazaha has also worked closely with institutions such as the Ministry of Interior, Ministry of Defense and Ministry of Justice on corruption prevention measures.

As for the programmes on recruitment in the private sector, a code of conduct has been adopted and the Ministry of Civil Service is currently working on its effective implementation. Work is also being conducted on conflicts of interest and employment policies in the private sector. The Council of Saudi Chambers has also conducted workshops to raise awareness of the Strategy among private sector.

The Commission shares information on its work and on the Strategy through participation in national and international events and activities, such as book fairs, exhibitions, publications as described above.

It was explained that Nazaha has two main departments, one addressing preventive aspects including awareness raising, and one on fighting corruption, which covers inspections, receiving complaints (including anonymously via mobile phone) and referring acts of corruption to the competent judicial and higher authorities. In this regard, the Strategy has identified a bigger focus on prevention aspects of Nazaha's work. The Commission reported that its prevention and awareness raising department is composed of 85 employees, which constitutes 16.8 % of the total number of staff of Nazaha. The Commission operates through eight branches in the regions in the Kingdom nationwide.

(b) Observations on the implementation of the article

It is recommended that Saudi Arabia take necessary administrative steps to enact the rules contained in the Statute of Nazaha, namely: the Implementing regulations for reporting corruption and communication channels to receive, verify and act on reports (art. 3(12) of the Statute of Nazaha), the rules on financial declarations and oath (art. 9 of the Statute of Nazaha) and the rules for maintaining integrity (art. 13 of the Statute of Nazaha).

(c) Successes and good practices

Various forms of continuous professional and specialized training to counter corruption and strengthen integrity are provided to public sector institutions, in particular for members of the Public Prosecution, the judiciary and other public entities, including through the Institute for Public Administration and the judicial training center, based on relevant national and international good practices.

Article 6, paragraph 2

2. Each State Party shall grant the body or bodies referred to in paragraph 1 of this article the necessary independence, in accordance with the fundamental principles of its legal system, to enable the body or bodies to carry out its or their functions effectively and free from any undue influence. The necessary material resources and specialized staff, as well as the training that such staff may require to carry out their functions, should be provided.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

As mentioned in the previous paragraph, the National Anti-Corruption Commission was established and Article 2 of its Statute states that:

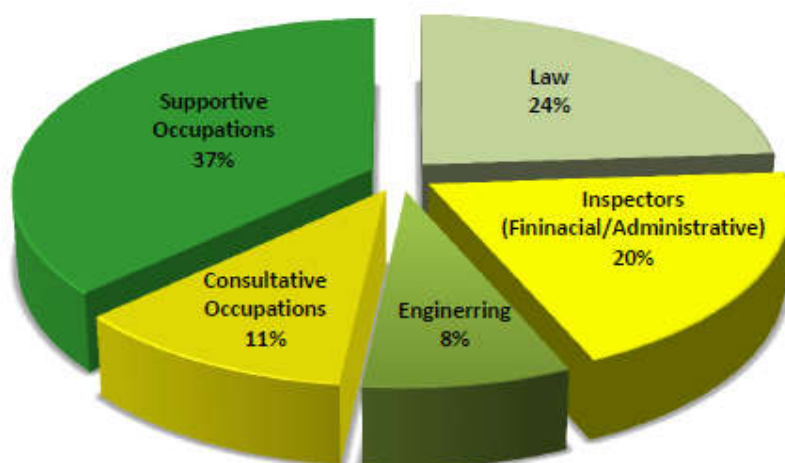
“The Commission shall report directly to the King, and shall enjoy legal personality as well as full financial and administrative independence to ensure performance of its duties with neutrality and without influence from any entity whatsoever. No person may interfere in the Commission’s affairs”.

Additional measures on the Commission’s independence and training are provided under paragraph 1 of this article.

Regarding the personnel of the Commission, the following is provided in Nazaha’s 2011-2014 performance summary report:

“Commission’s Manpower

In order to carry out its duties as required, the Commission attracted the best qualified national competencies who have distinctive expertise in government agencies, institutions, organizations, and companies. It also attracted those who have qualifications and experiences in relation with functions and jurisdiction of the Commission in different majors such as law, engineering, accounting, management, and other specialized services needed by the Commission. There are 456 occupied positions until the end of the fiscal year 1436-1437H (2014-2015). These positions are distributed as follows:”



3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

With regard to the Commission’s independence, it was confirmed by Nazaha that it enjoys full independence and that no interference is allowed or exercised regarding any matter that falls within its competence. It was further clarified that the legal and judicial system in the Kingdom is strictly independent and all citizens including members of the royal family are equal before the law. Examples to illustrate this were discussed during the review.

It was further noted that both financial and administrative independence are afforded to Nazaha, insofar as appointment of the President of Nazaha, and approval of the budget, is by the King. As such, the Ministry of Finance does not restrict the Commission’s budget and staff recruitment as well as fixing the terms and conditions of service are not done through the Ministry of Civil Service, as is the case for other government institutions (see article 6 of the Statute establishing Nazaha).

Article 6

The Commission shall have a president of the rank “Minister” and two vice-presidents of the rank “Excellent”, to be appointed by Royal Order.

(b) Observations on the implementation of the article

The National Anti-Corruption Commission Nazaha is the main body tasked with preventing corruption. It appears to be adequately trained, possess sufficient resources and has adopted adequate measures to safeguard its legal, operational and budgetary independence. While welcoming the legal, operational and budgetary independence of Nazaha, it is recommended that Saudi Arabia continue to preserve such independence.

Article 6, paragraph 3

3. *Each State Party shall inform the Secretary-General of the United Nations of the name and address of the authority or authorities that may assist other States Parties in developing and implementing specific measures for the prevention of corruption.*

1. Is your country in compliance with this provision?

Yes

2. Has your country provided the information as prescribed above? If so, please also provide the appropriate reference.

The United Nations were notified of the deposit of the instrument of ratification of the United Nations Convention against Corruption, in the name and address of the National Anti-Corruption Commission, in accordance with the Royal Decree No. M/5 of 11/03/1434 AH, which states that the Ministry of Foreign Affairs informed the Secretary General of the United Nations on behalf and of the address of the National Anti-Corruption Commission, in accordance with paragraph 3 of Article 6 of the Convention.

(b) Observations on the implementation of the article

The authority responsible for the prevention of corruption is the National Anti-Corruption Commission Nazaha. Saudi Arabia has notified the United Nations accordingly, as shown below.

CNA Directory			
Type	Prevention Authority		
Name of authority	National Anti-Corruption Commission, International Conventions and Organisations		
Postal address	P.O. Box (Wasel) 7667 Elaya-Ghadir District	City	Riyadh
Zip code	2525 -13 311	Country	Saudi Arabia
Telephone		Fax	
email	info@nazaha.gov.sa	Website	www.nazaha.gov.sa
Office hours	From 7.30 to 3.30	Timezone	+3
Languages	Arabic and English		
Areas of assistance			
Firstname:	Mr.	Lastname:	ABDULLAH ALFORIHI
Position	International Convention Specialist		
Phone:	+ 966 11 26 44 44 // +966 11 26 41 56	Email:	aalforihi@nazah.gov.sa
Mobile:		Fax:	+966 11 264 55 55 // +966 11 26 40 021

The provision is implemented.

Article 7. Public sector

Article 7, paragraph 1

1. Each State Party shall, where appropriate and in accordance with the fundamental principles of its legal system, endeavour to adopt, maintain and strengthen systems for the recruitment, hiring, retention, promotion and retirement of civil servants and, where appropriate, other non-elected public officials:

(a) That are based on principles of efficiency, transparency and objective criteria such as merit, equity and aptitude;

(b) That include adequate procedures for the selection and training of individuals for public positions considered especially vulnerable to corruption and the rotation, where appropriate, of such individuals to other positions;

(c) That promote adequate remuneration and equitable pay scales, taking into account the level of economic development of the State Party;

(d) That promote education and training programmes to enable them to meet the requirements for the correct, honourable and proper performance of public functions and that provide them with specialized and appropriate training to enhance their awareness of the risks of corruption inherent in the performance of their functions. Such programmes may make reference to codes or standards of conduct in applicable areas.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

As stipulated in Article 1 of the Civil Service Law (Royal Decree No. 49 of 1977 promulgating the Civil Service Regulations), competency is the basis for the selection of applicants for civil service. To achieve the principle of merit, the Ministry of Civil Service sets the rules and procedures for the selection of the best applicants who are subjected to evaluation, the criteria and procedures of which are set by the Ministry as required by the job advertised and service requirements. In this context, the Ministry prepares an annual plan of vacancies announcements for government agencies which is published on the Ministry's website. An automated system for recruitment (Jadara) has also been introduced and is user friendly, transparent and available to all graduates, men and women, from all the regions of the Kingdom (see below). In addition, selection parameters are defined in choosing the applicants for public office (seniority in graduation, qualification, and test for some functions). Additional information on selection based on competency is provided under paragraph 3 of this article.

Article 7 of the Civil Service Law stipulates:

“The Ministry of Civil Service advertises jobs of class 10 and below. All applicants are subjected to an assessment, the criteria and procedures of which are defined by the Ministry of Civil Service in accordance with the jobs advertised and the service requirements.

It is possible, following an agreement between the Minister of Civil Service and the relevant Minister that the administrative body imposes a test on applicants for jobs of class 5 and below, according to the criteria and procedures determined by the Ministry of Civil Service.”

For promotion, certain conditions and procedures have been determined (promotions’ criteria). Some of the conditions and procedures are related to the employee candidate for promotion, and others relate to the administrative authority and the procedures to be followed in this regard. The criteria specify the elements underlying the selection of candidates for promotion.

The referral of an employee for retirement, whether early or statutory retirement, is determined by the provisions of the end-of-service requirements set forth in the Civil Service Law, which define the periods calculated in retirement and the method of calculating pensions, cases of pensions and pension beneficiaries.

As for training, in order to hold public offices in particular those that are prone to corruption, one of the main objectives set out in the Civil Service Law is to upgrade staff qualifications to enable employees to perform their duties in the best manner, according to Article 34 of this Law.

Article 34 of the Civil Service Law stipulates:

“The training of employees constitutes a part of the regular duties, whether during or outside of the official working hours, and all the Ministries and government departments should enable their employees to receive training, each in his area of competence.”

As for adequate remuneration and classified pay scales which take into account the economic growth level of the State, the Kingdom adopted the multiple salaries scales method in the civil service, depending on the different nature of the functions from one position to another and the special status of some functions. There are, for example, different salary scales for general employees, judges, educational functions, health functions, etc. In addition, some public institutions and organizations have specific salaries scales by virtue of the authority granted to their board of directors to adopt special salary systems, because their activities are different from those of other government agencies. On the other hand, there is no doubt that the competent authority examining wage and salary rates and proposing their amendments takes into account the economic conditions and other factors that may have an impact in this regard.

The National Strategy for Maintaining Integrity and Combating Corruption, issued under the Resolution of the Council of Ministers No. 43 of 01/02/1428 H (19 February 2007), states as follows

“Third: Means:

6-Improving family, employment and living conditions of citizens through the following:

- a. Emphasizing the need to raise family, employment and living conditions of citizens, particularly those of low income, and providing them with basic services.*
- b. Creating more job opportunities (in public and private sectors) in line with the increasing number of population and graduates, and qualifying them for the job market’s needs.*
- c. Limiting the recruitment of foreign workforce.*
- d. Improving the salaries of employees and workers, particularly those at the lower salary scale.”*

Council of Ministers: Article 9 of the Laws on the Council of Ministers, issued by Royal Order No. A/13 of 3/3/1414 AH (20August 1993), also stipulates:

“The term of the Council of Ministers shall not exceed four years, during which a new Council shall be reconstituted by Royal Order. If the term expires before the reconstitution of the new Council, the current Council shall continue performing its duties until the new one is reconstituted.”

Shura Council:

Article 4 of the Shura Council Law, issued by Royal Order No. A/91 of 27/08/1412 AH (1 March 1992) states that one of the conditions of membership of the Council of the Shura is that the member should be:

“- A person well known for righteousness and competence.”

Judiciary:

Article 47 of the Law of the Judiciary, issued by Royal Decree No. M/78 of 19/09/1428 AH (1 October 2007), stipulates:

“Appointment and promotion in the judiciary shall be by royal order pursuant to a decision by the Supreme Judicial Council stating that the legal requirements are satisfied on a case by case basis. In promotion, the Council shall take absolute seniority into consideration. If candidates are equal in seniority, priority shall be given to the most competent, as per the proficiency reports. In case of equal proficiency or in the absence of proficiency reports, priority shall be given to age seniority. A member of the judiciary under evaluation may not be promoted unless he has been at least twice evaluated at his current rank and received a proficiency rating not lower than average in the last two reports prior to promotion.”

Public Prosecution:

Article 1 of the Law of the Bureau of Investigation and Public Prosecution, issued by Royal Decree No. M/56, setting conditions for members and employees stipulates:

- a) “He shall be of good character and conduct.*
- b) He shall enjoy the necessary capacity.*

- c) *He shall hold a degree from one of the Sharia colleges in the Kingdom or any equivalent degree, or hold a degree in law from one of the universities of the Kingdom or any equivalent degree, in the latter case, he shall pass a special examination to be prepared for this purpose*
- d) *He shall have not been convicted of a crime punished by religion (Hudud) or by a discretionary judgment (Ta'zir) for a crime of dishonesty, or have been the subject of a disciplinary action dismissing him from a public office, even if rehabilitated."*

National Anti-Corruption Commission:

Article 9 of the Statute of The National Anti-Corruption Commission, issued by Council of Ministers Resolution No. 165 of 28/05/1432 H (2 March 2011), stipulates:

"In addition to requirements specified in the functional regulations referred to in Article 7, paragraph 1 of this Statute, a person assuming any duties relating to the Commission shall meet the following conditions:

- 1 - Be a person of wisdom, honesty, integrity and neutrality*
- 2 - Not have been sentenced to a hadd (punishment prescribed by Sharia) or ta'zir (discretionary punishment), convicted of a crime impinging on honor or integrity or subjected to a disciplinary decision dismissing him from a public office, even if rehabilitated.*
- 3 - Submit a financial declaration*
- 4 - Not engage in any work – directly or indirectly, paid or unpaid, in government or private sector – while employed by the Commission."*

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

The Ministry has introduced a recruitment e-system (Jadara):

<https://eservices.mcs.gov.sa/Jadara3/Users/Index.aspx>

Annual recruitment ads plan link:

<https://www.mcs.gov.sa/Employment/Pages/AdsPlan.aspx>

Executive laws and regulations of the Civil Service¹⁰:

<https://www.mcs.gov.sa/ArchivingLibrary/Pages/default.aspx>

As for additional measures to strengthen integrity in the selection and training of staff, such as specialized training on the risks of corruption, Nazaha indicated that there are special programmes to train and qualify public officials working in procurement in several public entities. These programmes and courses are delivered by the Institute of Public Administration with the aim to intensify and increase professional qualifications and integrity.

¹⁰ See also <https://www.saudi.gov.sa/wps/portal/saudi/RulesandRegulations?filter=Employment>

As for other specialized jobs, there is a programme carried out between the Commission and the Institute of Public Administration that is currently being converted into a Master's degree programme on anti-corruption targeting public officials.

A special programme (integrity course) is also being provided to the Public Prosecution, which includes a course on public service crimes specialized for the competent judicial and monitoring authorities. Courses, curricula and materials were provided in Arabic language.

In addition, a training curriculum for public prosecutors, investigators and public officials has been developed. The training follows a scientific approach and focuses on public service crimes such as bribery, embezzlement and trading in influence. The course takes place in all regions of the Kingdom twice a year and lasts for 5 days. Every detective in the public service is required to take this training, including members of the Public Prosecution.

Higher positions in the state-owned oil company Aramco and certain private entities are also targeting rotation systems for staff.

(b) Observations on the implementation of the article

The provision is implemented.

Article 7, paragraph 2

2. Each State Party shall also consider adopting appropriate legislative and administrative measures, consistent with the objectives of this Convention and in accordance with the fundamental principles of its domestic law, to prescribe criteria concerning candidature for and election to public office.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Regarding elections, a Law on the election of the members of the Municipal Councils was issued in 1432 H (2011), which establishes the criteria relating to the nomination for the post of a member of the Municipal Council. Some of these criteria are stipulated in Article 19 of the Law (Arabic copy provided):

“A member of the Municipal Council shall not be:

- 1. Employed in the ministry or municipality unless a year at least had passed since he resigned or was transferred from his job, with the exception of someone who is a member of the Council by virtue of his job.*

2. *A governor, a head of a centre, a mayor, and a sheikh of a tribe, a deputy or anyone who holds an official position.*
3. *A member or a secretary in: The Shura Council, the Council of the Region, or the Local Council.*
4. *A contractor for a project overseen by the municipality, a direct or indirect provider or supplier for the work of the municipality.*
5. *Investor or tenant of a property owned by the municipality with the exception of tenants of property allocated for public interest and service activity.*
6. *The President and director in a company or institution having a contractual relationship with the municipality projects, supplying the municipality or investing in the municipality properties.”*

Elections in the Kingdom are only for the election of the members of the Municipal Councils. Other positions are not subjected to elections.

Additional information on elections in the Kingdom is provided on the government website, as follows¹¹:

“Municipal councils elections are conducted every four years, enabling citizens to participate in managing municipal services and selecting the most efficient candidates. The Municipal and Rural System, issued by Royal Decree no. 5/M dated 21/2/1397 H (10 February 1977), stipulates in its ninth article that half the municipal council members must be chosen by elections, and the other half appointed by the Minister of Municipal and Rural Affairs, based on their efficiency and eligibility. The tenth article of the System states that each municipal council shall choose its chairman and his deputy from amongst council members through voting every two years. In the event that all the candidates receive an equal share of the vote, the Minister of Municipal and Rural Affairs shall have the deciding ballot.

Third Phase of the municipal elections:

During the past two sessions, municipal councils contributed to the development of municipal work. Plans and programs were developed and projects’ implementation was monitored. Councils have responded to citizens’ appeals for better services. Municipalities’ performance was activated while upgrading their capabilities in order to meet the objectives for which they were established.

The third elections of municipal councils’ members was launched in a new form. Several improvements of the election process were introduced that have been duly approved by the new municipal councils’ laws issued on 4/10/1435 H (31 July 2014). The new laws were implemented during the present session, including the elections for formation of municipal councils.

The most prominent improvements approved by the new regulations include:

¹¹www.saudi.gov.sa/wps/portal/saudi/aboutKingdom/electionsSaudi/

- Number of elected municipal council members was increased from half the total number of members to two thirds.
- The age of eligible voter was revised to 18 years instead of the existing 21 years.
- Women were allowed to participate both as voters and candidates.

Elections allow citizens the opportunity to participate in decision making by voting for competent and experienced candidates who will manage local affairs and municipal services. The elections' concept is based on a group of eligible citizens casting their votes in favor of candidates they support. The process is conducted in compliance with approved voting laws.

Municipal councils draws their significance from the contribution of citizens to the management of services in government agencies. This contribution helps support government decision making to the benefit of citizens. Moreover, this contribution allows citizens to share responsibility with government agencies, resulting in increased awareness and initiation on the part of the citizen.

The Saudi Ministry of Municipal & Rural Affairs has been keen to launch the "Election" application for smart devices. It contains all elections-related e-services, rules and details.

Stages of the elections process:

1. Registration of voters:

Registration of voters started on 7/11/1436 (21 August 2015) and continued for (21) days. This is the first stage of the elections process. In this stage, eligible voters are registered in special electoral rolls at the elections centers within the municipal council constituencies. Upon completion of the registration period, electoral rolls are published for any contestations and corrections. Registration is optional. However, failure to register during the specified period will result in losing the right for voting/candidacy in the polling day.

2. Registration of candidates:

The third session features concurrent voters and candidates registration, which started on 15/11/1436 (29 August 2015) and continued for (17) days. In order to avail the candidacy right, the candidate shall be registered in the electoral rolls. Nomination of candidates is made during the specified period and under certain procedure precedent to issuance and publishing of the list of candidates for contestation and correction purposes before they are finally published.

3. Candidates electoral campaigns:

The pre-final stage started on 17/2/1437 (29 November 2015) following publishing of the final list of candidate names. It continued for (12) days. Candidates were allowed to start their electoral campaigns and introduce themselves, their electoral programs, ideas, inspirations and future plans. A candidate is not allowed to start his/her electoral campaign or declare his/her candidacy before publishing of the final lists of candidate names. Campaigns are important for candidates as well as voters. They give the voter the opportunity to decide on the most suitable

candidate who possesses necessary qualities for membership of the municipal council. On the other hand, it is an opportunity for the candidate to deliver his/her message to the voters and introduce himself/herself to the voters in order to gain their support on the election day.

4. Ballot:

This last stage was scheduled on 1/3/1437 (12 December 2015). Ballot is the most important part of the elections process. All the previous actions are considered preparatory to the ballot day. Voters cast their ballots on this day and select their candidates, according to established procedure at the polling centers where they were registered.

5. Votes count:

This process is conducted under certain procedure to identify successful candidates. It is conducted upon completion of the ballot process. Votes are counted at the same election center by votes counting committees.

6. Announcement of results:

Upon completion of the counting process, the list of successful candidates is announced with the number of votes obtained by each candidate. Results are announced the next day, 2/3/1437 (13 December 2015). Thus, the election process comes to an end. The only remaining thing is the results of appeals/ contestations, if any.

7. Appeals and contestations:

Each voter/candidate may file a contestation before the appeal and contestation committee against any decision taken by the election committees or against a committee failing to take a decision in his/her favor where it should have done so by law. He/she is entitled to file a contestation, at certain times and dates specified by rules and regulations, against any name registered in the lists of voters/candidates. Appeal and contestation committees enjoy complete independence.

Information about the Second Phase of Municipal Council Elections

The second phase of municipal elections has been enhanced and updated in numerous ways, in order to eliminate hindrances from the first phase. New revisions include:

- *Voters should vote in the constituency where they live. Voters should give only one vote to one candidate in their constituency.*
- *The number of municipal councils was increased from 179 to 285.*
- *The number of electoral centers was increased from 631 to 855.*
- *Elections are to be held concurrently across all regions of the Kingdom.*
- *Extensive authority was given to local election teams to arrange and oversee elections.*

The total number of council members amounted to 1636, half of them elected. The election process proceeded according to the following phases:

- *Voter registration phase from 19/5/1432 H to 27/6/1432H (22 April to 30 May 2011).*
- *Additional period from 25-30/6/1432 H (28 May to 2 June 2011) for the registration of voters born during the period of 26/10/1411 to 2/11/1411 (10 to 15 May 1991).*
- *Registration of candidates from 25 to 30 Rajab 1432H (26 June to 1 July 2011).*
- *Declaration of preliminary voter lists 9/7/1432H (10 June 2011).*
- *Declaration of preliminary candidate lists 23/7/1432H (24 June 2011).*
- *Declaration of final voter lists 12/8/1432H (13 July 2011).*
- *Declaration of final candidate lists 19/10/1432H (17 September 2011).*
- *Candidate campaigning 20-30/10/1432H (18 to 28 September 2011).*
- *Voting day 1/11/1432H (28 September 2011).*
- *Declaration of results 3/11/1432H (30 September 2011).*
- *Formation of municipal councils 18/11/1432H (15 October 2011).*

Information about the first cycle of Municipal Councils Elections

- *The first cycle of municipal elections took place at 179 municipal councils, where the total number of members was 1212, and half of them (506 members) selected by election*
- *A total of 106 new councils were established after the previous elections.*
- *A total of 62 new municipalities established committees to act as municipal councils.*

Though recently established, these councils have proven successful, holding more than 2471 sessions throughout the year, issuing 4962 decisions, 70% of which have subsequently were executed. Additionally, councils have made 1905 field visits throughout the year and held around 701 citizen meetings, in addition to organizing a variety of workshops.

Examples of other types of elections in the Kingdom:

1- Chambers of Commerce and Industry Elections

The councils of Chambers of Commerce and Industry are chosen through direct voting by members. Selecting a distinctive and efficient head, lends chambers the momentum to push forwards.

2- University Elections

University students use elections to select the presidents of student clubs, selecting the person they regarded as the representative best able to realize their desires and objectives.

3- Professional Council Elections

- Saudi Council of Engineers

Engineers select representatives to be assigned leadership positions on the Saudi Council of Engineers. These representatives organize and manage the affairs and requirements of all engineers in Saudi Arabia.

- Saudi Council of Journalists

The board of the Saudi Council of Journalists is constituted through election in which all members participate.

4- Cooperative Society Elections

The board members of cooperative societies working in Saudi Arabia, some 162 societies in all, are selected by elections. These societies have been established for various reasons and include multi-purpose societies, agricultural societies and fishermen's societies, in addition to societies relating to marketing, consumers, housing and vocational pursuits. Cooperative society boards consist of 17 members, who hold most seats and six seats for representatives from the five Ministries as well as from an agricultural financing corporation.

5- Sports Club Elections

Boards members at Saudi sport clubs are chosen by election. These include associations involved in boxing, wrestling, karate, football, tennis, basketball, volleyball athletics, swimming, weightlifting, bodybuilding, cycling, judo and fencing, in addition to other sports. Also members of the boards of sports clubs are elected in the Kingdom.

6- Labor Committees Elections

Labor committees exist at any corporation with more than 100 employees. The idea of establishing such committees in the Kingdom arose in 2001, after approval by the Cabinet. Heads of these committees are chosen by election.

7- Cultural Association Elections

Members of cultural associations (literary clubs, culture and arts associations etc.), elect their representatives through general assemblies. Elected representatives have financial, cultural and administrative authority over their clubs, which can lead to more effective promotion of cultural activities.

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

A Civil Service Functions Classification Guide has been issued. It is available at this address:

<https://eservices.mcs.gov.sa/ClassificationGuide/Pages/HomePage.aspx>

Public office is a set of tasks and responsibilities entrusted to the employee to perform. Therefore, the authors of the laws were keen to give some kind of protection against any infringement on the part of the employee. The disciplinary rules for personnel established in the Personnel Disciplinary Law issued by Royal Decree No. M/7 of 29 March 1971 were meant to protect the public office. They include many provisions relating to the investigation and disciplinary procedures in case the employee commits an administrative or financial violation, or some acts – while performing his job – that may

involve criminal offences related to the civil service and in this case the relevant rules are applied. See paragraph 6 of article 8 below.

The Ministry of Civil Service has raised the recruitment standards in terms of educational qualifications from high school graduates to university bachelor degree graduates for positions in procurement, research, etc. in order to enhance the merit-based recruitment.

As for the requirements of candidates for elected office, the minimum criteria is as follows:

- a) a high school diploma
- b) not sentenced before for any crime or misdemeanor involving honesty or integrity
- c) not expelled or suspended from public office by disciplinary procedures
- d) not having falsely declared bankruptcy.

The additional criteria for candidacy are included in Article 19 of the Law on the election of the members of the Municipal Councils, quoted above.

As for measures preventing conflict of interest during the election campaigns, it was noted that the Law on the election of the members of the Municipal Councils sets forth the following conditions:

- a) Transparency in funding;
- b) Prohibition of foreign funding;
- c) Clarity in reporting sources of funding;
- d) Prohibition of governmental funding (article 16;

In addition, civil servants are prohibited to perform any act aiming at influencing directly or indirectly the electoral campaign of any candidate, whether such act is in favor of or against the candidate (article 15 of the Law on the election of the members of the Municipal Councils).

The municipal councils and their members have defined scopes of competence which spell out their functions and tasks, as well as rules for the selection of the Heads of their Boards. The Councils fall under the Ministry of Municipal Affairs.

It was noted that some people have resorted to court for remedy in relation to alleged irregularities in elections, where a candidate could not be elected due to insufficient votes having been received.

The Board of Grievances is competent to hear the appeals submitted to the decisions of the committee to adjudicate electoral irregularities. Article 29 of the Code of Local Councils states: "Decisions of the dismissal committees shall be subject to appeal before the administrative courts in the Board of Grievances within five days from the date of notification or publication of the decision. The competent department of the administrative court must adjudicate the appeal within ten days from the date of its submission to it, provided that the copy of the verdict is delivered within ten days from the date of its pronouncement. The person against whom the decision was handed down may appeal it before the administrative appeals courts in the Board of Grievances within five days of the date of

receipt of a copy of the notification of the verdict, and the competent department in the Court of Appeal should decide on the objection within ten days from the date of submission to it, and its judgment is considered as final.”

(b) Observations on the implementation of the article

Regarding conflicts of interest, article 19 of the Law on the election of the members of the Municipal Councils sets out some criteria on eligibility. There is no requirement for candidates to disclose or demonstrate the absence of a conflict of interest (or to disclose information about their interests, other than funding sources described further in the next paragraph).

Article 7, paragraph 3

3. Each State Party shall also consider taking appropriate legislative and administrative measures, consistent with the objectives of this Convention and in accordance with the fundamental principles of its domestic law, to enhance transparency in the funding of candidatures for elected public office and, where applicable, the funding of political parties.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Elections in the Kingdom are only held for the election of the members of the Municipal Councils. Other positions are not subjected to elections.

Article 23 of the Law on the election of the members of the Municipal Councils of 1432 H (2011) states that:

“The candidate, whose name is mentioned in the initial announcement of the elections results, shall submit a statement on all the sources of funding his electoral campaign to the local elections commission within a maximum period of ten days from the date of the announcement.”

As for the rest of the public positions, the Civil Service Law and implementing regulations include a mechanism and a method to hold public office announced by the Ministry, through identifying positions to be filled, their places and required qualifications. Positions are filled according to one of the following recruitment methods:

1. Selection based on competency: it is applied to fill the job positions when the number of applicants is greater than the number of jobs available. Employment applications are received automatically through the website of the Ministry (Jadara program meaning “competency

program”) and selection is made among the applicants for these jobs in accordance with the criteria set by the ministry by virtue of its competence.

2. Repeated job announcement: It is used to fill the jobs when the available number of positions is greater than the number of applicants.
3. Competitions: it is applied to fill the job positions where adequate academic qualifications or degrees are not available, or used to assess knowledge, skills and abilities acquired through practical experience in accordance with the terms and conditions set out for it.

Therefore, public positions do not depend on elections and funding of candidatures for elected public office referred to by Article 7 paragraph 3 of the Convention.

It should be noted that membership of the Municipality Council is carried out through elections in accordance with the relevant laws and regulations.

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

Link to municipality elections regulations:

<https://majales.momra.gov.sa/MOMRA/portals/pages/Details.aspx?pageId=9>

In addition to the obligation to declare sources of funding, the Commission conducts inspections and has the power to contact banks to enquire into expenditures during the election campaigns.

There were no reported cases involving unlawful funding sources of candidates for election.

(b) Observations on the implementation of the article

The provision is implemented.

Article 7, paragraph 4

4. Each State Party shall, in accordance with the fundamental principles of its domestic law, endeavour to adopt, maintain and strengthen systems that promote transparency and prevent conflicts of interest.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Underlying the principle of fairness and impartiality, the Ministry of Civil Service was assigned the task to set up employment rules which aim to select the best applicants in fulfilling the principle of competency, which is the basis for selection. The Ministry is in charge of the recruitment process directly or under its supervision, taking into account the implementation of relevant rules which aim to promote the principle of transparency by working to establish an e-jobs programs system in order to provide a platform for job-seekers and for job announcement in order to provide equal opportunities for everyone. Furthermore, criteria for selection are published and elements of competency and the weight of each element and the points earned for each applicant are shown. Hence, promoting the principle of transparency so that everyone is fully aware and convinced of the results of the selections.

With regard to conflicts of interest, the public service employee is governed by rules and regulations which regulate all affairs related to the job position, in order to regulate his functional behaviour through some job duties that he must adhere to by virtue of this relationship which aims primarily to prevent conflicts of interest and to prevent its occurrence. This is evident in Article 13 of the Law on the Civil Service, which stipulates explicitly that the employee is not allowed to establish companies or be a member of the boards of directors or work in these companies. In addition, the employee is prevented from engaging in some permissible work if his institution is party to it, in order to prevent conflicts of interest.

“Article 13: Civil service employees shall refrain from:

a- Engaging in trade, directly or indirectly.

b- Taking part in the establishment of companies, holding a seat on their Boards of Directors, or working in any other position or in the business premises, unless they are appointed by the Government. By virtue of a regulation from the Council of Ministers, employees may be authorized to work in the private sector, outside of official working hours.”

Article 14 of the Law on the Civil Service also stipulates:

“A Civil service employee should not combine his job and another job. Working in liberal professions can be permitted for purposes of public interest because of the need of the country for such professions. Such license is granted by the relevant Minister and the Regulations shall determine conditions for licensing.”

2. The National Strategy for Maintaining Integrity and Combating Corruption stipulates that the following means shall be applied to achieve the objectives of the Strategy: “... adopt and promote the principle of transparency within government agencies.”

3. The Statute of the National Anti-Corruption Commission in Article 3 (Objectives and Powers) states that: “The Commission aims to maintain integrity, promote transparency and combat financial and administrative corruption in all forms, manifestations and means.”

4. Article 1 of the Government Tenders and Procurement Law stipulates:

“This Law aims at:

- a. regulating procedures of tenders and procurements carried out by government authorities and ensuring they are not influenced by personal interest in order to protect the public funds;*
- b. achieving maximum degree of economic efficiency in government procurements and carrying out government projects at fair competitive prices;*
- c. promoting honesty and competition and ensuring fair treatment of suppliers and contractors in accordance with the principle of equal opportunities;*
- d. guaranteeing transparency in all stages of government tender and procurement procedures.”*

5. The aforementioned Article 19 of the Law on the Election of members of the Municipal Councils deals with the avoidance of conflicts of interest in the qualification of candidates.

6. In addition to the Civil Service Law, codes of conduct for civil servants have been established. The standards cover conflicts of interests (chapter V), such as the requirement to obtain approval before seeking private sector employment. Royal Decree No. 43 on Protecting the Integrity of the Public Service, dated 29/11/1377 AH (16 June 1958) further provides for punishment of public officials who engage in any trade or profession without official permission. See article 8, paras. 1, 2 and 5, and article 11 (for the judiciary) below.

7. Additional measures relating to gifts and asset declarations are provided under paragraph 5 of article 8.

- 3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.**

Occupational duties regulations link:

https://www.mcs.gov.sa/ArchivingLibrary/Regulations/Regulations/14370914_9.pdf

Statistics on decisions taken by the Public Prosecution to enhance integrity and prevent corruption among its members are provided under article 11.

A Saudi Arabia recently hosted the Second International Conference on governance, accountability and transparency, on 20-21 February 2017, under the patronage of the King. The event openly discussed transparency matters and international best practices and was held with the presence of media coverage. Details and conclusions of the event were posted on the Commission's website.

(b) Observations on the implementation of the article

The main conflict of interest provisions regulating outside activities of civil servants are

found in the Civil Service Law and civil service codes, although there are additional conflict of interest requirements for certain officials such as Nazaha (see Article 9 of the Statute of the National Anti-Corruption Commission, quoted above under article 7).

As already noted, it is recommended that Saudi Arabia assess the current rules and regulations around conflicts of interest, including the acceptance of gifts, with a view to developing a clearer set of rules that are broader and more in line with international good practices (see article 8, paragraph 5 below).

Article 8. Codes of conduct for public officials

Article 8, paragraphs 1 to 3

1. *In order to fight corruption, each State Party shall promote, inter alia, integrity, honesty and responsibility among its public officials, in accordance with the fundamental principles of its legal system.*

2. *In particular, each State Party shall endeavour to apply, within its own institutional and legal systems, codes or standards of conduct for the correct, honourable and proper performance of public functions.*

3. *For the purposes of implementing the provisions of this article, each State Party shall, where appropriate and in accordance with the fundamental principles of its legal system, take note of the relevant initiatives of regional, interregional and multilateral organizations, such as the International Code of Conduct for Public Officials contained in the annex to General Assembly resolution 51/59 of 12 December 1996.*

(a) Summary of information relevant to reviewing the implementation of the article

1. **Is your country in compliance with this provision?**

Yes

2. **Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.**

Since the relationship between the employee and the employer is regulated, the Civil Service Law and its implementing regulations, as well as the codes of conduct (Arabic copies provided), have imposed many duties on the civil service employee related to his position. The civil servant is required to fulfil his job duties accurately and honestly, and avoid any shameful action that harms the honour and dignity of the function. Some obligations are for the employee to refrain from actions such as abuse of power, trading in influence, accepting bribes, gifts or gratuities, divulging secrets known by virtue of his job, to engage in trade activities, participate in the establishment of companies, accept membership in their board of Directors or work for them. The Law stipulates that each employee is responsible for his actions and for the proper functioning of his job within the limits of his competence.

Accordingly, these and other duties would promote the values of integrity, honesty and responsibility among civil servants.

A code of conduct and ethics (Rules of conduct and ethics of public office) was issued by the Council of Ministers' Resolution No. 555 of 25/12/1437 AH (27 September 2016) (Arabic copy provided). It was explained that this Code of Conduct and Ethics is applicable to, and binding and enforceable on, all civil servants, except those in institutions with specialized codes of conduct in place. In preparing this code, some relevant international experiences and practices were taken into consideration, in an effort to promote basic civil service values and improve the quality and performance of the civil service.

The Code of Conduct and Ethics for civil servants contains a set of duties that employees in the civil service must observe. Article 7 covers general duties, such as loyalty, integrity, objectivity, the accomplishment of tasks and the proper performance of functions, while articles 8-11 set forth duties towards colleagues and supervisors of civil service employees.

The Code prohibits certain corruption acts, including abuse of power and obstruction of justice (article 12), and sets forth a reporting obligation of such acts (article 20). It prohibits also the disclosure of confidential information (article 13), the personal use of public properties, and the acceptance of gifts, including from a foreign Government (article 15).

Chapter V of this Code is dedicated to conflicts of interest and obliges, in article 19, the civil service employee to disclose in writing any situation or potential situation of conflict of interest. Paragraph 3 of this article establishes two criteria for defining a conflict of interest, and defines a conflict of interest as a situation where there is a special interest, whether actual or potential, for the official or another person that affects their objectivity or neutrality in making a decision or expressing an opinion related to their functions, including but not limited to: (a) the existence of an interest between the employee and the contracting party, and (b) consanguinity up to the fourth degree. See paragraph 5 of article 8 below.

The Human Resources departments of the different entities are entrusted with the enforcement of the Codes of Conduct and Ethics. Employees are asked to sign written declarations acknowledging their adherence to the Code. When a violation of the Code is observed, an administrative disciplinary procedure is instituted against the civil servant in accordance with the Personnel Disciplinary Law (Royal Decree No. M/7 of March 1971). In case of a violation requiring dismissal, the disciplinary action is referred to the Administrative Court (Art. 13, Law of the Board of Grievances).

It was noted that each government institution has its own disciplinary (investigative) committee, which can apply sanctions in cases of breaches of the Code of Conduct and Ethics subsequent to the investigations conducted by the legal department. Termination of employees is conducted after a relevant administrative court hearing has taken place.

"Chapter V

Conflict of interest and fighting corruption

Conflict of interest

Article 19:

1- The employee shall disclose in writing to the party designated by the employer any situation of conflict of interest, or one that may lead to conflict of interest, before taking a decision or giving his view about the facts which are subject to conflict.

2- The employee must refrain from participation in any decision aiming at influencing, directly or indirectly, any contract award which a member of his family is part of.

3- The situations of conflict of interest cover – without limitation – the following:

a- The existence of an interest between the employee and the contracting party or the party which has started contracting with his employer, whenever the employee has a role or a potential role in the contracting.

b- The existence of consanguinity up to the fourth degree between the employee and the candidate for the job in his work, when the hiring is subject to a decision or an opinion from the public servant.

Article 20:

In the sake of fighting corruption the employee shall:

1- Report in writing directly to his first supervisor on any violations of the regulations and the instructions in force which are seen by him while performing his duties.

2 – Report to the relevant authorities on any corruption known by him while performing his duties

3 – Cooperate with the relevant authorities in charge of administrative, financial and criminal investigations

4- Report immediately to his first supervisor when being offered corruption, and the first supervisor should take the necessary measure, report on the issue and inform the competent authorities."

Due to the specific nature of the work of Nazaha, a specific Code of conduct has been adopted for its staff in addition to the general rules (see article 8, paragraph 5 below). Specialized standards of conduct have also been adopted for members of the Public Prosecution and a draft code of conduct for judges has been prepared. In addition, a code of conduct related to the judiciary for the GCC countries has been adopted in October 2016 and is currently in force and considered part of the national legislation. See article 11 below.

The Saudi Arabian Monetary Agency (SAMA) issued a Code of Conduct of Public Office in which it set forth a number of principles aimed at strengthening corruption prevention and combatting corruption. The Code contains clear prohibitions against certain acts of corruption,

such as the abuse of functions for personal interest, the misuse of functional authority, trading in influence, and procuring information from non-authorized sources.

The Code contains also rules aiming to prevent conflict of interest in Article 6, which obliges, inter-alia, SAMA's employees to act in the general interest of the Authority exclusive of personal interests and to disclose in writing any actual or potential conflict of interests before taking a decision or providing an opinion on the issue subject to potential conflict.

The Code also covers the obligation to disclose financial and non-financial interests (Article 6(2)), a prohibition on trading shares and divulging information (Article 7), a prohibition on exercising outside activities (Article 8), and legal restrictions that should be followed before assuming work for entities supervised by SAMA, after the termination of the employment relationship.

Nazaha is further tasked with developing rules for maintaining integrity (Article 13, Statute of Nazaha), which would, inter alia, require public officials to observe a cooling-off period before engaging in employment in the private sector.

Additional measures relating to gifts and asset declarations are provided under paragraph 5 of article 8.

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

The Code of Conduct and Ethics for civil servants is comprehensive to public officials who are made aware of it and must sign a written acknowledgment upon taking their positions. The Ministry of Justice seeks to widely disseminate the code of conduct and ethics and its culture through various means including internal newsletters on a weekly basis. Regarding enforcement of the Civil Service Code, the disciplinary procedures are followed unless there is a criminal element and the Public Prosecution is notified. The Ministry of Civil Service is responsible for monitoring compliance with the Code, while the Heads of institutions ensure compliance by their employees with the applicable codes of conduct.

(b) Observations on the implementation of the article

This is an area where rules and regulations have recently been developed. In light of their recent promulgation and the absence of statistics on administrative sanctions against officials, it was difficult to assess the effectiveness of the standards of conduct in preventing corruption.

Article 8, paragraph 4

4. Each State Party shall also consider, in accordance with the fundamental principles of its domestic law, establishing measures and systems to facilitate the reporting by public officials of acts of corruption to appropriate authorities, when such acts come to their notice in the performance of their functions.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Taking necessary measures, procedures and rules that facilitate the ability of civil servants to inform the competent authorities of acts of corruption are tasks within the competence of other authorities, most notably the National Anti-Corruption Commission. In addition, some penal laws, such as the Anti-Bribery Law issued by Royal Decree No. M/36 dated 29/12/1412 AH provide for rewarding anyone who may report on corruption (article 17).

As noted above, the Code of Conduct and Ethics for civil servants (Rules of conduct and ethics of public office, issued by Council of Ministers' Resolution No. 555 of 25/12/1437 AH (27 September 2016)) prohibits certain corruption acts, including abuse of power and obstruction of justice (article 12), and sets forth a reporting obligation of such acts (article 20).

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

To facilitate reporting, the National Anti-Corruption Commission offers financial rewards to reporting persons whose reports are proven to be valuable. The National Anti-Corruption Commission provides several channels for transmitting reports. Reports can be transmitted via the Internet, by mail, personally, and by fax; a unified phone number is also provided to answer questions, including inquiries about how to report.

The following detail is provided in Nazaha's 2011-2014 performance summary report:

Citizen's reports received by the Commission about corrupt practices:

The Commission provides five communication channels to receive citizens' reports. These channels are: regular mail, telegraph, fax, personal presence, and the Commission's website. The Commission also provides a direct number (19991) to receive public inquiries about the mechanisms and methods used for communication.

The Commission has dealt with and completed (22,035) reports since it was established. These reports are divided into two types of complaints:

- *Reports under the Commission's jurisdiction.*

- Reports not under the Commission's jurisdiction.

The following table shows the number of reports received by the Commission from its establishment until the end of fiscal year 1436-1437AH (2014-2015).

Table 1: number of reports received by the Commission:

Year	2011-2012	2012-2013	2013-2014	2014-2015	Total
Reports under the Commission's jurisdiction	385	2,620	2,622	1,278	6,905
Reports not under the Commission's jurisdiction	635	7,859	3,430	3,206	15,130
Total	1,020	10,479	6,052	4,484	22,035

Reports under the Commission's jurisdiction:

The complaints under the Commission's jurisdiction are the ones in particular concerned with investigation. This type of report shall be detected and verified by the Commission. The Commission will also collect information about these reports from desk and field. They are also sorted and categorized by the following types:

- Financial and administrative corruption.
- Lack of public services and public projects.
- Lack of work regulations/procedures.

After this, the Commission refers the detected and verified reports to the responsible investigation bodies, or to the responsible minister. The following table shows the number of reports by type:

Table 2: Number of reports under Commission's jurisdiction according to report type:

Reports Type	No. of reports until 2014-2015	Percentage
1- Financial and administrative corruption	2,337	34%
2- Lack of public services and public projects	3,985	58%
3- Lack of work regulations/procedures	583	8%
Total	6,905	100%

Classification of financial and administrative corruption reports:

This type of complaint is divided into several categories as shown in the following table.

Table 3: Percentage of reports related to financial and administrative corruption as classified by report:

Financial and administrative corruption	Percentage
1- Administrative abuse	39%
2- Abuse of power	15%
3- Misuses of public funds	14%
4- Forgery	9%
5- Favoritism	7%
6- Embezzlement of public funds	7%
7- Lack of attendance in work	5%
8- Bribery	3%
Total	100%

From table 3 we can conclude that 68% of financial and administrative corruption is concentrated in administrative abuse, abuse of power, and misuses of public funds.

Classification of lack of public services and public projects reports:

This type of complaints is divided into several categories as shown in the following table.

Table 4: Percentage of reports related to lack of services and projects as classified by report:

Lack of public services and public projects	Percentage
1- Stumble/delays in the implementation of government projects	43.6%
2- Poor implementation of government projects	26.3%
3- Lack of health services	11.5%
4- Lack of road services	7.2%
5- Lack of water services	3.6%
6- Poor sanitation	2.6%
7- Deterioration of public facilities	1.7%
8- Lack of municipal services	1.4%
9- Poor electricity services	1.2%
10- Others	0.9%
Total	100%

From table 4 we can notice that 70% of reports related to lack of public services and public projects are concentrated on stumble/delays or poor implementation of government projects.

2- Rewards to whistleblowers:

The Commission is keen to encourage all community members to cooperate with it through reporting about corruption cases, where the Commission provides financial rewards and letters of appreciation to whistleblowers after the verifying of their reports.

The authorities confirmed that public officials may report acts of corruption to their first line manager as well as to any other competent authority. In addition, bribery and other specific crimes can be reported to the administrative investigating entities, Nazaha or the Control and Investigation Board.

As for the existence of internal complaint units or ethics offices in public entities, currently there is no regulation or procedure to create such units. However, this does not exclude the possibility of having such units or departments fulfilling this function. Several ministries (e.g., Ministry of Defense) have created departments on integrity, and several others have departments for internal oversight and monitoring. For example, SAMA has created an internal reporting system.

Nazaha ensures the secrecy and confidentiality of the reports it receives. For example, corruption reports may be made anonymously to Nazaha via a dedicated mobile phone application. Nazaha further takes steps to ensure adequate protection of reporting persons from threats or mistreatment. For example, in one case Nazaha reinstated an employee to his previous work position after he was expelled due to reporting corruption, and disciplinary measures were taken against the perpetrator.

The draft law on the protection of victims, witnesses and persons of equivalent status (whistleblower law) is still under consideration.

The Kingdom of Saudi Arabia has a Board of Grievances, whose administrative courts are competent, according to article 13 of its Code, to decide on the following:

- a- Lawsuits relating to civil service, military and retirement service rights for staff and employees of the Government and organs with independent public moral personality or their heirs and beneficiaries;
- b- The proceedings for the cancellation of the final administrative decisions made by the concerned parties, where the reason for the appeal is lack of jurisdiction, a defect in the form, a defect in the cause, a violation of the rules and regulations, error in their application or interpretation, or abuse of authority, including disciplinary decisions, in addition to decisions issued by quasi-judicial committees and disciplinary boards. As well as decisions issued by associations of public benefit - and the like - related to its activities. The refusal of the management or refrain from taking a decision that it had to take in accordance with the rules and regulations, is regarded as an administrative decision.
- c- The compensation claims filed by the parties concerned for the decisions or acts of the management body.
- d- Claims relating to contracts to which the management is a party.
- e- Disciplinary cases brought by the competent authority. And
- f- other administrative disputes.

There are 14 administrative courts in the Kingdom, distributed over all regions of the Kingdom, 5 administrative appeals courts of appeal and one administrative supreme court.

Nazaha maintains statistics on corruption reports received and steps taken to follow up on the reports, and this information is available to the public. There are many examples of how competent authorities deal with and follow up on corruption reports received by the

Commission and other relevant entities, including annual statistics on the number of corruption reports received as well as the Commission's work to address these complaints.

(b) Observations on the implementation of the article

The provision is implemented.

Article 8, paragraph 5

5. Each State Party shall endeavour, where appropriate and in accordance with the fundamental principles of its domestic law, to establish measures and systems requiring public officials to make declarations to appropriate authorities regarding, inter alia, their outside activities, employment, investments, assets and substantial gifts or benefits from which a conflict of interest may result with respect to their functions as public officials.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Considering the competence of this ministry (Ministry of Civil Service) to develop rules and procedures for recruitment, the Ministry of Civil Service has adopted some employment application forms, which include information and key data on the applicant that should be completed before submitting the application for public office (copies were provided during the review). The data entails the personal and educational information, and whether the applicant works in the civil service or has worked there before, or whether he has been previously convicted of a crime or dismissed from a public function, etc. The employee is responsible for the accuracy of the information made by him in these forms.

Conflicts of Interest:

Chapter V of the Code of Conduct and Ethics for public servants is dedicated to **conflicts of interest** and obliges, in Article 19, the civil service employee to disclose in writing any situation or potential situation of conflict of interest. Paragraph 3 of this article establishes two criteria for defining a conflict of interest, which are: (a) the existence of an interest between the employee and the contracting party, and (b) consanguinity up to the fourth degree. See article 8, para. 2 above.

Code of Conduct and Ethics (Rules of conduct and ethics of public office) issued by the Council of Ministers' Resolution No. 555 of 25/12/1437 AH (27 September 2016)

"Chapter V

Conflict of interest and fighting corruption

Conflict of interest

Article 19:

- 1- The employee shall disclose in writing to the party designated by the employer any situation of conflict of interest, or one that may lead to conflict of interest, before taking a decision or giving his view about the facts which are subject to conflict.*
- 2- The employee must refrain from participation in any decision aiming at influencing, directly or indirectly, any contract award which a member of his family is part of.*
- 3- The situations of conflict of interest cover – without limitation – the following:*
 - a- The existence of an interest between the employee and the contracting party or the party which has started contracting with his employer, whenever the employee has a role or a potential role in the contracting.*
 - b- The existence of consanguinity up to the fourth degree between the employee and the candidate for the job in his work, when the hiring is subject to a decision or an opinion from the public servant.*

Conflicts of interest are also defined and enforced at the level of individual government institutions. For example, according to article 4 of Nazaha's Code of Conduct, *"the first manager of the employee should be informed of any situation of conflict of interests, whether occurred or likely to occur, and constitutes conflict of interests :"*

- a) Article 4 considers as conflict of interests the following: Assigning any work directly related to the interest of any of the relatives up to the third degree;*
- b) Exposure to pressure or threat, directly or indirectly, as a result of the assigned work;*
- c) Emotionally affected by the possibility of accountability or investigation with any of the parties or persons;*
- d) Receive offer, gift, or compensation of any kind, when performing any duties.*

According to article 13 of the Law on the Civil Service, a civil servant *is prohibited from:*

- Working in trade directly or indirectly;*
- Taking part in the establishment of societies or accepting membership in the Board of Directors;*

Such prohibition is also prescribed in Royal Decree No. 43 on Protecting the Integrity of the Public Service, dated 29/11/1377 AH (16 June 1958), which provides in article 1 for punishment of public officials who engage in any trade or practice any profession without official permission.

"Article 1: Shall be punished by a fine not less than one thousand riyals and not exceeding ten thousand riyals: 1. Official employees who are engaged in trade, as well as those who are employed in the liberal professions without official permission."

Nazaha is tasked with developing rules for maintaining integrity (Article 13, Statute of Nazaha), which would, inter alia, require public officials to observe a cooling-off period before engaging in employment in the private sector.

A cooling-off period is also foreseen for SAMA staff before they are permitted to work for any entities under its supervision, while for some entities the approval of SAMA is a pre-condition for recruitment. In this regard, Article 9 of SAMA's Code of Conduct, entitled "working for entities under the supervision of SAMA after the termination of employment", stipulates that employees ending their service by regular or early retirement, by resignation or at the end of their contract and wishing to work for one of the bodies supervised by SAMA are required to obtain the Authority's approval and observe the accepted cooling-off period. The prescription period is as follows, unless exception is made by the Governor:

- A period of one year from the date of leaving SAMA for employees exercising supervisory or inspectory positions over entities supervised by SAMA.
- A period of six months from the date of leaving SAMA for institutions that are not under the supervision of SAMA or for other specified entities (from level one to three).
- A period of one year from the date of leaving SAMA for employees who were members of the boards of directors of one of the entities maintaining a relationship with SAMA. They are not entitled to work for these entities before the expiration of the prescription period.

For further detail on the disclosure requirement concerning financial and non-financial interests for SAMA staff, see the section "Declarations of Interests" below.

Gifts:

Like conflicts of interest, the rules on gifts are defined and enforced at the level of individual government institutions. Under Nazaha's Code of Conduct, staff are prohibited from accepting any gifts in connection with their functions.

The Council of Ministers issued Resolution No. 60 of 18/02/1437 AH adopting the rules governing acceptance by officials in government agencies of gifts given to them during official visits and events. Resolution No. 60 only applies to a special category of officials and not all civil servants in the Kingdom. According to article 1, it is limited to the following officials ("responsible persons"): *Ministers, Chiefs of independent departments, Deputy Ministers, public officials serving in supervising positions, and participants in visits or official events.*

Article 2 provides that "The "Government official" may accept gifts awarded to him during official visits and on official events or while receiving guests of the administrative authority, for which the rules of courtesy and visit protocols require acceptance, and in conformity with the present provisions".

Article 5 provides for the establishment within the administrative body of a gift committee under the authority of one of the officials responsible for financial matters and composed of two members of the staff. The committee shall:

- a) Value the gifts which are required to be valued, with the assistance of the relevant expertise and competence, and that should be in Saudi Riyal;*
- b) Monitor the registration of gifts in a special register;*
- c) Establish a mechanism for the preservation of the gifts and propose instructions for ensuring their safety from damage or loss, for their exposure to the public in a safe and appropriate manner; ...*

The Rules on gifts for members of the Shura Council (entitled, “Rules governing the acceptance by Members of the Council and its senior officials of gifts given to them during official visits and events”¹²) allow for the acceptance of gifts awarded by them during official visits and while receiving guests (article 2), provided that the acceptance meets the following conditions, listed in article 3:

1. The gift should not be cash, in any circumstances;
2. There should be no suspicious incentives from the provider; the gift should properly reflect the good faith of its provider; the value and type of gift should be within the range of what it is customarily accepted;
3. The acceptance of the gift should not create a misperception in the recipient, and its acceptance should not raise any suspicions of abuse of power within the Council, or a lack of integrity or transparency;
4. The acceptance of the gift should not lead to influencing the impartiality, integrity, loyalty or confidentiality of the Member of the Council;
5. The provider of the gift should not expect a personal interest in a matter being submitted or to be submitted before the Council;
6. The acceptance of the gift should not be in return for a service or a role that the Member would perform due to his affiliation with the Council.

All awarded gifts are the property of the Council and should be stored in its headquarters, except for those falling under the following categories (article 4):

- Perishable gifts, usually purchased for personal use;
- Gifts provided by a governmental or a parliamentary entity or by a local, regional or international organization, whose value is: less than or equivalent to 5,000 Riyals in the case of a Member or the Secretary General or senior officials, or 10,000 Riyals or less in the case of the President or his deputy or assistant;
- Gifts from natural or legal persons from a local or an external private entity, whose value is less than 2,000 Riyals in the case of a Member or the Secretary General or senior officials, or 4,000 Riyals or less in the case of the President or his deputy or assistant.

All Members and officials are required to disclose the gifts to the President within 30 days of receipt, with the indication of their moral and material value, as well as the conditions under which they have

¹² As published on the Council’s website.

been received. If the value exceeds 100,000 Riyals, the disclosure is made public by the Council (article 6). Moreover, the Rules establish a committee for gifts (article 9), which is responsible, among others, for their valuation, preservation and the consideration of retention requests (article 10).

In addition, Council of Ministers Resolution No. 60 of 02/18/1437 AH (Rules governing the acceptance by officials in government agencies of gifts given to them during official visits and events) provides that a public official may accept gifts during official events and visits or while receiving guests of the governmental authority, for which the rules of courtesy and visit protocols require acceptance (article 2). The conditions under which gifts may be accepted are almost identical to those for Members of the Shura Council (article 3), as quoted above. However, the benefit from the gift is permissible only if: the value is 10,000 Riyals or less in the case of the Head of the institution, or 4,000 Riyals or less for all other employees (article 4). The Rules further establish committees for gifts in the relevant governmental authorities, which have the same mandate as the one established under the Shura Council Rules (article 5).

Declarations of Interests:

The staff of the National Anti-Corruption Commission must declare their assets, in accordance with Nazaha's rules on financial disclosures adopted by Nazaha's President Resolution No. 2 of 4 December 2011. Nazaha staff is also prevented from exercising any functions or holding positions in other sectors either with or without pay. Article 3(9) of the Statute of the Anti-Corruption Commission further provides that Nazaha has the power to "set controls necessary to submit financial declarations ... with regard to some categories of government employees."

In terms of verification it was explained that for Nazaha the financial disclosure process rests with a specialized department within Nazaha, which receives the relevant forms every three years and on the employee's termination of service. The department is mandated with the power of inspection and verification. In that regard, it may request not only evidence from the declarant but also information from the Central Bank to verify any financial situations. It may further recommend administrative punishment in case of violations. Nazaha is currently shifting to an electronic disclosure system, benefiting from recommendations issued by the World Bank and the U.S. Office of Ethics.

Declarations of financial and non-financial interests are also required for SAMA staff, pursuant to SAMA's Code of Conduct. The Code inter alia requires employees to comply with SAMA's approved disclosure policy in respect of the following:

- Ownership of shares in banks and companies supervised by the institution and its trading controls;
- Financial transactions of SAMA employees and their relatives;
- Ownership of shares and institutions of employees of SAMA and their relatives;
- Obtaining funding from an institution under the supervision of SAMA;
- Disclosure of any existing relationships with current or potential consultants or suppliers that may constitute a conflict of interest;

- Disclosure of any relationships between the employees of the institution;
- Disclosure in the event of a close relationship between the employee and a candidate for employment when the decision to recruit depends on the decision or opinion of the employee.

In addition, SAMA requires newly recruited staff to disclose information on all the positions previously occupied and any shares or assets owned previously in any company under its supervision. This measure concerns all staff and not only those holding leadership positions. SAMA also performs verifications when a staff member is nominated for a leadership position. It seeks to verify the conditions of the nomination; whether the nominated person will seek instructions from specified persons and to which extent this person has any relations with the members of the Board of Directors.

SAMA may at any time cancel its approval if the information provided in the statistical request is incomplete. It was noted that several cases of refusals of nominations have been recorded, including for conflict of interests. This covers different sectors such as insurance and finance companies.

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

As for conflicts of interest, several draft laws are awaiting adoption:

- a) Draft rules on integrity for some categories of State employees (draft amendment to the Law on the Management of Public Funds);
- b) Draft law submitted by the Central Bank, which differentiates between conflict of interests rules for leadership positions and those for positions under the supervision of the entity.

In relation to public officials in other government entities besides Nazaha and SAMA, as mentioned above the draft law on the management of public funds for public officials prepared by Nazaha has been reviewed by the Council of Economic Affairs and Development as part of the National Transformation Program, and is currently at the head office of the Council of Ministers for adoption. The law would require, inter alia, asset declarations to be made by some categories of State employees, including: Ministers, vice Ministers, secretaries of municipalities, judges, members of the Public Prosecution, civil servants on grade 14 and 15 including diplomatic and military employees, general managers and heads of accounting departments. It would also cover the disclosure of foreign financial interests.

(b) Observations on the implementation of the article

It is recommended that Saudi Arabia assess the current rules and regulations around conflicts of interest, including the acceptance of gifts, with a view to developing a clearer set of rules that are broader and more in line with international good practices. The reviewers note in particular that conflicts of interest are narrowly defined in the applicable

instruments and that the provisions contain some limitations, for example concerning gifts. Moreover, disclosure and verification procedures are not clearly defined.

More specifically, the definition of conflicts of interest in article 19(3) of the Code of Conduct and Ethics for public officials (Rules of conduct and ethics of public office) issued by Council of Ministers' Resolution No. 555 of 25/12/1437 AH (27 September 2016), as well as in Nazaha's code of conduct (article 4), appears to be quite narrow.

Further, the applicable rules on gifts contain exemptions for public officials during certain official functions and events, as set forth in the rules governing the acceptance by officials in government agencies of gifts given to them during official visits and events (issued by the Council of Ministers Resolution No. 60 of 18/02/1473), as well as for members of the Shura Council, as per the rules governing the acceptance by Members of the Council and its senior officials of gifts given to them during official visits and events, published on the Council's website – as described above. The applicable thresholds also appear to be quite high (e.g., 10,000 Riyals (approx. \$2,667) in the case of Heads of institutions and 4,000 Riyals (approx. \$1,067) in the case of all other employees.

In regard to the verification of conflicts of interest, under the Code of Conduct and Ethics (article 19) the disclosures should be made *“in writing to the party designated by the employer”*; however, no verification procedures are outlined. Saudi Arabia is encouraged to consider adopting a more clearly defined procedure for receiving and verifying conflicts of interest disclosures, and providing further guidance to officials on this concept.

In this context, it is recommended that the Kingdom continue efforts to review its asset disclosure systems in line with international good practices (for example, by adopting electronic filing systems, which could simplify filings and verifications). The reviewers welcome steps being taken by Saudi Arabia to establish asset declaration requirements for a wider category of public officials. See article 52 below for more details.

Article 8, paragraph 6

6. Each State Party shall consider taking, in accordance with the fundamental principles of its domestic law, disciplinary or other measures against public officials who violate the codes or standards established in accordance with this article.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Public office is a set of tasks and responsibilities entrusted to the employee to perform, hence, it is protected against any infringement on the part of the civil servant. Consequently, disciplinary rules for civil servants established in the Personnel Disciplinary Law issued by Royal Decree No. M/7 of 29 March 1971 were meant to protect the public office as they include many of the provisions relating to investigation procedures and discipline in case the civil servant commits an administrative or financial violation. Furthermore, some acts that may be committed by a government employee – in his function – may involve criminal offences related to the civil service and in this case relevant penal laws are applied.

Personnel Disciplinary Law

Article 31: Any civil servant found guilty of a financial or administrative offence shall receive a disciplinary sanction without prejudice to the initiation of a civil lawsuit or a compensation lawsuit.

Article 32, Paragraph 5 of "First": The disciplinary sanctions that may be imposed on a civil servant are the following:

First: Concerning civil servants of Grade 10 or under, or equivalent: 5. Dismissal.

Article 32, Paragraph 3 of "Second": The disciplinary sanctions that may be imposed on a civil servant are the following:

Second: For civil servants of Grade 11 and above, or equivalent: 3. Dismissal.

Article 43: The decision of suspension of the civil servant is issued by the relevant minister if the minister or the Control and Investigation Board deems that the institution's interest so requires. The civil servant held for trial is considered as suspended until he is released. The Council of Ministers shall issue a statement that determines when the civil servant held for trial is suspended.

Anti-Bribery Law

Article 13: A judgment finding a public official, or equivalent, guilty of having committed any of the offences provided for herein will result in dismissal from public office and banning from appointment to any public office or carrying on activities that are deemed tantamount to public office, in accordance with the provisions of Article 8 hereof.

Law on the Trial of Ministers

Article 6: A conviction of a minister, or equivalent, shall necessarily result in his dismissal from public office and banning from appointment to any public office and membership in boards of administration of bodies, companies, and institutions, and any office therein.

Law on Judges

Article 63: A disciplinary action shall become invalid upon the resignation of a judge. A disciplinary action shall not affect a criminal or civil suit arising from the same event.

Civil Service Law

Article 4: Subject to the provisions of other regulations, any person who is appointed to any position, shall meet the following conditions:...

(f) not having been sentenced to a fixed punishment (hadd) or imprisonment for an offence involving moral turpitude or dishonesty, or until a period of at least three (3) years elapses from the date of the sentencing to such fixed punishment or imprisonment.

(g) not having been dismissed from public office for disciplinary reasons, or until a period of at least three (3) years elapses from the date of dismissal from public office.

Statute of the National Anti-Corruption Commission

Article 9: "In addition to requirements specified in the functional regulations referred to in Article 7, paragraph 1 of this Statute, a person assuming any duties relating to the Commission shall meet the following conditions:..

2 - Not have been sentenced to a hadd (punishment prescribed by Sharia) or ta'zir (discretionary punishment), convicted of a crime impinging on honor or integrity or subjected to a disciplinary decision dismissing him from a public office, even if rehabilitated. ..."

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

Link for the Civil Service implementing laws and regulations:

<https://www.mcs.gov.sa/ArchivingLibrary/Pages/default.aspx>

As already noted, the Human Resources departments of the different entities are entrusted with the enforcement of the Codes of Conduct. Employees are asked to sign written declarations acknowledging their adherence to the Code. When a violation of the Code is observed, an administrative disciplinary procedure is instituted against the civil servant in accordance with the Personnel Disciplinary Law (Royal Decree No. M/7 of March 1971). In case of non-compliance with the decisions of the Disciplinary Board, the matter may be brought before the Board of Grievances.

It was noted that each government institution has its own disciplinary (investigative) committee, which can apply sanctions in cases of breaches of the Code of Conduct and Ethics subsequent to the investigations conducted by the legal department. Termination of employees is conducted after a relevant administrative court hearing has taken place. Article 13(e) of the Law of the Board of Grievances provides for the jurisdiction of the administrative courts to adjudicate ... "disciplinary proceedings brought by the competent authority".

(b) Observations on the implementation of the article

The cited material is clear covering the disciplinary rules that apply to public officials who violate the standards of conduct.

Article 9. Public procurement and management of public finances

Article 9, paragraph 1

1. Each State Party shall, in accordance with the fundamental principles of its legal system, take the necessary steps to establish appropriate systems of procurement, based on transparency, competition and objective criteria in decision-making, that are effective, *inter alia*, in preventing corruption. Such systems, which may take into account appropriate threshold values in their application shall address, *inter alia*:

(a) The public distribution of information relating to procurement procedures and contracts, including information on invitations to tender and relevant or pertinent information on the award of contracts, allowing potential tenderers sufficient time to prepare and submit their tenders;

(b) The establishment, in advance, of conditions for participation, including selection and award criteria and tendering rules, and their publication;

(c) The use of objective and predetermined criteria for public procurement decisions, in order to facilitate the subsequent verification of the correct application of the rules or procedures;

(d) An effective system of domestic review, including an effective system of appeal, to ensure legal recourse and remedies in the event that the rules or procedures established pursuant to this paragraph are not followed;

(e) Where appropriate, measures to regulate matters regarding personnel responsible for procurement, such as declaration of interest in particular public procurements, screening procedures and training requirements.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

(a) The public distribution of information relating to procurement procedures and contracts, including information on invitations to tender and relevant or pertinent information on the award of contracts, allowing potential tenderers sufficient time to prepare and submit their tenders;

Article 4 of Government Tenders and Procurement Law, issued by Royal Decree No. M/58 of 04/09/1427 AH (27 September 2006), stipulates that government agencies should provide tenderers with complete, clear and uniform information about the required work, and enable them to obtain this information at a specified time. They should also provide sufficient copies of the tender documents to meet the requests of those wanting to obtain them. Article 6 of the Law stipulates that all government works and procurement should be put up for public tender, except as excluded under the present Law. Article 7 of the Law provides for a mechanism of publicity to announce all government tenders in the

Official Gazette and in two local newspapers, and by means of e-advertising as determined by the implementing regulation of the Law. The announcement of the tender must specify the date and place of submitting bids and opening envelopes.

Government Tenders and Procurement Law

Article 4: Tenderers shall be provided with clear, complete and uniform information about the required work and shall be enabled to obtain such information at a specified time. Sufficient copies of the tender documents shall be provided to meet the requests of those interested in obtaining them.

Article 6: All government works and procurements shall be put up for public tender except those exempted under the provisions of this Law.

Article 7: (a) All government tenders shall be announced in the Official Gazette, in two local newspapers and by electronic means of advertisement in accordance with the Implementing Regulations of this Law. The bid submission date and the sealed-bid opening date as well as places thereof shall also be specified in the tender announcement.

(b) Works or projects of special nature, for which no supplier or contractor is available in the Kingdom, shall be announced abroad and within the Kingdom, in accordance with the stipulations of the preceding paragraph.

Special works or projects that do not have a contractor within the Kingdom are advertised outside and inside the Kingdom, in accordance with the preceding paragraph.

Article 6(a) of the Implementing Regulation of the Government Tenders and Procurement Law, which was issued by Minister of Finance Decision No. 362 of 20/02/1428 AH (10 March 2007), stipulates that government agencies should provide sufficient copies of the tender documents to meet the requests of those interested in buying them. They should not refrain from selling or decline to provide these documents for any reason, as long as the time limit for accepting offers remains valid. The government agency, in accordance with Article 10(a) to (c) of the Regulation, must announce a public tender in the Official Gazette and in two local newspapers, at least once, and in online advertising, in Umm Al Qura newspaper website, and on the website of the advertising authority. The Secretariat of the Council of Chambers of Commerce and Industry should be provided with an electronic copy of the announcement. The announcement should remain posted on those websites until the deadline for submission of bids. Announcements abroad shall be in the main newspapers in the countries that provide the service, and through global advertising websites, in both Arabic and English. Coordination with the Kingdom's embassies abroad is possible, to post the announcement if need be. If the place of the project execution is outside the Kingdom, the announcement is made at home and abroad.

Implementing Regulation of the Government Tenders and Procurement Law

Article 6: (a) A Government Authority shall provide sufficient copies of the tender documents to meet demands of those interested in buying them, and it may not abstain from selling them nor decline to make them available for any reason whatsoever, as long as the period specified for accepting bids is still in effect.

“Article 10: Government authorities shall announce public tenders in accordance with the following procedures:

(a) A tender shall be announced in the Official Gazette and two local newspapers at least once, through electronic mean, on the website of Umm Al-Qura Gazette and the website of the advertising authority. The Secretariat of the Council of Chambers of Commerce and Industry shall be provided with an electronic copy of the announcement, provided that the announcement remains posted on those sites until the deadline for submission of bids.

(b) Announcement abroad shall be published in major newspapers in countries providing the service and by means of international electronic advertising sites in both Arabic and English. Publication of the announcement may be carried out in coordination with the Kingdom embassies abroad, if necessary.

(c) If the site of the project is located outside the Kingdom, the announcement shall be made both locally and abroad, in accordance with the method of announcement provided for in Paragraphs (a) and (b) of this Article....”

The Government Tenders and Procurement Law of 2006 and its implementing regulation apply to all projects and tenders, except those listed as exceptions in the law (e.g., articles 44-46: Rules of Direct Purchase, and article 47: Procurements and Works Exempted from Public Tenders).

(b) The establishment, in advance, of conditions for participation, including selection and award criteria and tendering rules, and their publication;

Article 14 of the Implementing Regulations stipulates that bids should be submitted in sealed envelopes on the date and at the place of acceptance; bids that are made to government agencies after the deadline for submission shall not be accepted. Bids can be sent and opened through electronic means as determined by the Implementing Regulation (article 15). The government agency shall announce the names of companies and institutions that submitted the bids (article 150).

Article 12 lists the documents and licenses that must be in the possession of those who want to work with government agencies; documents and licenses are: the trade register, or the formal license in the field of the work submitted for, a classification certificate in the field of the work submitted for if the value of the bid requires a classification in accordance with the provisions of the (classification of contractors) regulations, a certificate of the payment of zakat or tax, a certificate from the General Organization of Social Insurance for company registration in the organization, the payment of insurance rights, a certificate of membership of the Chamber of Commerce, investment license if the bidder is licensed under the system of (foreign investment), and a certificate of achieving statutory

rate of jobs localization. These documents and licenses should be valid. Article 9 of the Regulation provides that procurement and projects execution should be at fair prices not exceeding the prevailing prices; bidding is the practical means to gain access to this in accordance with the provisions of this Regulation. Article 1 of the Implementing Regulation stipulates that the government agencies, before announcing the public tender or securing procurement, should set accurate and detailed terms and technical specifications of the required work through their technical staff, or appoint a consultant to do so. However, they should avoid any reference to types, items or trademarks or avoid specifications that apply only to specific trademarks.

Implementing Regulation of the Government Tenders and Procurement Law

“Article 14: Bids shall be submitted sealed to the Government Authority, by registered mail or delivered by hand, using original forms received from the Government Authority and carrying its stamp so as to ensure their confidentiality and non-opening. Each bidder shall be given a receipt showing the date and time of submission. Bids submitted or received by the Government Authority after expiration of the period specified for submission of bids shall not be considered.”

“Article 15:

Use of electronic means for preparation of tender documents and submission of bids referred to in Article 10 of the Law shall be in accordance with the following:

(a) Preparation of complete tender documents or any part thereof such as bills of quantities shall be on compact discs or floppy discs or the like, which can be opened, read and their data completed but their contents can not be changed. A tenderer shall prepare his bid on the copy he received, put his prices on the bill of quantities and deliver the same to the Government Authority along with the other documents of his bid.

(b) Preparing tender documents and receiving bids electronically, using electronic signatures.

(c) Electronic means shall be used in matters referred to Paragraphs (a) and (b) of this Article, in accordance with the electronic signature rules approved by the Ministry of Finance for inviting and receiving government tenders.”

“Article 150:

Government authorities shall announce the names of companies and establishments which have submitted bids in public tenders and procurements in accordance with the following:

(1) The Authority shall prepare a notice board in the department in charge of tenders and procurements in a prominent place to announce the names of companies and establishments which have submitted their tenders. Said names shall also be announced in the website of the Authority. The announcement shall remain posted for not less than fifteen days.

(2) The announcement shall be made after opening the sealed-bids and disclosing the prices, provided that the announcement includes the following:

(a) Name, address and line of business of the bidding company or establishment and the total value of the bid.

(b) Name of tender, purpose and place of execution.

(3) Announcement is not required for works the cost of which is one hundred thousand riyals or less.”

“Article 12:

(a) Those interested in dealing with government authorities shall possess the following documents and licenses:

(1) Commercial register or official license in the field of works subject of the bid.

(2) Classification certificate in the field of works subject of the bid, if the value of the bid requires classification in accordance with provisions of the Contractor Classification Law.

(3) Certificate of payment of zakat or tax.

(4) Certificate of registration of the firm with the General Organization for Social Insurance and payment of insurance contributions.

(5) Certificate of membership of the Chamber of Commerce.

(6) Investment license if the tenderer is licensed in accordance with the Foreign Investment Law.

(7) Certificate of satisfying the legal percentage of nationalization of jobs (Saudization).

(b) Documents and licenses referred to in Paragraph(a) of this Article shall be valid.”

“Article 9:

Without prejudice to provisions of Article 1 of these Regulations, supply may be carried out on the basis of a sample determined by the Government Authority or suggested by the bidder, provided that it is consistent with the terms and specifications determined by the Government Authority.”

“Article 1:

Prior to putting their works up for public tender or procuring their needs, government authorities shall, through their technical departments or by hiring a consultant, set accurate and detailed terms and technical specifications for the required works, provided that they avoid any reference to types, items or trademarks or avoid setting specifications applicable only to certain trademarks.

Government authorities shall not overstate the specifications, nor exceed the needs and requirements of the project nor the funds allocated thereto. They shall ensure compliance of consultant offices setting the specifications with the same.”

(c) The use of objective and predetermined criteria for public procurement decisions, in order to facilitate the subsequent verification of the correct application of the rules or procedures;

Article 64 of the Law stipulates that the contract must be on the basis of detailed and accurate conditions and technical specifications that conform to the approved standards, or international standards for other specifications. Article 65 of the Regulation indicates that the government agency should observe public interest when preparing the specifications and conditions of the tender, and not be designed to coincide with similar products or services of some companies or suppliers. Article 66 states that no contract on works with undefined quantities, categories and specifications shall be

accepted, nor may be allowed to put reserve amounts in a contract for the implementation of emergency works that no tender was announced for it.

Article 16(a) of the Law stipulates that the government authority should set up a commission or more to examine the offers composed of at least three members in addition to the president, whose grade should not be less than thirteen or equivalent, one member should be a financial controller and anyone who is qualified in accordance with the regulations. The composition of the commission should include a substitute member to complement the quorum if one of the members is absent. The Commission shall present its recommendations in awarding best deals according to the provisions of this regulation and its implementing directives so that the Commission after the examination of the documents of the bidding and the minutes of the Commission opens the envelopes and the minutes of the bidding analysis, which was carried out by the technical Commission in order to make a selection among the bidders and choose the best offers from the financial and technical aspects. The Commission may seek the assistance of experts in making the recommendations. Articles 29 and 30 of the Implementing Regulation further address the requirement to recommend awarding the work to the lowest bidder and the best in technical terms, which complies with the terms and specifications. Pursuant to article 22 of the Government Tenders and Public Procurement Law, no bid may be excluded on grounds of its low price unless it is less by 35% or more than the government authority's estimations and prevailing prices. According to the national authorities, this provision functions as an additional safeguard to ensure that quality considerations are taken into account in assessing bids received at a value lower than what would be expected.

On 8 October 2017 the Ministry of Finance issued a new draft procurement law on its website for public comment (Draft Law on "Government Competition and Procurement System"). The new law was not yet in force at the time of review. The objectives of the new system are to regulate the procedures related to government procurement according to best practices, in order to achieve the best value for public money when contracting for items, construction and services, and implementing them at fair competitive prices; enhancing integrity and competition, preventing the impact of personal interests, and providing fair treatment to competitors (Article 2, Draft Law).

One important change in the new system is the introduction of instruments that would consider different bid evaluation criteria (price and non-price elements) to achieve the concept of "best value for money". Articles 25 and 26 of the draft provide as follows:

Criteria for evaluation of offers

Article 26:

In the competition documents, the government authority shall determine the criteria for evaluating, comparing and accepting bids, including the price criterion as stipulated in the Regulations.

Article 27:

Non-price evaluation criteria must be objective and proportionate to the nature of the project or work and, to the extent practicable, quantifiable.

Cancellation of contracts is possible if the contractor delays or the contract is not executed according to its terms, after the contractor has been given 15 days to respond (Article 46, Implementing Regulation).

Government Tenders and Procurement Law

“Article 64: Contracts shall be concluded on the basis of accurate and detailed terms and technical specifications conforming to approved standard specifications or with international specifications, where no approved specifications are available.

Article 65: When drafting tender specifications and terms, a government authority shall ensure that they serve public interest and are not tailored to fit similar products or services of certain companies or suppliers.

Article 66: Works whose quantities, types and specifications are not specified in the contract may not be contracted for, nor is it permitted to have reserve amounts of money in the contract for execution of contingent works not subjected to tender.”

“Article 16:

(a) Each government authority shall form one or more committees for the examination of bids of at least three members in addition to the chairman, whose rank shall not be lower than “Grade Thirteen” or its equivalent, provided that it includes a comptroller and a member qualified in law, in addition to a substitute member to complete the quorum in the absence of one of the members. This Committee shall submit its recommendations on awarding the bid to the best bidder in accordance with the provisions of this Law and its Implementing Regulations, and it may support its recommendations with a report by specialized technicians.

(b) The Committee shall be re-formed annually.

Article 22: No bid may be excluded on grounds of its low prices unless it is less by 35% (thirty five percent) or more than the government authority’s estimations and prevailing prices. The Bid Examination Committee may recommend that the bid is not to be excluded, after negotiating with the bidder, conducting the financial and technical analysis and becoming convinced of the bidder’s ability to execute the contract.”

Implementing Regulation of the Government Tenders and Procurement Law

Article 29: The Bid Examination Committee shall recommend awarding the work to the lowest bidder and the best in technical terms, which complies with the terms and specifications, and it shall exclude bids not complying with the terms and specifications in accordance with the provisions of the Law and these Regulations.

Article 30: The Bid Examination Committee, the other procurement committees and the technical analysis committees shall be bound by the technical and statutory standards of tender analysis, and shall determine the technical and financial ability of the tenderer, as stipulated under the provisions of the Law and these Regulations. No bid shall be excluded on technical grounds as long as it complies with the terms and specifications and conforms to the provisions of the Law and these Regulations.

Article 46:

(a) In public work contracts, if the contractor delays, procrastinates or refuses to receive the work site, he shall be notified by a registered letter. If he fails to receive the site within fifteen days from the notification date, the Government Authority shall prepare minutes of constructive hand-over of the site and notify the contractor, warning him of the need to start execution within fifteen days from the notification date. If this period expires without him starting work, the works may be withdrawn from him in accordance with the provisions of Article 53 of the Law.

(b) If the contractor claims that obstacles prevent him from receiving the work site but the Government Authority is not convinced of that, then he may not refuse to receive it. If he has reservations regarding the site, he shall record them in the minutes of the site hand-over.

(c) In service contracts of continuing execution, if the contractor delays to receive the work site, he shall be notified. If he fails to receive the site within fifteen days from the notification date, the works shall be withdrawn in accordance with the provisions of Article 53 of the Law.

The Kingdom has adopted an online system for the classification of contractors. The Ministry of Municipal and Rural Affairs (MOMRA) is responsible for the classification of requests according to a set of criteria established by the Contractor Classification Law, adopted by Royal Decree M/18 of 20/3/1427 (18 April 2006), and its implementing regulation, adopted by the Ministerial Resolution No. 22148 dated of 10/10/1431 (18 November 2010).

Law on classification of contractors

Article 5:

The Contractor may request to be classified in one or more of the areas listed in his Commercial Register

Article 6:

1- The Contractor shall be classified in a manner commensurate with his financial, technical, administrative and executive capacity in one or more of the classification areas, in accordance with the elements and criteria specified by the Regulations.

2. The financial part shall be based on the financial position (budget), income statement (profit and loss), financial ratios and administrative and financial systems followed.

3. The administrative and technical party shall consider the efficient management,

Article 21:

The Contractor shall have the right to appeal to the Committee for the consideration of grievances of contractors against the decision of its classification or the decision to cancel the classification within sixty days from the date of notification of the decision.

Article 22:

The Contractor may introduce a complaint before the Board of Grievances within sixty days from the date of being notified of the decision of the Committee for the consideration of grievances of contractors.

In addition to the above, a system of contract supervision is in place, whereby contractors shall bear the supervision costs of projects and sign supervision contracts with consultants, under the oversight of the Committee Supervising Execution of Works, or supervision is carried out by the government authority itself (Art. 88, Implementing Regulation of the Government Tenders and Public Procurement Law). Cancellation of contracts is possible if the contractor delays or the contract is not executed according to its terms, after the contractor has been given 15 days to respond (Article 46, Implementing Regulation).

(d) An effective system of domestic review, including an effective system of appeal, to ensure legal recourse and remedies in the event that the rules or procedures established pursuant to this paragraph are not followed;

Tender decisions are subject to oversight by Government controllers, approved by the Ministry of Finance, inside each Ministry, as well as review by the General Auditing Bureau (GAB) and monitoring by the National Anti-Corruption Commission, Nazaha. Contracts for which implementation exceeds a one-year duration that are valued above SAR 5 million shall be submitted by governmental institutions and entities for review by the Ministry of Finance before signature, according to article 32 of the Government Tenders and Public Procurement Law.

The person concerned with dealing with government agencies has the right to appeal to the issuer of the decision if he considers that it is contrary to statutory rules, within sixty days from the date of taking note of this decision in accordance with Article 8(4) of the Law on Pleadings before the Board of Grievances issued by Royal Decree No. M/3 of 01/22/1435 AH. The government agency shall decide on the appeal within sixty days from the date of submission, and if the decision was rejected, it must be justified. If the petition was not decided upon within sixty days from filing, it shall be considered refused.

The concerned party may file an urgent appeal before the Board of Grievances (the Administrative Court) requesting to cancel the decision and suspend its execution, in accordance with the provisions of Article 8(5) of the Law on Pleadings before the Board of Grievances, and in accordance with Article 13 of the Law of the Board of Grievances, issued by Royal Decree No. M/78 of 19/9/1428 AH, which provides that the administrative courts are competent to decide on judicial complaints

against an administrative authority, including cases related to the granting of contracts and to contracts to which the authority is party. Article 13 also provides for cancelling the final administrative decisions issued by concerned parties when the appeal is based on grounds of lack of jurisdiction, the presence of a defect in form or cause, a violation of rules and regulations, an error in application or interpretation thereof, or abuse of power, including disciplinary decisions, decisions issued by the para-judicial commissions and disciplinary councils, as well as decisions made by associations of public interest and similar organizations related to their activities. Any refusal or denial by the administrative body to take a decision required to be taken in accordance with the laws and regulations is considered as an administrative decision.

(e) Where appropriate, measures to regulate matters regarding personnel responsible for procurement, such as declaration of interest in particular public procurements, screening procedures and training requirements.

Article 75 of the Government Tenders and Procurement Law states that any infringement of any provision of this Law makes the responsible employee disciplinarily accountable in accordance with the provisions of the Employee Disciplinary Law and other criminal provisions that applicable to those working in government sectors and public institutions. The authority has the right to file a criminal or civil lawsuit against the perpetrator if required. Article 17 stipulates that it is not permissible to combine the chairmanship of the Bid Examination Committee and the power to decide on the award of bids; neither is it permissible to combine the chairmanship of the Sealed-bid Opening Committee and the chairmanship of the Bid Examination Committee, or to be a member of both. As stipulated in Article 19 of the Law, the Commission shall make its recommendations with the all members attending. These recommendations are recorded in minutes, and if there is a dissenting opinion, this shall be shown, with the arguments supporting both views to be submitted to the official authorized to award the bid. Article 13 of the Implementing Regulation provides that dealing with government staff is not allowed, in accordance with the provisions of the Law and the Regulation, except by virtue of the exceptions stipulated in the same article.

The Code of Conduct and Ethics for public servants further provides for recusal of a public servant from participation in any decision aiming at influencing, directly or indirectly, any contract award which a member of his family is part of, as well as for disclosure of situations of conflict of interest (see article 8 above). The Code prohibits conflicts of interest, that is the existence of an interest between the public servant and the contracting party (or the party which has started contracting with his employer), whenever the public servant has a role or a potential role in the contracting.

Code of Conduct and Ethics (Rules of conduct and ethics of public office) issued by the Council of Ministers' Resolution No. 555 of 25/12/1437 AH (27 September 2016)

"Chapter V

Conflict of interest and fighting corruption

Conflict of interest

Article 19:

- 1- The employee shall disclose in writing to the party designated by the employer any situation of conflict of interest, or one that may lead to conflict of interest, before taking a decision or giving his view about the facts which are subject to conflict.
- 2- The employee must refrain from participation in any decision aiming at influencing, directly or indirectly, any contract award which a member of his family is part of.
- 3- The situations of conflict of interest cover – without limitation – the following:
 - a- The existence of an interest between the employee and the contracting party or the party which has started contracting with his employer, whenever the employee has a role or a potential role in the contracting.
 - b- The existence of consanguinity up to the fourth degree between the employee and the candidate for the job in his work, when the hiring is subject to a decision or an opinion from the public servant.

Government Tenders and Procurement Law

“Article 75:

A violation of any provision of this Law shall subject the violating employee to disciplinary measures in accordance with provisions of the Employee Disciplinary Law and other criminal provisions applicable to employees of government sectors and public institutions, without prejudice to the agency’s right to file a criminal or civil suit against violators, if required.”

“Article 17:

Chairmanship of the Bid Examination Committee and the power to decide on the award of bids may not be combined; likewise, chairmanship of the Sealed-bid Opening Committee and chairmanship of the Bid Examination Committee or membership of either committee may not be combined.”

“Article 19:

The Committee shall make its recommendations in the presence of all its members. Such recommendations shall be recorded in minutes, and the dissenting opinion, if any, shall be stated along with arguments supporting either opinion to be submitted to the official authorized to award the bid in accordance with the provisions of this Law.”

Implementing Regulation of the Government Tenders and Procurement Law

“Article 13:

In accordance with provisions of the Law and these Regulations, it is prohibited to deal with the following persons:

- (1) Government employees with the exception of:
 - (a) Non-commercial activities if they are permitted to pursue them.
 - (b) Purchase of books authored by them whether directly from them or from publishers or bookstores.

(c) Commissioning them to do artistic works or buying their intellectual property rights or works.

(d) Participating in public auctions if the articles to be purchased are for their personal use.

(2) Persons imprisoned for crimes during contracting procedures.

(3) Persons boycotted in accordance with the Law until they are rehabilitated.

(4) Bankrupts or those who file for bankruptcy or proven insolvent or an order has been issued to put them under receivership.

(5) Companies liquidated or dissolved.

(6) Persons under eighteen years of age.

(7) Persons lacking competency.

(8) Persons boycotted by competent authorities or pursuant to a judicial ruling until expiration of the boycott period.”

- The Government Tenders and Procurement Law was issued by Royal Decree No. M/58 of 04/09/1427 AH (27 September 2006). Article 1 states that this Law aims to regulate the procedures for tenders and procurements carried out by government agencies and prevent the influence of personal interests to protect public funds. It also aims to achieve maximum economic efficiency for public procurement at competitive prices through fair competition, honesty, transparency, and provide fair treatment of contractors and suppliers to achieve the principle of equal opportunities.

Government Tenders and Procurement Law

“Article 1:

This Law aims at:

(a) regulating procedures of tenders and procurements carried out by government authorities and ensuring they are not influenced by personal interest in order to protect the public funds;

(b) achieving maximum degree of economic efficiency in government procurements and carrying out government projects at fair competitive prices;

(c) promoting honesty and competition and ensuring fair treatment of suppliers and contractors in accordance with the principle of equal opportunities;

(d) guaranteeing transparency in all stages of government tender and procurement procedures.”

- Royal Decree No. 43 on Protecting the Integrity of the Public Service, dated 29/11/1377 AH (16 June 1958) further provides for punishment (by imprisonment for a period of not more than ten years or a fine not exceeding twenty thousand riyals) for any public official proven to have committed one of the following crimes, as well as persons who participated or colluded with the official, whether public officials or not:

“6- Exploiting contracts, including tenders, directly or indirectly, for personal interests; tampering with orders for payment and delaying them; and holding all or some of the salaries, wages and arrears of civil servants and public officials for the purpose of personal benefit;

exploiting employees' efforts for fictitious or fabricated salaries for personal benefit; and using official data for influencing any increase or decrease of the currency."

Many preventive measures have been adopted to fight corruption in public procurement. They are included in a number of laws and rules, such as the Government Tenders and Procurement Law and its Implementing Regulation, the Laws on the General Auditing Bureau, and the Law on Financial Representatives issued by Council of Ministers Resolution No. 471 of 17/09/1380 AH. Examples of provisions are:

1. Bidding is the most practical way of applying prevailing prices. It is inadmissible to exceed prevailing prices in the execution of works (Article 9, Government Tenders and Procurement Law).
2. It is inadmissible for tenderers to amend tender prices after their submission, except in accordance with the provisions of the Government Tenders and Procurement Law.
3. Participation of a financial controller representing the Ministry of Finance in the committees for the examination of bids within the government authorities, in accordance with Article 16 of the Government Tenders and Procurement Law (Article 13).
4. A single tender is not accepted except in accordance with specific conditions (Article 24 of the Government Tenders and Procurement Law).
5. A tender cannot be cancelled except in accordance with the Law (Article 25 of the Government Tenders and Procurement Law).
6. For the purpose of monitoring public contracts, the Law (under Article 32) requires all government agencies to submit their contracts whose duration of implementation exceeds one (1) year and whose value is five (5) million riyals or more to the Ministry of Finance for review. Article 53 of the Law provides for the cancellation of the contract or its implementation at the expense of the contractor and the compensation of the government entity for any damage it incurs if it is proved that the contractor bribed personally or through a third party, directly or indirectly, an employee of an authority subject to this Law or won the contract through bribery.
7. The Government Tenders and Procurement Law forbids intermediation in contracting and requires the contractor to carry out the work itself and not to subcontract the work except with the permission of the contracting authority (Article 71).
8. Article 77 of the same Law requires government agencies to inform the Ministry of Finance of cases of fraud, deceit, and manipulation as soon as they discover them.

9. Government agencies are prohibited from dealing with contractors if they detect any cases of fraud, deceit, or manipulation, including the crimes of bribery or forgery of documents to win a project, or a faulty execution of the project determined by a decision of a panel composed in accordance with Article 78 of the Law.

10. The Ministry of Finance checks and audits disbursement orders issued by government agencies (through financial controllers appointed by the Ministry of Finance to government agencies) to oversee revenue and expenditure operations and to verify compliance with the financial rules and regulations (Article 16 of the Law on Financial Representatives issued by Council of Ministers Resolution No. 471 of 17/09/1380 AH).

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

The Ministry of Finance of the Kingdom of Saudi Arabia is in the process of establishing an integrated electronic system of government tenders and procurements, from the beginning of the tender until its completion, to promote transparency and integrity in public procurement. The project of the electronic public procurement system is one of the most important building blocks of e-government and one of the most important national projects, which is given special attention by the Ministry of Finance. Its goal is to standardize and facilitate tenders and public procurement procedures in all government sectors. It will also strengthen the principle of transparency among government agencies and suppliers and ease procedures and access to the broadest spectrum of suppliers. It will have a positive effect to enhance competitiveness and quality.

The following are the main objectives of the project:

1. Automation of the system of tenders and public procurement;
2. Standardization of public procurement processes and procedures and establishment of a standardized system;
3. Updating of procedures and business models to enhance the effectiveness of procurement and contracting under a public procurement and tendering system to increase performance, quality, and process;
4. Strengthening oversight and audit of procurement operations;
5. Maximizing economic returns by saving time, effort, and cost, and reducing wastage and loss;
6. Enhancing fairness and transparency and contributing in the fight against financial and administrative corruption;
7. Cooperation, continuing communication, sharing and exchange of data and information among government agencies and the private sector;

8. Promoting the use of e-government transactions.

A portal on public procurement has been established: <https://monafasat.etimad.sa/>. The laws and regulations relating to tenders and government procurement can be accessed at the website www.mof.gov.sa, which also provides details on projects included in the general budget of the State.

(b) Observations on the implementation of the article

It is recommended that Saudi Arabia continue efforts towards implementing the Law on Government Competition and Procurement System.

(c) Successes and good practices

Saudi Arabia should be commended for the progress it has made in making the procurement process open and transparent. The advances in the area of eProcurement have enabled this. In terms of implementation the central e-procurement portal was found to be very comprehensive. In addition, the proposed introduction of a whitelist will go some way towards ensuring that the State deals with suppliers in the private sector that have reached a high standard of integrity.

Article 9, paragraph 2

2. Each State Party shall, in accordance with the fundamental principles of its legal system, take appropriate measures to promote transparency and accountability in the management of public finances. Such measure shall encompass, inter alia:

- (a) Procedures for the adoption of the national budget;
- (b) Timely reporting on revenue and expenditure;
- (c) A system of accounting and auditing standards and related oversight;
- (d) Effective and efficient systems of risk management and internal control; and
- (e) Where appropriate, corrective action in the case of failure to comply with the requirements established in this paragraph.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Ministry of Finance, which is represented by the Deputy Ministry for Budget and Organizational Affairs, is responsible for preparing the general budget of the State after studying and discussing the budgets of government bodies, as follows:

Each government body funded from the State general budget adapts its budget process in keeping with the general strategic plan of the State and the objectives of the Kingdom's Vision 2030 for the full fiscal year. In preparing their budgets, Government bodies use the GFS (Government Financial Statistics) system to achieve advanced electronic governance in their work and the most recent financial systems to facilitate the exchange of information, build a financial database at the State level, and provide accurate data to serve decision-makers.

Each government body discusses its draft budget with the Ministry of Finance to reach an agreement on this draft, which represents the annual financial plan to improve the level of performance and productivity. The agreed draft is reviewed within this ministry. Then, the budget is submitted to the Council of Economic and Development Affairs, a specialized council that reviews draft budgets to ensure that they are in line with the overall vision of the Kingdom.

The general budget of the State is published on the tenth day of Capricorn [January 1st] by royal decree. It is announced at a meeting of the Council of Ministers, broadcast in the media, and published in the official State newspapers. Then, information meetings are held with officials of government bodies for the presentation of the annual plan and objectives to the relevant bodies in a transparent way. A statement of the national budget is also published on the website of the Ministry of Finance.

After the publication of the national budget, the Ministry of Finance, through the Deputy Ministry for Budget and Organizational Affairs, prepares guidelines for the implementation of the budget containing requirements for expenditures and procedures to be followed, and the implementation process of expenditures begins. Expenditures are made in accordance with the rules and regulations in force, which are prepared by the Ministry of Finance and monitored through an accounting system and modern technology using an electronic program initiative throughout the financial year.

Expenditures are made under the supervision of internal financial controllers, who monitor expenditures, verify compliance with the expenditure and risk management controls, and enforce controls in the disbursements of institutions. The controllers confirm the actions taken and responsible persons in case of any errors or violations, and stop expenditures until corrective action is taken in case of violations.

The Ministry of Finance through the General Auditing Bureau (GAB) monitors revenues and expenditures. It receives monthly reports from all the governmental institutions included in the State's general budget and issues annual financial reports, which are audited by the GAB. Reports on expenditures are made quarterly to the public by the Minister of Finance.

The Ministry of Finance has introduced a financial risk management framework as one of the initiatives under the National Transformation Program through the development of a medium-term financial policy framework. The risk management project is administered by the Financial and General Policy Unit of the Ministry of Finance. An analytical model for early warning and proposed

policies to respond to these risks have been developed. A team has been trained to work on this project and staff have been trained through programmes in the International Monetary Fund (IMF) and the World Bank. A joint committee was formed from the relevant authorities, especially on financial risks.

Sanctions are provided on those who breach the guidelines set by the Decree on the National Budget (Arabic copy provided), through the Law on the Management of Public Funds (Royal Decree No. M/18 of 23/02/1436H, 15 December 2014), which ensures accountability for negligence through the State regulatory agencies if public funds are not properly collected, disbursed or spent, inter alia because of personal interests. Criminal sanctions may also be imposed in cases of embezzlement under the Criminal Code.

For instance, article 9 of the Royal Decree related to the Budget of the State for the financial year 1437/1438 (Fiscal year 2016) provides that: *Ninth: Appropriations shall not be used for non-assigned purposes and it is not allowed to issue an order of commitment or disbursement that exceeds the allocated budget or that is not included in the budget. The prescribed rules and procedures apply to those who violate it.* Article 15 provides that: *Auditing bodies shall follow up application of effective regulations and relevant decisions and instructions.*

The General Auditing Bureau prepares regular audit reports that are submitted to the King summarizing any violations for corrective action.

The Kingdom informed that the Shura Council is currently discussing a draft law aiming at determining specific sanctions for each financial violation.

The Kingdom also indicated that the penalties imposed on those who violate the guidelines set forth in the provisions of the General Budget Decree are in several systems, the overall aim of which is to protect public funds, such as the anti-bribery code and the penal code against counterfeiting, Royal Decree No. M/43 dated 29/11/1377 AH, which includes the criminalization of the number of acts, including the embezzlement of public money, waste or negligence, exploitation of contracts for personal interests and tampering with payment orders. There are several judicial decisions issued on issues related to the protection of public funds. These provisions are published in the judicial publications issued by the Board of Grievances, and are available on the Board's website. For example, Judgment No. 403/D/C/1/3 of the year 1433 AH issued in case No. 6794/3/S of 1433 AH and supported by the Administrative Court of Appeal ruling No. 120/S/C/1 of 1435 AH condemning a number of accused of crimes of embezzlement of public funds and counterfeiting and bribery, where they were sentenced to fines and financial sanctions estimated at (1000000) million riyals per accused, and imprisonment for a period of ten years, and obligate them to refund all misappropriated funds.

(b) Observations on the implementation of the article

In the budgetary context and in the process of long-term economic forecasting it is important to have a clearly defined, centrally developed system of risk analysis and management. It is recommended that Saudi Arabia continue efforts towards implementing a clearly defined, centrally developed system of risk analysis and management and train officials involved in budgeting and expenditure management to undergo such training.

This recommendation is equally applicable to other areas of risk, such as assessing corruption risks in the public service (an area Nazaha is currently working on).

Article 9, paragraph 3

3. Each State Party shall take such civil and administrative measures as may be necessary, in accordance with the fundamental principles of its domestic law, to preserve the integrity of accounting books, records, financial statements or other documents related to public expenditure and revenue and to prevent the falsification of such documents.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

In the past, procedures included the use of collection bonds, registers, manual accounting books collection operations and registration and deposit in accordance with the applicable rules and regulations to reduce fraud and to control the collection, recording, and deposit of revenue and receipts.

At present, the methods of work changed as the Council of Ministers issued Resolution No. 225 of 20/08/1425 AH on the establishment of internal audit units in government entities responsible for ensuring the regularity and fairness of transactions and documents of government agencies. These units monitor the collection process and the registration and deposit of revenue, as well as external oversight by regulators such as General Auditing Bureau, the Control and Investigation Board, the National Anti-Corruption Commission, and the Ministry of Finance.

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

To keep up with global electronic and technical developments, a shift has been made from the old manual system to a system of electronic collection through banks (ATM, banking smartphone, Internet, and bank websites) and their electronic compliance.

The General Auditing Bureau¹³ performs subsequent control of all State revenue and expenditure operations, monitors all movable and immovable assets of the State, checks the proper use and preservation of these assets (in accordance with Article 7 of the Law on the General Auditing Bureau approved by Royal Decree No. M/9 of 11/02/1391 AH.

In accordance with Article 23 of the Law of the General Auditing Bureau, all government entities transmit to the Bureau an original copy of contracts of supplies, contracting, business, and services, and all contracts or agreements concluded by a party involving financial rights or obligations of the State worth more than fifty thousand (50,000) riyals.

Law of the General Auditing Bureau

“Article 7

The GAB is entrusted with the task of post-audit of the all state revenues and expenditures, all movable and immovable state assets, and the proper use and preservation of all state assets.”

“Article 23

An original copy of procurement, construction, and service contracts - in general any contract or agreement - concluded with any of the authorities mentioned in paragraphs 1,2 and 3 or Article 9 and commit the State to certain obligations, or entitles it to certain rights of value exceeding SR 50,000.00 should be submitted to the GAB upon signature. Said copy should be accompanied by all pertaining documents and statements.”

(b) Observations on the implementation of the article

Council of Ministers Resolution No. 225 of 20/08/1425 AH establishes internal audit units in government entities responsible for monitoring collections and disbursements and ensuring the proper recording of transactions and accounting records, with external oversight by regulators such as GAB, CIB, Nazaha and MOF.

Based on the information provided under this article and in the other parts of the report as well during the country visit, the provision is adequately implemented.

Article 10. Public reporting

Taking into account the need to combat corruption, each State Party shall, in accordance with the fundamental principles of its domestic law, take such measures as may be necessary to enhance transparency in its public administration, including with regard to its organization, functioning and decision-making processes, where appropriate. Such measures may include, inter alia:

(a) Adopting procedures or regulations allowing members of the general public to obtain, where appropriate, information on the organization, functioning

¹³ <http://intosaiitaudit.org/mandates/mandates/Mandates/Saudi%20Arabia.html>

and decision-making processes of its public administration and, with due regard for the protection of privacy and personal data, on decisions and legal acts that concern members of the public;

(b) Simplifying administrative procedures, where appropriate, in order to facilitate public access to the competent decision-making authorities;

(c) Publishing information, which may include periodic reports on the risks of corruption in its public administration.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The National Strategy for Maintaining Integrity and Combating Corruption provides for the adoption and promotion of transparency within national institutions through the following:

“Third: Means

To achieve the objectives of the National Strategy for Maintaining Integrity and Combating Corruption, the following means shall be applied: ...

3 - Adopt and promote the principle of transparency within government agencies through the following:

- a. Emphasizing to government officials that transparency is an effective means for combating corruption and that adopting said principle as a practice and moral stance shall give government activities credibility and respect;
- b. Simplifying and raising awareness of administrative procedures, making them available to those interested and not resorting to the principle of confidentiality, except in cases where sovereignty and national security are compromised;
- c. ...
- d. Explaining procurement contract procedures of government agencies, public corporations and joint stock companies, and allowing the public, civil institutions and the media to access and criticize them.”

The Kingdom provides information on government functions and access to public services on a number of government websites, for example:

- The Saudi e-government portal <https://www.saudi.gov.sa/wps/portal/snp/main> provides information about public services, government organization, rules and regulations, national development plans and the media.
- The e-Government Program Yesser coordinates several e-Government initiatives in Saudi Arabia and works as a link among government agencies in their e-transition journey. <http://www.yesser.gov.sa/en/>.

- The Ministry of Interior has launched a user-friendly electronic programme "Abshir" to simplify procedures for citizens. This covers the issuance of passports, electronic payments of fines and tickets, and various other services.
- Balady, the national portal that supports municipal community e-services in an interactive manner and provides information at the municipal level <https://www.balady.gov.sa>.
- The portal on public procurement: www.saudiegp.sa. The laws and regulations relating to tenders and government procurement can be accessed at www.mof.gov.sa, which also provides details on projects included in the general budget of the State.
- Information on judicial cases is published by the Ministry of Justice on a dedicated website, "Najez" ('efficiency') where every person may obtain judicial information and file complaints.
- The Civil Service e-services website which contains information on qualifications and experience required (<https://eservices.mcs.gov.sa/rmcs/Default3.aspx>), the e-recruitment system Jadara: <https://eservices.mcs.gov.sa/Jadara3/Users/Index.aspx>.
- The National Anti-Corruption Commission's website www.nazaha.gov.sa/en, which [as described in the Commission's performance summary report 2011-2014] serves as an educational and communicational channel for citizens. The website contains information about the Commission's jurisdiction and powers and the national strategy for protecting integrity and combating corruption in Arabic and English versions. The website also helps qualified people to electronically apply for the Commission's vacancies and allows citizens to electronically submit their reports about corruption practices, taking into account the improving of report receiving service through the Commission's web portal and linking it with the internal Commission's portal. To interact with the public, the Commission established a citizen's voice service that enables citizens to deliver their recommendation to head officials. In addition, the Commission created its own private accounts on the social media websites. KSA officials reported that Nazaha is shifting in terms of measuring corruption by using the social media. Its general Twitter account has more than 638,192 followers and the account to respond to enquiries has more than 16,748 followers (over 12,000 in the English language version).
- The Public Prosecution website, <http://www.bip.gov.sa>, provides useful information for the public to access information on cases and indicted persons, as well as for persons subject to judicial proceedings, and allows for submitting complaints and enquiries.
- SAMA's website, <http://www.sama.gov.sa/en>, includes a corner to file complaints, which are transmitted to the Public Prosecution or the competent authority (e.g., Nazaha) for taking appropriate action.

Regarding corruption risk assessments, as reported under article 6 (support for research

and studies), the Commission conducted several acts to measure the levels of corruption in the Kingdom such as:

- “a. Contracting with King Abdullah Institute in King Saud University to prepare a study (entitled, Study of Financial and Administrative Corruption in the Kingdom: Degree, Causes, Impacts, and Ways to Treat and Combat).*
- b. Carrying out the implementation of a project study (the degree of integrity and transparency in the health sector in Riyadh and ways to strengthening it).*
- c. Implementation of field research (entitled, The Reality of Administrative Corruption in Saudi’s Governmental Bodies and How to Overcome it”). This research was conducted in cooperation with the Institute of Public Administration.*
- d. Carrying out the implementation of a project study on the degree of integrity and transparency in Riyadh's municipalities.”*

With regard to simplifying administrative procedures, the authorities confirmed that several programmes in the Kingdom are switching to electronic service delivery and a number of government agencies are in the process of e-transition, under the e-government programme Yesser. In Nazaha there is a special department tasked with following up on the transition schedule in order to monitor the ministries' electronic transformation. There are also programmes in other government agencies on the simplification of procedures and electronic transformation.

As for electronic transformation in government procurement, the modernization of the system is currently underway in coordination between the Ministry of Finance and SAMA with a view to electronically manage the tendering process and electronically award contracts. Detail on government e-procurement is publicly available.

SAMA has taken steps to simplify its procedures and currently uses e-systems to freeze financial accounts electronically. Other entities have made similar efforts to simplify procedures, such as the Ministry of Justice, which has streamlined the execution of criminal sentences and presently carries out judgment execution, including inspection and confiscation, electronically. Constant coordination is carried out to simplify procedures across institutions.

Regarding the monitoring of administrative reforms, Nazaha - in collaboration with other entities such as the Shura Council - follows up and monitors the work in all ministries. A report is presented every three months to the Council of Ministers on what has been achieved to date.

Regarding measuring the impact and success of administrative reforms, the authorities clarified that the Council of Ministers in 2015 agreed on the establishment of a national center for measuring public performance and beneficiaries’ satisfaction, as well as supporting national service delivery, the "National Center for Measuring the Performance of

Public Entities". The competence of the center, which is organizationally linked to the Prime Minister, is to prepare public performance reports pursuant to a special regulatory decree consisting of 17 articles (Council of Ministers Resolution dated 9/8/1437 H approving the organization of the National Center for the Measurement of the Performance of Public Entities, copies of which were provided to the reviewers). The Center's mandate includes monitoring transparency and efficiency in the public administration.

There is also a Decision Making Support Centre, organizationally linked to the Royal Court, which contributes to raising awareness about decisions taken by the Government and to create channels of communication with the public, among other functions (see article 13 below).

With regard to the efficiency of public service delivery, it was explained that there are time limits for the management of complaints as well as accountability measures if delays occur.

With regard to access to information, the Board of Grievances is competent to hear claims of aggrieved persons for matters such as adverse decisions on requests for information and any other administrative action of government institutions. The Board has the mandate to look into appeals within the competence of its administrative courts and to issue judgments against entities for wrongful administrative decisions. More specifically, complaints against administrative decisions must first be filed with the relevant government agency. The complaints should be filed within 30 days and the administrative authority has to respond within 60 days. If the complainant is not satisfied with the response or has not received any feedback after 60 days, he or she may submit an action to the administrative court, which registers the request and informs the administrative authority. The Ministry of Civil Service is informed only when the matter concerns its competence. It was reported that there have been numerous judgments by the Board of Grievances canceling administrative decisions by government agencies. Decisions by the Board of Grievances are published on its website.

A draft law on Freedom of Circulation of Information has also been prepared (see art. 13, para. 1 below).

The authorities also referred to the recent decision taken by the Council of Ministers to establish in the head office of the Council a center that studies and analyzes public opinion on crucial issues and key topics.

A comprehensive programme covering all government entities has been launched by the Ministry of Civil Service, the "King Salman programme" with a view to developing human resources, evaluating government employees and increasing efficiency in the public service across all government agencies.

The Ministry of Labour also publishes information on government service delivery to the

public and asks for suggestions and opinions.

With regard to the public's access to information on government performance, a comprehensive information center called the National Center for Performance Measurement "Aadaa"¹⁴ is used to measure the performance of public entities according to international standards to achieve outstanding government performance.

All ministries produce quarterly performance reports to the Council of Ministers. In addition, a number of institutions produce annual or periodic public performance reports that contain data on budgets, income and financial performance, such as SAMA and the Customs Authority.

The General Authority for Statistics (GaStat) is a specialized agency responsible for collecting data from government entities and some private sector institutions, and overseeing the implementation of the national strategy for statistical work in coordination with relevant entities. GaStat prepares and implements surveys, conducts studies and research, as well as analyzes, records, classifies, and extracts indicators of statistical data and information that cover all aspects of life in the Kingdom from various sources. The general population, housing and establishments' census, and periodic indicators in the economic, social, health, educational, agricultural areas as well as workforce indicators and indices constitute some of the most important statistical products. Furthermore, GaStat is responsible of preparing and developing national statistical guides and classifications in accordance with international standards, as well as statistical bulletins and reports on surveys and research results.

Many other institutions also publish statistics, data and annual reports. For example, a monthly statistical newsletter is published by SAMA on its website containing the most up-to-date data on banking activities in the Kingdom, costs of living, balance of payments, foreign investment and the general economic environment.

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

Examples are referred to above.

(b) Observations on the implementation of the article

Saudi Arabia has adopted various measures to simplify administrative procedures and is implementing a comprehensive program to transition to electronic government services. Constant coordination is carried out to simplify procedures across institutions and there is a monitoring process of administrative reforms through Nazaha in collaboration with other entities such as the Shura Council. A number of steps to measure the impact and success of

¹⁴ <https://www.adaa.gov.sa/en>

administrative reforms have been taken, including the creation by regulatory decree of a specialized center for this purpose. Various resources are available to the public in order to access information on government performance, and a number of institutions publish statistics, data and annual reports on government performance and periodic indicators.

It is recommended that Saudi Arabia continue efforts to enhance transparency by providing current and up-to-date information on government performance and service delivery. The reviewers welcome the work of the "National Center for Measuring the Performance of Public Entities" in this context.

(c) Successes and good practices

KSA has taken various initiatives across government to simplify administrative procedures and introduce e-government and electronic services.

Article 11. Measures relating to the judiciary and prosecution services

Article 11, paragraph 1

1. Bearing in mind the independence of the judiciary and its crucial role in combating corruption, each State Party shall, in accordance with the fundamental principles of its legal system and without prejudice to judicial independence, take measures to strengthen integrity and to prevent opportunities for corruption among members of the judiciary. Such measures may include rules with respect to the conduct of members of the judiciary.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Measures for strengthening integrity and preventing opportunities for corruption among members of the judiciary include the following:

1. Independence of the judiciary

The judiciary is an independent authority. This is emphasized in Articles 44 and 46 of the Basic Law of Governance issued by Royal Order No. A/91 of 27/08/1412H (1 March 1992). The Law of the Judiciary issued by Royal Decree No. M/78 of 19/09/1428H (1 October 2007) provides for the independence of the judge from any intervention in the exercise of his duties as set out in Articles 1, 2, 3, and 4 of the Law of the Judiciary to promote integrity and ensure its sustainability. Article 1 of the Law of Board of Grievances provides for the independence of the Board and its direct affiliation to the King. Article 51 of the Law of the Judiciary forbids judges from having financial and

professional dealings outside their functions in keeping with the independence of the judiciary and the protection of its standing and dignity.

Basic Law of Governance:

"Article 44:

Authorities in the State shall consist of:

- Judicial Authority.*
- Executive Authority.*
- Regulatory Authority.*

These authorities shall cooperate in the discharge of their functions in accordance with this Law and other laws. The King shall be their final authority.

Article 46:

The Judiciary shall be an independent authority. There shall be no power over judges in their judicial function other than the power of the Islamic Shari'ah."

Law of the Judiciary:

"Chapter One

Independence of the Judiciary and its Guarantees

Article 1:

Judges are independent and, in the administration of justice, they shall be subject to no authority other than the provisions of Sharia and laws in force. No one may interfere with the judiciary.

Article 2:

Judges are not subject to removal from office except in the cases set forth in this Law.

Article 3:

Without prejudice to the provision of Article 49 of this Law, judges may not be transferred to other positions except with their consent or by reason of promotion, in accordance with the provisions of this Law.

Article 4:

Without prejudice to the provision of Article 68 of this Law, judges may not be sued for acts carried out in the course of performance of their duties except in accordance with the conditions and rules pertaining to the disciplining of judges.

Article 51:

A judge may not engage in commerce or work or hold a position inconsistent with the independence and dignity of the judiciary. The Supreme Judicial Council may decide to prevent a judge from engaging in any work the performance of which, in its opinion, conflicts with the duties of the position and the proper performance thereof."

2. Rules and procedures for the selection of members of the judiciary

Law of the Judiciary:

Article 31:

The person to be appointed as a judge should:

(A) be a Saudi national of origin.

(B) have good conduct and conduct.

(C) be fully qualified to the judiciary as provided for in Sharia.

(D) have a certificate from one of the faculties of Shari'a in the Kingdom or another equivalent certificate provided that he succeeds in the final case in a special examination prepared by the Supreme Judicial Council.

(E) have not less than forty years of age (if he is appointed to the rank of appeal judge) and twenty-two years (if he is appointed to a degree in the other judiciary)

(F) not be convicted of a crime against religion or honor, or a disciplinary decision to dismiss him from a public office, even if he has been rehabilitated.

The rules governing the appointment and qualifications of judges were issued on 13/01/1387 AH (22 April 1967) following the promulgation of the Law of the Judiciary, and in application of article 6 of the Law of the Judiciary. These rules focus on ensuring that the judge is just and self-righteous, characterized by personal integrity, good morality, and good behaviour. These standards derive from the general framework of the legislation provided for in Articles 7, 8, 23, and 48 of the Basic Law of Governance and their effectiveness is shown in Article 31 (b, c, d, and f) of the Law of the Judiciary. These rules provide for the appraisal of educational attainment required for appointment to judiciary positions as provided for in Articles 31 (d), 33, 34, 35, and 36 of the Law of the Judiciary. A standards committee has been appointed in the judiciary to examine the academic and integrity qualifications, conduct written interviews and review the background, social status, personality and behavior of nominees for the judicial appointment.

The Supreme Judicial Council issued detailed rules for the selection of judges by its Resolution 2058/18/33 of 17/04/1433 AH (31 May 2012).

Article 1 of the Law of the Board of Grievances stipulates that the Board is an independent administrative judiciary body, which is directly affiliated to the King and is based in Riyadh. The Board and its judges shall enjoy the guarantees provided for in the judicial system and shall abide by the duties stipulated therein.

The Administrative Judiciary Council also issued the rules for the selection of judges of the Board. The rules stipulated that the selection of those to be appointed to the judiciary should be from those who have obtained the certificate of one of the faculties of Shari'a who are nominated from universities in the Kingdom and from the Institute of Public Administration or from those who apply to the Board. The conditions of the judicial system are applicable, and the establishment of a committee in this regard to conduct a test to measure the capabilities of applicants, and the

recommendation - the Committee - on the basis of the criterion of merit and efficiency, and in accordance with the principle of equal opportunity.

Basic Law of Governance:

"Article 7:

Governance in the Kingdom of Saudi Arabia derives its authority from the Book of God Most High and the Sunnah of his Messenger, both of which govern this Law and all the laws of the State.

Article 8:

Governance in the Kingdom of Saudi Arabia shall be based on justice, shura (consultation), and equality in accordance with the Islamic Shari'ah.

Article 23

The State shall protect the Islamic creed, apply its Shari'ah, enjoin the good and prohibit evil, and carry out the duty of calling to God.

Article 48:

The courts shall apply to cases before them the provisions of Islamic Shari'ah, as indicated by the Qur'an and the Sunnah, and whatever laws not in conflict with the Qur'an and the Sunnah which the authorities may promulgate."

Law of the Judiciary:

"Article 31:

To be appointed as a judge, a candidate shall fulfill the following requirements:

- (a) He shall be of Saudi nationality by descent.*
- (b) He shall be of good character and conduct.*
- (c) He shall be fully competent to hold the position of a judge in accordance with Sharia.*
- (d) He shall hold a degree from one of the Sharia colleges in the Kingdom or any equivalent degree, provided that, in the latter case, he shall pass a special examination to be prepared by the Supreme Judicial Council.*
- (e) He shall not be less than forty years of age if he is to be appointed to the rank of an appeals judge, and not less than twenty two if he is to be appointed to any other rank in the judiciary.*
- (f) He shall have not been convicted of a crime impinging on religion or honor or been the subject of a disciplinary action dismissing him from a public office, even if rehabilitated.*

Article 33:

To hold the rank of Trainee Judge, a candidate must, in addition to the requirements listed in Article 31, hold a Bachelor's degree with a general grade not lower than (Good) and with a grade of at least (Very Good) in Islamic jurisprudence (Fiqh) and its principles (Usul al-Fiqh).

Article 34:

To hold the rank of Judge C, a candidate shall have spent at least three years at the rank of Trainee Judge.

Article 35:

To hold the rank of Judge B, a candidate shall have spent at least one year at the rank of Judge C or worked in comparable judicial positions for at least four years, or taught the subject of Islamic jurisprudence or its principles at a college in the Kingdom for at least four years, or have obtained a Master's degree from the High Judicial Institute or from a Sharia college in the Kingdom in the field of Islamic jurisprudence or its principles, or have obtained the Legal Studies Diploma from the Institute of Public Administration from among holders of a degree from a Sharia college in the Kingdom with a general grade not lower than (Good) and with a grade of at least (Very Good) in Islamic jurisprudence and its principles.

Article 36:

To hold the rank of Judge A, a candidate shall have spent at least four years at the rank of Judge B, or worked in incomparable judicial positions for at least eight years, or taught the subject of Islamic jurisprudence or its principles at a college in the Kingdom for at least eight years, or have obtained a Doctoral degree from the High Judicial Institute or from a Sharia college in the Kingdom in the field of Islamic jurisprudence or its principles."

3. Inspection and supervision of the work of the judiciary; disciplinary measures

Saudi Arabia applies measures and rules on inspection of the work of the judiciary on the basis of the Judicial Inspection Authority established on 21/02/1346 AH and the Law of the Judiciary, which provides in its Chapter Four, Section Four (Articles 55-57) for inspection of the work of judges.

Judicial inspection involves three types of inspection actions: periodic inspections, partial emergency inspections, and guidance inspections. These provisions are set out in the Resolution of the Supreme Judicial Council adopted on 02/11/1430 AH by its Resolution No. 364/5/3 and then amended and issued by its Resolution No. 35/9/9/86 of 22/07/1435 AH. Periodic inspections are carried out up to two times per year, and in case of two evaluations below average the judge is dismissed from duties by a decision of the King.

Article 66 of the Law of the Judiciary provides that the disciplinary punishments that may be imposed on a judge are reprimand and termination of duties. Section 5 (Articles 58 to 68) lays out the rules on disciplining of judges.

Judicial inspection is exercised on judicial officers who hold positions of support to judicial acts under Article 79 of the Law of the Judiciary. In this regard, notaries are subject to judicial inspection.

Law of the Judiciary:

"Chapter Four: Judges

Section Four: Inspection of Judges' Work

Article 55:

(1) A department for judicial inspection shall be set up at the Supreme Judicial Council, consisting of a head, an assistant and a sufficient number of full-time judges to be selected by the Council from among judges of courts of appeals and first instance courts.

(2) The Judicial Inspection Department shall undertake the following:

(a) Inspecting of the work of judges of courts of appeals and first instance courts in order to gather information which would lead to determining their level of proficiency and the extent of their keenness in the performance of their duties.

(b) Investigating of complaints submitted by judges or against them in matters relating to their jobs after they are referred to the Department by the Supreme Judicial Council.

Inspection and investigation referred to in (a) and (b) of this paragraph shall be carried out by a member of the judiciary of a rank higher than that of the judge under investigation or whose work is being inspected, or by a member senior to him, if both are of the same rank. The investigation and inspection shall be carried out at the Judicial Inspection Department or at the court as may be determined by the Chairman of the Supreme Judicial Council.

(3) Inspection of members of the judiciary shall be carried out at least once and not more than twice a year.

Article 56:

The following ratings shall be used in evaluating the proficiency of a judge:

Distinguished, Above Average, Average, Below Average

Article 57:

(1) The Judicial Inspection Department shall notify the judge concerned of the report and his proficiency rating as well as all that is kept in his file, and he may file with the Inspection Department his objection to the same within thirty days from the notification date, unless there is an acceptable excuse.

(2) The Judicial Inspection Department shall refer the objection along with a memorandum stating its views to the Supreme Judicial Council within fifteen days from the filing date.

The Council shall decide on the objection after perusal of the documents and shall notify the objecting petitioner, in writing, of the Council's decision. Said decision shall be deemed final.

Section Five

Disciplining of Judges

Article 58:

Without prejudice to the impartiality and independence of the judiciary and the right of the Supreme Judicial Council to supervise courts, judges and their work, the chief judge of each court shall have the right to supervise the judges of his court and notify them of all acts violating their duties or requirements of their positions after hearing their statements. The notification may be made verbally or in writing, and in the latter case, a copy of the notification shall be sent to the Supreme Judicial Council. The judge may object to the

notification— in writing— before the Council within fifteen days from the notification date. If the violation is repeated or continued, he shall be subjected to a disciplinary trial.

Article 59:

Disciplining of judges shall be the responsibility of a panel to be formed at the Supreme Judicial Council of three judges from among full-time Council members. Decisions of the said panel shall be taken by majority vote but shall not be final except with the approval of the Council.

Article 60:

The head of the Judicial Inspection Department or his designee shall file the disciplinary action before the Disciplinary Panel upon request by the Chairman of the Supreme Judicial Council either on his own initiative or upon the suggestion of the chief judge of the court to which the judge belongs. Such request shall not be filed except in accordance with a criminal or administrative investigation carried out by a judge whose rank shall not be lower than an Appeals Judge, to be assigned by the Chairman of the Supreme Judicial Council.

The initial pleading of the case shall include the violation and supporting evidence. The Panel shall issue a decision to summon the judge to appear before it.

The Disciplinary Panel may, with the approval of the Supreme Judicial Council, carry out the investigations it deems necessary and may assign any of its members to carry out such investigations.

Article 61:

If the Disciplinary Panel finds grounds to initiate trial proceedings for all or some of the violations, it shall summon the judge to appear at a suitable time. The writ of summons shall include a sufficient statement of the subject matter of the case and the evidence of the violation.

Article 62:

If the Disciplinary Panel decides on the initiation of trial proceedings, it may, upon the approval of the Supreme Judicial Council, order the suspension of the judge from performing his duties until the end of the trial. The Panel may at any time reconsider the suspension order.

Article 63:

The disciplinary action shall end upon the resignation of the judge. The disciplinary action shall have no effect on the criminal or civil suit arising from the incident itself.

Article 64:

The hearings of the Disciplinary Panel shall be confidential. The Disciplinary Panel shall render its judgment after it has heard the defense of the defendant judge, who may submit his defense in writing or empower a member of the judiciary to defend him. The Panel shall

always have the right to summon him to appear in person. If he does not appear in person or empower somebody on his behalf, a judgment by default may be rendered after ascertaining that he was properly notified.

Article 65:

Judgment rendered in the disciplinary action shall include the grounds upon which it is based, and such grounds shall be stated upon pronouncing the judgment in a confidential session. The judgment shall not be subject to appeal.

Article 66:

The disciplinary penalties which may be imposed on the judge shall be reprimand and termination of service.

Article 67:

Execution of the penalty of termination of service shall be pursuant to a royal order and the penalty of reprimand shall be in accordance with a decision issued by the Chairman of the Supreme Judicial Council.

Article 68:

In cases where a judge is caught in a criminal act, the matter shall, upon the arrest and detention of the judge, be reported to the Supreme Judicial Council within twenty four hours from his arrest. The Council may decide whether the judge shall continue to be detained or released on or without bail. The judge may request that his statements be heard before the Council, upon bringing the case before it. The Council shall specify the term of detention in the decision ordering either detention or the continuation thereof. The aforementioned procedures shall be observed whenever the continuation of detention is deemed necessary after the expiration of the term fixed by the Council. Except in the foregoing cases, the judge may not be arrested nor may investigation proceedings be instituted against him except with the permission of the Council. Detention of judges and execution of punishments restraining their freedom shall be implemented in separate places.

Article 79:

Notaries public shall be subject to judicial inspection in accordance with the provisions of this Law."

The Judicial Judiciary Council also issued the Judicial Inspection Regulation in the Board of Grievances in 26 articles regulating the work of the Judicial Inspection Department, inspecting the judges' work, inspecting the courts and examining the complaints received and treating them.

4. The procedure is public:

The laws in force in the Kingdom of Saudi Arabia rely on the principle of public procedure to ensure transparency and community access. Article 64 of the Law of Procedure before Sharia Courts issued by Royal Decree No. M/21 of 20/05/1421 (19 August 2000) provides that procedure is public.

Law of Procedure before Sharia Courts:

“Article 64: Proceedings shall be in open court unless the judge on his own or at the request of a litigant closes the hearing in order to maintain order, observe public morality, or for the privacy of the family.”

5. Codification of the judicial rulings:

Royal Decree No. 20/a issued on 07/02/1436 AH (29 November 2014) provides for the setting up of a commission in charge of preparing a draft code on judicial rulings to standardize judicial decisions and to facilitate knowledge of and access to them.

6. Awareness-raising and exchange of information:

The Ministry of Justice is seeking to establish an applied methodology of Islamic law by determining its sources and judicial formulations. It has set up multiple channels to clarify the judicial approach and display its sources, provisions, procedures, and regulations to the public. It has published two journals, called ‘Adl’ (Justice) and ‘Qada’ (Judiciary), and created its websites on social media to heighten awareness.

The Ministry of Justice has created strong partnerships with information companies through reciprocal contracts aimed at promoting transparency of information and continued flow of information intended for stakeholders.

The Board of Grievances also seeks to raise judicial awareness, which is stated explicitly in its fifth strategic objective of its strategic plan. In order to achieve this, the Board is seeking to publish a practical magazine and hold a number of conferences and cooperate with Saudi universities and international judicial bodies. The Board of Grievances has an account on the social network to increase judicial awareness and dissemination.

7. Assignment and distribution of cases in courts:

The distribution of cases depends on jurisdiction as stipulated in Article 9 of the Law of the Judiciary. The courts operate according to jurisdiction as specified in the Law of the Judiciary, the Law of Procedure before Sharia Courts, and the Law on Criminal Procedure. A Law was also issued by High Decision No. M/53 on 13/08/1433 AH on enforcement. The Law of the Judiciary allows the Supreme Council of the Judiciary to set up specialized courts in case of need (Article 9).

Chapters 3 and 5 of the Law on Procedure before Sharia Courts set out detailed procedures for the method of filing and recording the proceedings and the rules and procedures of the hearings.

Chapters 2 and 3 of the Law on Procedure before the Board of Grievances also explain the detailed procedures for filing and recording the case, considering the case and ruling it.

Law of the Judiciary:

“Article 9:

Courts shall consist of the following:

- (1) The Supreme Court.*
- (2) Courts of appeals.*
- (3) First instance courts, which are:*
 - (a) General courts.*
 - (b) Penal courts.*
 - (c) Family courts.*
 - (d) Commercial courts.*
 - (e) Labor courts.*

Each court shall have jurisdiction over matters brought before it in accordance with this Law, the Law of Procedure before Sharia Courts and the Law of Criminal Procedure. The Supreme Judicial Council may establish other specialized courts upon the approval of the King.”

Law of Procedure before Sharia Courts:

“Article 64: Proceedings shall be in open court unless the judge on his own or at the request of a litigant closes the hearing in order to maintain order, observe public morality, or for the privacy of the family.

Article 65: Argument shall be oral. This, however, shall not preclude the presentation of statements or defenses in the form of written briefs copies of which shall be exchanged between the litigants and the original shall be kept in the case-file which shall be referenced in the minutes. The court shall grant the litigants sufficient time to review and respond to the documents as circumstances warrant.

Article 66: The judge shall ask the plaintiff with regard to whatever is required to plead his case prior to questioning the defendant. He may not proceed with the case, prior to that. If the plaintiff fails to do so or refrain from doing so, the judge shall dismiss the case.

Article 67: If the defendant categorically refuses to answer or gives answers that are not relevant to the case, the judge shall repeat the request for a correct answer three times in the same hearing. If the defendant persists, the judge shall warn him and then consider him to have declined, and shall proceed with the case in accordance with the Shari'ah rules.

Article 68: If either party presents a valid defense and requests a reply from the other party who asks for time for that purpose, the judge may grant him time if he deems it necessary, but

time may not be granted again for the same answer except for a reason acceptable to the judge.

Article 69: Proceedings shall close upon the litigants concluding their arguments. Nevertheless, the court may, before announcing its judgment, and for proper cause, reopen argument on its own or at the request of a litigant and docket the lawsuit again.

Article 70: Litigants may, in whatever form the case may be, ask the court to enter whatever acknowledgement, settlement, or suchlike agreed between them in the court record and the court shall issue a deed to that effect.

Article 71: The record clerk shall, under the supervision of the judge, enter the minutes of the argument in the record, stating the date and hour each argument began, its time, and the hour it ended, the name of the judge, the case document and the names of the litigants or their attorneys-in-fact. The judge, the clerk, and those persons whose names are mentioned therein shall sign the record. If one of them declines to sign the judge shall so indicate in the record of the hearing.

Chapter II: Hearing Order

Article 73:

- 1. The administration and control of the session are subordinate to its president. In order to do so, he may require whoever who disrupts its rules to leave the session. If the person does not comply, the court may order - immediately - to imprison him for a period not exceeding twenty-four hours.*
- 2. The presiding judge shall order a record of each crime during the hearing, then refer it to the Commission for Investigation and Public Prosecution to complete the necessary regulations and may order the arrest of the person who committed the crime.*
- 3. The court making the judgment shall consider the compensation for damages resulting from procrastination in the performance of the rights in question.*

Article 74: The Presiding Judge is the person who addresses questions to the litigants, witnesses and others involved in the case. Other court members participating in the hearing and the litigants may ask him to address whatever questions relating to the case they wish to ask. The President may assign a member to address questions to any of the litigants, witnesses and others.

PART SIX

DEFENSES, JOINDER, INTERVENTION, AND INCIDENTAL REQUESTS

Chapter I: Defenses

Article 75: Motions for the invalidity of the claim memorandum, for improper venue, or for transferring the case to another court, because the same dispute or some other related case is before that court, shall be made before any request or defense is made in the case; otherwise, any right not so presented shall be forfeited.

Article 76:

- 1. A motion for lack of subject-matter jurisdiction or because of the type or value of the claim or for dismissal of the case for lack of capacity or interest, or for any other reason, or for dismissal of the case shall be ruled on by the court itself, and such motions shall be admissible at any stage of the case.*
- 2. If the court considers that the motion for non-admissibility of the claim for a defect in the defendant's status is founded, the case should be adjourned to notify the interested person.*

Article 77: The court shall rule independently on such motions unless it decides to include them with the subject matter of the case in which instance it shall indicate its ruling on both the motions and the merits.

Article 78: Subject to the provisions of Article (178) of this Law, the Court shall, if it has ruled that it lacks jurisdiction and its ruling acquired the peremptory status, it shall refer the case to the competent court and inform the litigants accordingly.

Article 146 of the Criminal Procedure Law further applies the rules related to impartiality of judges under the Sharia Procedure Law (Part Eight, Law on Procedure before Sharia Courts) to the recusal and disqualification of judges.

Criminal Procedure Law:

Article 146: Refusal and Dismissal of Judges

Subject to the provisions of Section 3 herein relating to order and control over hearings, the refusal and dismissal of judges shall be subject to the provisions of Shari'ah Procedure Law. A judge shall be precluded to try the case if the crime has been committed against him at times other than court hearings.

The third part of the system of proceedings before the Board of Grievances regulates the procedures for hearing the case, managing the hearing and the ruling in the case and organizing the requests for the dismissal of the judges.

- 3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.**

It was clarified that the legal and judicial system in KSA is strictly independent and all citizens including members of the royal family are equal before the law. Judicial punishments imposed against judges are also reported in the media.

It was confirmed that a criminal conviction (including crimes related to honesty and integrity and corruption) is a bar to appointment as a judge or member of the Public Prosecution.

Moreover, a judge cannot simultaneously hold the position of member in the Public Prosecution.

Saudi officials reported that several judges have been investigated for corruption and that the Supreme Judicial Council issued a decision of termination in one of the cases, following a criminal procedure. Three investigation cases involving judges were referred to court in the last year, and one was pending at the time of review. Judges convicted of corruption are not eligible for reinstatement to their positions.

As mentioned under article 8 above, a draft code of conduct has been prepared for judges. In addition, a code of conduct related to the judiciary for the GCC countries was adopted in October 2016 and forms part of the national legislation. The international cooperation department has been tasked with the periodic review of the code.

It was indicated that the draft code of conduct for judges has been presented to the King for adoption. The draft contains, among others, rules regulating the ethical behavior of judges and their relationship with lawyers and other parties. The Code is to be enforced by the Judicial Inspection Authority. Any breach of such rules requires investigation by the Appeal Judges, who present the issue before the Supreme Judicial Council.

As for the review of the code, it was noted that the procedure requires the establishment of a committee composed of the Board of Grievances, the Administrative Judiciary Council, the Supreme Judicial Council and the Ministry of Justice. After its review by the committee, the draft is presented to the competent Judicial Council in preparation for its adoption by the King.

Judicial training is undertaken in coordination with the Judicial Training Center and the Supreme Judicial Council, with the objective to promote the adequacy and qualification of judges in the regular courts. Training programs are also provided with the approval of the Administrative Judiciary Council for judges of the Board of Grievances.

(b) Observations on the implementation of the article

Based on the written materials and information provided under this article and during the country visit, the provision is adequately implemented.

Article 11, paragraph 2

2. Measures to the same effect as those taken pursuant to paragraph 1 of this article may be introduced and applied within the prosecution service in those States Parties where it does not form part of the judiciary but enjoys independence similar to that of the judicial service.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Measures to strengthen integrity and prevent opportunities for corruption within the Public Prosecution:

Establishment of the Public Prosecution:

The Public Prosecution was established by Royal Decree No. M/56 of 24/10/1409 H (29/05/1989) as the Bureau of Investigation and Public Prosecution. It is one of the bodies responsible for ensuring security and justice throughout the Kingdom of Saudi Arabia with the protection of human rights and dignity within the framework of the legal rules of the Islamic religion. It began to operate in 1414 H (1994) through its branches in the thirteen administrative regions and their departments in all governorates of the Kingdom.

The Public Prosecution is under the authority of the King and is supervised by His Royal Highness the Crown Prince, Deputy Prime Minister, who is empowered to take action and measures necessary for its operation, for carrying out its tasks and achieving the goals for which it was established. He may make recommendations and propose projects to the competent authorities to ensure a decent level of investigation and public prosecution. Royal Decree A/240 of 17 June 2017 linked the Public Prosecution directly to the King and changed its name from Bureau of Investigation and Public Prosecution (BIPP) to Public Prosecution. According to the authorities, the amendment would support the work of the Public Prosecution in being a part of the judiciary and strengthen the separation between the judiciary and executive authorities.

Jurisdiction of the Public Prosecution:

Article 3 of the Law of the Bureau of Investigation and Public Prosecution sets out the jurisdiction of the Public Prosecution as follows:

“Article 3:

First: The Bureau shall have jurisdiction, in accordance with the law and as specified by the implementing regulations, as follows:

- (a) Investigating crimes;*
- (b) Taking action with respect to an investigation through filing a case or taking no action in accordance with relevant regulations;*
- (c) Prosecuting before judicial bodies in accordance with the implementing regulations;*
- (d) Appealing of judgments;*
- (e) Supervising execution of criminal sentences;*

(f) Monitoring and inspection of prisons, detention centers and any places where criminal sentences are executed, as well as hearing complaints of prisoners and detainees, insuring the legality of their imprisonment or detention and the legality of their remaining in prison or the detention centers after the expiry of the period, taking necessary steps to release those imprisoned or detained without a legitimate cause and applying the law against those responsible for such action. The Minister of Interior shall be informed of any relevant observations, and a report shall be submitted to him regarding the conditions of the prisoners and detainees every six months.

(g) Any other powers conferred upon it by the law, regulations issued pursuant to this Law, the resolutions of the Council of Ministers or the High Orders.

Second: The implementing regulations issued in accordance to this Law, shall specify the method by which the Bureau shall exercise its powers, such as conducting the investigation, prosecution, the relationship of the investigators with the security bodies and the Governorates as well as with coordinating work between the investigators and these bodies.

Third: The implementing regulations shall specify the transitional provisions which are deemed necessary for the Bureau to exercise its powers.

Fourth: As an exception to the provisions of articles nineteen and twenty of the Law of the Council of Ministers, the Council of Ministers may, by a resolution of its own, assign the Bureau to conduct investigations and prosecution in connection with crimes where the law stipulates that investigation and prosecution thereof shall be conducted by other government bodies."

Territorial Jurisdiction of the Public Prosecution:

The territorial jurisdiction of the Public Prosecution covers all crimes committed within the territory of the Kingdom of Saudi Arabia, except those exempted by rules or regulations issued by the Council of Ministers. This jurisdiction also includes crimes committed outside the Kingdom of Saudi Arabia if the judicial authority in the Kingdom is competent to examine the case under the laws or treaties to which the Kingdom is a party.

Independence of the Members of the Public Prosecution:

The rules and Law of the Bureau of Investigation and Public Prosecution (applicable to members and employees of the Public Prosecution) stipulate that the members of the Public Prosecution are members of the judiciary, fully independent, and are only subject, in the exercise of their duties, to the provisions of the Islamic Sharia and the law in force; nobody shall interfere in their work. (Article 5). They enjoy the rights and guarantees provided for in the Civil Service Law; they are committed to fulfilling their duties in this regard (Article 6). The members of the Public Prosecution shall not hold multiple offices, engage in commercial activities, or exercise any profession or work incompatible with the independence of the Public Prosecution's work and its dignity (Article 7). They shall not disclose confidential information acquired in the exercise of their work, even after leaving office (Article 8).

Law of the Bureau of Investigation and Public Prosecution

"Article 1: A Member of the Bureau shall:

1. *Be of Saudi nationality;*
2. *Display good conduct and behaviour;*
3. *Enjoy the necessary capacity;*
4. *Hold a degree from a college of Sharia or other equivalent degree, or a legal specialization from a university in the Kingdom of Saudi Arabia or other equivalent degree. If he holds an equivalent degree, he shall pass a special exam organized for this purpose;*
5. *Not be under twenty-two (22) years of age;*
6. *Be medically fit;*
7. *Not have been sentenced to a “hadd” [punishment specified in the Quran or in the Prophet’s Tradition], or “ta’zir” [discretionary punishment], or committed an offence involving moral turpitude or dishonesty, or incurred a disciplinary decision dismissing him from public office, even if he has been rehabilitated;*
8. *Pass the test organized for the appointment.”*

The members of the Public Prosecution follow an intensive training programme of not less than six (6) months. This duration is equivalent to the holding of an equivalent office for one year. The Board of the Public Prosecution shall specify the rules for the implementation of such programme.

The Criminal Procedure Law further contains rules on the impartiality of members of the Public Prosecution in assuming cases or issuing decisions (Art. 21):

“Article 21:

A member of the Bureau of Investigation and Public Prosecution shall not take any case or issue a decision in the following cases:

1. *If the crime was committed against him in person, he was a spouse of one of the litigants, or if he had a relationship with a relative or a partner to the fourth degree.*
2. *If he or she has an enmity or affection with one of the adversaries, which is likely to affect the course of the investigation.*
3. *If he has previously performed any work in the case, as an expert, arbitrator, agent, or witness, etc.”*

Correcting the performance of the members of the Public Prosecution and disciplinary measures:

The staff rules of the Public Prosecution provide as follows:

“Article 18:

An Inspection and Follow-up Unit shall be established at the Bureau. It shall be composed of a chairman and a number of full-time members selected by the Board of the Bureau. The Board may designate other members of the Bureau to carry out inspections. The Inspection and Follow-up Unit shall be connected to the President of the Bureau. When necessary, Follow-up Units may be established in the branches by a decision of the President of the Bureau.

Article 19:

The Bureau’s Inspection and Follow-Up Unit undertakes the following duties:

- 1. Inspection and follow-up of the work of the members of the Bureau through the collection of data on the competence of the members and their performance in the exercise of their duties;*
- 2. Investigation of complaints filed by or against the members of the Bureau after referral to the Inspection and Follow-up Unit by the chairman or his authorized representative;*
- 3. Inspection and follow-up of the work of the Bureau staff other than the members.*

Inspections and investigations referred to in paragraphs 1 and 2 shall be carried out by a member whose rank is higher than that of the inspected member or more senior if both are of the same rank. Investigation and inspection of the members of the Bureau shall be carried out at the headquarters of the Bureau or at the work premises of the inspected member or through the Follow-up Units in the branches and governorates based on the decision of the President of the Bureau.

Article 20:

Inspections of the members of the Bureau shall be conducted once or twice a year at the most.

Article 21:

Assessment of the competence of a member of the Bureau shall be carried out according to the following grades: excellent, above average, average, below average.

Article 22:

- 1. The Inspection and Follow-up Unit shall notify to the member of the Bureau the report on and assessment of his competence. It shall also inform him of any data included in his file. The member may submit to the Inspection and Follow-up Unit his objection to it within thirty (30) days from the date of notification, unless he has a valid excuse to exceed this period.*
- 2. The Inspection and Follow-up Unit shall refer the objection to the Board of the Bureau along with a memorandum stating its opinion thereon within fifteen (15) days from the date of submission.*

The Board shall take a decision on the objection after reviewing the documents and inform the member concerned of the Board’s decision in writing. The decision of the Board on the matter shall be final.

Article 23:

The Board of the Bureau shall determine the duties of the members of the Bureau, the acts they shall not perform, the rules and procedures for the inspection of their activities, and the procedures for assessing their performance.

Article 24:

A member of the Bureau shall reside in the town where his workplace is located. The Board of the Bureau may exceptionally allow a member to temporarily reside in another town close to his workplace.

Article 25:

A member of the Bureau shall not absent from his place of work without a valid reason and written permission or to stop working for reasons other than an emergency. If the member breaches this duty, he shall be cautioned in writing. In the event of repetition, the matter shall be referred to the Board of the Bureau for disciplinary trial.”

The Law of the Bureau of Investigation and Public Prosecution:

“Article 12:

The service of a Bureau member shall be terminated by any of the following:

- a) Acceptance of resignation;*
- b) Reaching the age of sixty-five (65);*
- c) Acceptance of request for retirement pursuant to the Law of Retirement;*
- d) Forced retirement pursuant to Article 25 of this Law;*
- e) Receiving a lower than average grade in the performance report for three consecutive times;*
- f) Loss of trust and respect required by the job;*
- g) Health disability;*
- h) Incompetence shown during the probation period;*
- i) Death.*

Article 13:

In cases other than death or reaching the retirement age and incompetence shown by the member during the probationary period, the service of the Bureau member shall be terminated by Royal Order pursuant to a decision by the Bureau Administration Committee and the request of the Minister of Interior.

Article 14:

Members of the Bureau may only be tried pursuant to the conditions and rules concerning their discipline.

Article 15:

Disciplining of Bureau members shall be vested in the Bureau Administration Committee in its capacity as a Disciplinary Board. If the member standing trial is a member thereof, the Chairman of the Bureau shall designate a member of his choice of the rank of Head of Investigation and Prosecution Department (A) as a replacement. Previous participation in requesting forced retirement of the accused or the request of filing disciplinary action against him does not preclude one from joining the Disciplinary Board.

Article 16:

The Head of Investigation and Prosecution Circuit or Circuits has, after hearing their statements, the right to caution the department investigators of any violations of their duties or the requirements of their jobs. This caution shall be verbal or in writing. In the latter case, a copy shall be sent to the Minister of Interior by the Chairman of the Bureau, and the investigator may object within fifteen days from the date of notification thereof, requesting investigation of the incident that led to the issuance of the caution. A committee for this purpose shall be formed of the Chairman of the Bureau, a Deputy Head of an Investigation and Prosecution Circuit (A) or of the Vice-Chairman of the Bureau and a Deputy Head of an Investigation and Prosecution Circuit (B). This committee, after hearing the statements of the objecting investigator, shall entrust to one of its members carrying out the investigation if appropriate. It may affirm the caution or consider it null and void, and inform the Minister of Interior of its decision. If the violation is repeated or continued after affirmation of the caution by the Committee, the disciplinary action shall be filed.

Article 17:

The disciplinary action shall be filed by an order of the Minister of Interior upon a recommendation of the Chairman of the Bureau. This action shall not be filed except upon an investigation conducted by a member of the Bureau designated by the Minister of Interior based on a recommendation by the Chairman of the Bureau, and the member of the Bureau who is designated for the investigation shall be of a rank higher than that of the member under investigation or senior to him in service, if both are of the same rank.

Article 18:

The disciplinary action shall be filed in a memorandum incorporating the charge and supporting evidence, and submitted to the Disciplinary Board to issue its decision to summon the accused to appear before the Board.

Article 19:

In situations where the accused is caught in the criminal act, the case, upon arresting and detaining the member of the Bureau, shall be referred to the Bureau Administration Committee within the following twenty four hours. The Committee may decide whether to continue detention or to release the accused with or without bail, and the member of the Bureau may request the hearing of his statements before the Committee upon presenting the matter to it. The Committee shall determine the period of detention in the decision issued concerning the detention or its continuation. The aforementioned procedures shall be observed whenever it is determined to continue the preventive detention after the expiry of the period decided by the Board except for the foregoing, a member of the Bureau may not be arrested, be subject to investigation procedures or a criminal suit be brought against him except by permission of the said Committee. Members of the Bureau shall be detained and the punishments restricting their freedom shall be executed in separate facilities.

Article 20:

The Disciplinary Board may conduct the necessary investigations, and it may designate one of its members for the task. If the Disciplinary Board finds it appropriate to proceed with the trial procedures on all or part of the alleged charges, the accused shall be summoned to appear with sufficient notice. The summons shall include an adequate statement of the subject matter of the lawsuit and the prosecution evidence.

Article 21:

The Disciplinary Board, upon deciding to proceed with the trial procedures, may order suspension of the accused from performing his duties. The Board may at any time reconsider the suspension order.

Article 22:

The disciplinary action may terminate upon resignation of the member of the Bureau, and the disciplinary action shall have no effect on the criminal or civil suit resulting therefrom.

Article 23:

The hearings of the Disciplinary Board shall be held in closed sessions. The Disciplinary Board shall deliver its judgment after hearing the defense of the accused member of the Bureau who may submit his defense in writing and authorize one of the members of the Bureau to defend him. The Board may at any time demand his appearance in person before the Board. If he fails to appear or authorizes someone else, the judgment may be delivered in his absence, after verification of the correctness of his summons.

Article 24:

The judgment in the disciplinary action shall include the grounds thereof. Same grounds shall be read upon pronouncing the judgment in a closed hearing. The judgments of the Disciplinary Board shall be final and unappealable.

Article 25:

The disciplinary punishments that may be imposed on the member of the Bureau are reprimand and forced retirement.

Article 26:

The decisions of the Disciplinary Board shall be reported to the Minister of Interior, and a Royal Order shall be issued to implement the punishment of forced retirement, and a decision shall be issued by the Minister of Interior, upon a recommendation of the Chairman of the Bureau, to implement the punishment of reprimand.”

Decisions of the Inspection and Follow-up Unit

The Inspection and Follow-up Unit issued a number of decisions concerning members of the Public Prosecution as follows:

Decisions	Number of decisions	Rate (%)
Written notice	24	16
Oral notice	55	36
Warning	51	34
Suspension from practice	6	4
Suspension of registration	16	11
Deduction	46	30
Rescinding of violation	29	19
Processing of violation	172	113
Prosecution	17	11
Censure	13	9
Deprivation from allowance	13	9
Termination of office	11	7
Total	453	

The total number of decisions issued by the Board of the Public Prosecution (regarding members) in fiscal year 1436H**/1437H*** was 241, involving 1,253 members, representing a 20% increase from the previous fiscal year, as shown in the following table:

Table showing the number of Board decisions of the Public Prosecution regarding members during fiscal year 1436H/1437H*** compared with fiscal year 1435H*/1436H****

*1435 H= 4 Nov. 2013 to 23 Oct. 2014.

**1436H= 24 Oct. 2014 to 13 Oct. 2015

***1437H= 14 Oct. 2015 to 1 Oct. 2016

Issued decisions	Issued decisions for fiscal year 1435/1436 A.H.		Decisions for fiscal year 1436/1437 A.H.		Percentage of increase or decrease of persons involved in the decisions
	Number of decisions	Number of persons involved	Number of decisions	Number of persons involved	
Transfer decision	18	118	24	137	16%
Assignment decision	45	54	102	188	248%
Promotion nomination decision	14	583	13	673	15%
Resignation acceptance decision	40	40	25	25	-38%
Decision on improvement of functional status	4	4	7	7	75%
Decision on approval of services transfer	15	15	6	6	-60%
Decision on permission for investigation	11	11	2	2	-82%
Assigning	34	69	42	69	0%
Notice	1	140	1	134	-4%
Decisions of disciplinary council	15	9	15	9	0%
Completion of official procedures	0	0	3	3	
Approval of disciplinary penalty	0	0	1	0	
Total	197	1043	241	1253	20%

Rules on the duties and prohibitions of the members of the Public Prosecution (Code of Conduct) (adopted and in force)

a) Duties

Article 1:

The members of the Bureau of Investigation and Public Prosecution (BIPP) shall exercise due diligence in dealing with the cases referred to them, ensure respect for human rights in their actions, and ensure that the decisions and steps they take are in line with the rules and regulations and that actions taken with respect to those cases correspond to established facts.

Article 2:

The members of the Bureau shall: be committed to impartiality, integrity, and fairness in all their decisions, measures, and actions; appreciate facts in accordance with statutory provisions; be free from any influence or preconceived ideas; and make sufficient efforts to establish the truth.

Article 3:

The members of the Bureau shall observe working hours and make the effort required to accomplish their assigned duties while being aware of their mission of administering justice. In the event of illness, they shall inform their direct superiors of their absence and indicate a way to contact them.

Article 4:

The members of the Bureau shall comply with ethical standards when dealing with the parties to a lawsuit and others and avoid words and actions that might suggest their impartiality, lack of neutrality, or indifference.

Article 5:

The members of the Bureau shall comply with ethical conduct and adopt an appropriate appearance suitable with their status. In their actions, behaviour, and clothing, they shall preserve their authority within and outside the Bureau.

Article 6:

A member of the Bureau shall stop dealing with any case involving him personally, or involving a party that is his spouse or relative by blood or affinity to the fourth degree, or involving a party with whom he feels hostility or friendliness that could influence the course of the investigation of the case. Besides, he shall withdraw from any case in which he is involved as an expert, arbitrator, agent, or testified as a witness, and so on. The request of withdrawal from a case shall be accompanied with a reasoned memorandum and the decision of the chair of the Bureau shall be binding on the member.

Article 7:

The members of the Bureau shall preserve the confidentiality of the investigations they conduct, the measures they take, and all the information they access in the exercise of their duties while in office or after leaving office.

Article 8:

The members of the Bureau shall reside in the city or the province where their office is located. If exceptional circumstances prevent them from that, they shall submit a request to the Board of the Bureau through hierarchical channels.

Article 9:

The members of the Bureau shall observe the schedules with the parties and witnesses, as well as the schedules of court hearings of cases assigned to them, of the execution of the judgements they are in charge of supervising, and of the work in which they are involved.

Article 10:

The members of the Bureau shall develop their legal and regulatory culture, enhance their general knowledge, and use them to improve the performance of the tasks assigned to them.

Article 11:

To preserve their authority and impartiality, the members of the Bureau shall: distance themselves from situations arousing suspicion and doubt; avoid being a party to a dispute; exercise moderation in establishing relations; refrain from participating in or accepting invitations to events that might bring suspicion on them.

Article 12:

The members of the Bureau shall maintain good relationships among them and with their colleagues. Their relationships with their superiors shall be based on respect and due diligence in implementing the guidelines of their work. In the exercise of their duties, they shall communicate with their superiors to benefit from their experience and cooperate among themselves in discharging urgent tasks to ensure smooth performance of work.

Article 13:

The relationships of the members of the Bureau with the Registry staff and other employees of the bodies with which the Bureau works shall be based on respect and cooperation to achieve public interest.

Article 14:

The members of the Bureau shall regularly attend conferences, seminars, official visits, and training courses in which they enroll. In such events, they shall adopt an honourable appearance worthy of the Bureau.

b) Prohibitions:

Article 15:

The members of the Bureau shall only disclose their professional capacity in situations where the nature of their work requires them to do so. They shall not brag about their office, capacities, or powers.

Article 16:

The members of the Bureau shall not intervene with their colleagues in cases assigned to them even by asking questions, so as to avoid embarrassment, perceived courtesy, or biased behaviour.

Article 17:

The members of the Bureau shall not openly decry measures taken by their superiors or colleagues. If they have comments in this regard, they shall submit them to the relevant official.

Article 18:

The members of the Bureau shall not make intercessions or ask for something earnestly in the course of their work to obtain things like transportation, assignment, promotion, or enrolment in studies, etc.

Article 19:

The members of the Bureau shall not take part, orally or in writing, in any information or electronic media, or open social communication means, in contravention to government regulations, or criticize or blame such regulations, or communicate on public affairs, or publish any material detrimental to the duty of neutrality or loyalty to the profession, or engage in matters likely to compromise their reputation and prestige.

Article 20:

The members of the Bureau shall not participate in the drafting of a statement, memorandum, letter, or complaint collectively or sign anything of the sort.

Article 21:

The members of the Bureau shall not be agents of any other persons or provide legal or regulatory consulting to any person except in legally declared instances; neither shall they act as arbitrators in any dispute for any party, even without pay.

Article 22:

The members of the Bureau shall not engage in trade or fund raising, or take part in any committee that engages in such activities, even for charity or public purposes. They shall refrain from any act that may affect their office.

Article 23:

The members of the Bureau shall not run for municipal elections or any other council.

Article 24:

The members of the Bureau shall not talk about their professional affairs while in private councils or public places or through social networking sites.

Article 25:

The members of the Bureau shall not keep to themselves any official papers or documents or copies thereof relating to the work of the Bureau in any way whatsoever, even those relating to tasks assigned to them.

The Public Prosecution Code of Conduct does not provide for penalties in case of non-compliance. Such cases are treated as ordinary disciplinary violations, without prejudice to criminal prosecution if the facts constitute a serious violation.

Training

A one-year training in criminal matters is a requirement for joining the Public Prosecution. It is supplemented by a three-month practical training and a workshop of five days for gaining expertise in a specific area, such as economic crime cases. The Administrative Development Department of the Public Prosecution is in charge of training. It develops a programme for all the staff of the Public Prosecution in all its areas of competence, including the training of members on investigation and public prosecution of offences relating to public office and money laundering. It also develops a programme of visits to several countries to know their programmes and mechanisms of action.

- In FY 1436/1437 H (Oct. 2014 to Oct. 2015), the number of beneficiaries of the programme reached 8,103 persons;
- Training packages were prepared for each member of the Public Prosecution departments staff, including the Department of Public Office Crimes and the Department of Economic Crimes;
- An e-Academy of Investigation and Public Prosecution has been established;

Criminal cases are handled at the Public Prosecution through an automated case processing system. Cases are recorded upon reception by the Public Prosecution. Then, all investigation and public prosecution steps are taken automatically and cases are referred automatically from one investigator to another and to the Chair of the Public Prosecution (at the headquarters of the Public Prosecution in Riyadh or at a branch of the Public Prosecution in the Kingdom). Time and effort are spared and proceedings are accurate and can be accessed at any time.

Declarations of assets of the Public Prosecution members would be required under the Draft Law on the Management of Public Funds, which is being discussed at the Shura Council (Consultative Council), in its Article 14.

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

Examples of implementation, including enforcement statistics, are referred to above.

(b) Observations on the implementation of the article

Based on the written materials and information provided under this article and during the country visit, the provision is adequately implemented.

Article 12. Private sector

Article 12, paragraphs 1 and 2

1. Each State Party shall take measures, in accordance with the fundamental principles of its domestic law, to prevent corruption involving the private sector, enhance accounting and auditing standards in the private sector and, where appropriate, provide effective, proportionate and dissuasive civil, administrative or criminal penalties for failure to comply with such measures.

2. Measures to achieve these ends may include, inter alia:

(a) Promoting cooperation between law enforcement agencies and relevant private entities;

(b) Promoting the development of standards and procedures designed to safeguard the integrity of relevant private entities, including codes of conduct for the correct, honourable and proper performance of the activities of business and all relevant professions and the prevention of conflicts of interest, and for the promotion of the use of good commercial practices among businesses and in the contractual relations of businesses with the State;

(c) Promoting transparency among private entities, including, where appropriate, measures regarding the identity of legal and natural persons involved in the establishment and management of corporate entities;

(d) Preventing the misuse of procedures regulating private entities, including procedures regarding subsidies and licences granted by public authorities for commercial activities;

(e) Preventing conflicts of interest by imposing restrictions, as appropriate and for a reasonable period of time, on the professional activities of former public officials or on the employment of public officials by the private sector after their resignation or retirement, where such activities or employment relate directly to the functions held or supervised by those public officials during their tenure;

(f) Ensuring that private enterprises, taking into account their structure and size, have sufficient internal auditing controls to assist in preventing and detecting acts of corruption and that the accounts and required financial statements of such private enterprises are subject to appropriate auditing and certification procedures.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with these provisions?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with these provisions of the Convention.

The Kingdom issued several laws that provide for measures to strengthen integrity and counter corruption in the private sector, enhance accounting and auditing standards and sanctions. For example, in the financial sector, Article 14 of the Banking Control Law issued by Royal Decree No. M/5 dated 22.2.1386 (11/6/1966) states,

“Every bank shall appoint annually two auditors from amongst the approved list of auditors registered with the Ministry of Commerce and Industry. The Auditors shall submit a report on the Balance sheet and profit and loss account. This report shall include whether in the auditor's opinion the Bank's balance sheet duly and correctly represents its financial position and the extent of their satisfaction with any explanations or information they may have requested from the bank's manager or other staff.

With regards to banks taking the form of a company, the report referred to in the above paragraph shall be read together with the annual report of the Bank management in the General Meeting, which must be held within the six months following the end of the bank's financial year. The bank management should send copies of these two reports to the Agency.

The provisions of the first para of this Article shall apply to foreign banks in respect of their branches operating in the Kingdom. They should send a copy of the Auditor's report to the Agency.”

It is clear from this article that commercial banks operating in the Kingdom are under the obligation to appoint two auditors to monitor the accounts and submit their reports. These procedures reinforce the fight against corruption in the private sector through heightened oversight and accountability.

The same Banking Control Law prohibits, in the second paragraph of Article 9, banks from granting, without security, loan or credit facilities, or issuing guarantees, or incurring any other financial liability in respect of any member of their boards of directors or their auditors. The same law provides that the bank can dismiss a member of the board in case of violation of the provisions of the law.

*“Article 9: No bank shall undertake the following transactions:..
2. Granting, without security, a loan or credit facilities, or issuing a guarantee or incurring any other financial liability in respect of: a. Member of its Board of Directors or its Auditors. ... Any bank director or auditor or manager who contravenes paras 2 and 3 of this Article, shall be considered as having resigned his position.”*

The Finance Companies Control Law No. 51, dated 13/08/1433H (2 July 2012) stipulates in its Article 27 that, *“The finance company shall appoint one or more licensed external auditor. The Saudi Arabian Monetary Agency may appoint another auditor at the expense of the finance company in the cases specified in the implementing regulation.”*

Furthermore, the Finance Companies Control Law provides in section 2 of article 12 that, *“without prejudice to public and private rights prescribed by law, any board member of a finance company or any external auditor who receives finance in breach of sub-clause 1(b), 1(c) or 1(d) of this Article shall be deemed dismissed as specified under the provisions of the implementing regulation”*. Other provisions are provided for to fight corruption among the staff of the companies that operate in the private sector and their managers.

The Cooperative Insurance Companies Control Law issued by Royal Decree No M/32 of 02/06/1424 (31 July 2003) stipulates in section 1 of article 10 that, *“The general assembly of the insurance or re-insurance company shall annually appoint two auditing firms licensed to practice the profession in the Kingdom [...]”*.

As noted above, these laws are intended to limit corruption in the private sector.

The National Strategy for Maintaining Integrity and Combating Corruption includes the engagement of civil society organizations and the private sector in efforts to protect integrity and combat corruption.

Article 3(5) of the Statute of the National Anti-Corruption Commission authorizes the Commission to promote public and private efforts to adopt plans and programmes to protect integrity and combat corruption and to monitor the implementation and assess the outcomes of such plans and programmes.

Article 9 of the Anti-Money-Laundering Law (issued by Royal Decree No. M/39 of 25/06/1424H (24 August 2003) and amended by the Royal Decree No. M/31 of 11/5/1433 H (3 April 2012)) requires a number of private sector entities, including banks, precious-metal traders, audit companies and attorneys, to notify the Financial Investigation Unit of suspicious transactions. Article 28 exempts any reporting person from criminal, civil or administrative liability which may arise from the fulfilment of this duty.

Article 18 of the Corporate Governance Regulations deals with “conflict of interest in the Board of Directors” as follows:

“Article 18: Conflict of Interest within the Board of Directors

- a) A Board member shall not, without a prior authorization from the General Assembly, to be renewed each year, have any interest (whether directly or indirectly) in the company’s business and contracts. The activities to be performed through general bidding shall constitute an exception where a Board member is the best bidder. A Board member shall notify the Board of Directors of any personal interest he/she may have in the business and contracts that are completed for the company’s account. Such notification shall be entered in the minutes of the meeting. A Board member who is an interested party shall not be entitled to vote on the resolution to be adopted in this regard neither in the General Assembly nor in the Board of Directors. The Chairman of the Board of Directors shall notify the General Assembly, when convened, of the activities and contracts in respect of which a Board member may have a*

personal interest and shall attach to such notification a special report prepared by the company's auditor.

- b) A Board member shall not, without a prior authorization of the General Assembly, to be renewed annually, participate in any activity which may likely compete with the activities of the company, or trade in any branch of the activities carried out by the company.*
- c) The company shall not grant cash loan whatsoever to any of its Board members or render guarantee in respect of any loan entered into by a Board member with third parties, excluding banks and other fiduciary companies.”*

As for conflicts of interest in the private sector, CMA has issued regulations applicable to CMA Authorized Persons, which provide the rules of conduct that authorized persons must comply with when conducting their business, and which establish systems and controls relating to client money and assets¹⁵. Article 41 of the Authorized Persons Regulations stipulates:

- (a) An authorised person must ensure that it safeguards at all times the interests of its customer, and that no conflict of interest between its interest and the interest of its customer affects the transactions or the services that the authorised person carries out for its customer.*
- (b) Where an authorised person who acts for a customer has an actual or a potential conflict of interest in relation to a transaction it shall disclose that conflict of interest to the customer in writing.*
- (c) An authorised person is not required to disclose a conflict of interest if this information would constitute provision of inside information. In that instance an authorised person shall take reasonable steps to ensure fair treatment for the customer.*
- (d) If there is a conflict between an interest of an authorised person and an interest of the customer in any transaction, the authorised person must pay to the customer the value of any loss incurred by the customer as a result of the conflict unless:*
 - 1) the authorised person has disclosed the conflict of interest to the customer in accordance with paragraph (b) of this Article; and*
 - 2) the customer has agreed in writing that the authorised person can proceed notwithstanding the conflict.*
- (e) An authorised person must in all cases comply with Article 14 of the Market Conduct Regulations in any dealing as principal with a customer.*

In relation to penalties for private sector companies that violate the accounting and auditing rules, SAMA supervises a number of financial sectors and relevant penalties are set forth in the auditing and accounting laws and regulations. Therefore violations, once discovered, are addressed through the regular administrative or criminal procedure.

As for listed companies, penalties are also spelled out in Chapter 11 of the Companies Law 2015. CMA regulations contain relevant provisions for board members and auditing firms.

Chapter 11

¹⁵ <https://cma.org.sa/en/RulesRegulations/Regulations/Documents/AUTHORISED%20PERSON.pdf>

Article 211

Without prejudice to any harsher penalty stipulated in any other law, imprisonment for a period not exceeding five years and a fine of not more than (5,000,000) riyals, or either penalty, shall apply to:

- a- any director, officer, board member, auditor or liquidator who willfully provides false or misleading information in financial statements or in any of the reports submitted to partners or the general assembly, or omits material facts from these statements or reports with the intention to conceal the financial position of the company from partners or others;*
- b- any director, officer or board member who knowingly uses company's funds in a manner detrimental to its interest to achieve personal gain, favoring a company or person or benefit from a project or a deal in which he has direct or indirect interest;*
- c- any director, officer or board member who knowingly uses his powers or the votes he acquires in that capacity in a manner detrimental to the interest of the company for achieving personal gain, favoring a company or person or benefiting from a project or deal where he has direct or indirect interest;*
- d- any director, officer, board member or auditor who fails to call for a meeting of the general assembly or partners of the company, or who fails to take necessary action, as the case may be, upon becoming aware that the losses reached the limits set in Articles 150 and 181 of the Law, or if he fails to announce the same in accordance with the provisions of Article 181 of the Law; and*
- e- any liquidator who uses company's funds, assets or entitlements in a manner that contradicts with the company's interests or causes deliberate damage to partners or creditors, whether to achieve personal gain, favor a company or person, benefit from a project or a deal in which he has a direct or indirect interest or favor a creditor over other creditors in satisfying his dues without legitimate reason.*

Article 212

Without prejudice to any harsher penalty set forth in any other law, imprisonment for a period not exceeding one year and a fine not exceeding (1,000,000) riyals, or either penalty, shall apply to:

- a- any auditor who fails to notify the company, whether through entities or persons in charge of its management, of any violations he detects during the course of his duties that may involve criminal violations;*
- b- any public servant who divulges to other than the relevant agencies company's secrets he becomes privy to by virtue of his position;*
- c- any person assigned to perform inspection of a company, where he intentionally provides false information in the reports prepared thereby or intentionally omits material facts that may affect the outcome of inspection;*
- d- any person who, by any means, makes an announcement or declaration in a manner that implies the registration of a company whose registration is not completed;*
- e- any person who, in order to solicit subscriptions or collect the values of shares, falsely uses names of persons as being affiliated or to be affiliated with the company in any manner;*
- f- any person who intentionally includes in the company's articles of incorporation, articles of association or other documents, or in the company's incorporation application or supporting*

- documents, false information or information in violation of the provisions of the Law, and every person who knowingly signs or publishes such documents;*
- g- any partner or non-partner who knowingly inflates or provides false statements regarding the valuation of in-kind shares, distribution of shares among partners or paying their value in full, whether upon the incorporation of the company, increase of capital or redistribution of shares among partners;*
 - h- any person who impersonates a shareholder or partner, or votes as a result in an assembly of shareholders or partners, whether in person or by proxy; and*
 - i- any person who uses the company in other than the purposes for which it is licensed.*

The Saudi Association of Auditors maintains statistics on violations of auditing and accounting rules, which were requested during the course of the review. There are many examples of the application of such penalties. The CMA website also contains information on decisions and judgments.

A number of integrity standards exist for the private sector, apart from accounting and auditing rules. For example, CMA has issued Corporate Governance Regulations addressing good governance standards for listed companies¹⁶ and SAMA has issued a Code of Conduct Regulation for the Insurance Market¹⁷. In July 2013, SAMA issued a circular entitled, “Requirements for Appointments to Senior Positions in Financial Institutions Supervised by the Saudi Arabian Monetary Agency (SAMA)”¹⁸, with a view to ensuring the integrity, honesty and good reputation of members of the boards of directors and senior management of supervised institutions. Further, in March 2014, SAMA issued “Principles of Corporate Governance for Banks Operating in Saudi Arabia”¹⁹, which contain a number of provisions related to governance, including conflicts of interest, and the mechanism of supervising the integrity and performance of members. Sama’s website contains these instructions. The website of CMA contains several other codes of conduct for private sector entities such as arbitration practitioners and the real estate sector.

Conflicts of interests in the private sector are also addressed in the Companies Law, chapter 11, and without prejudice to claims for compensation. Both SAMA and the CMA require prospective employees in relevant private sector entities to file disclosures covering conflicts of interest, assets and qualifications (“fit and proper” forms), which are inspected by the same authorities.

Conflicts are also addressed in the above-referenced Corporate Governance Regulations issued by CMA (chapter 6), which in article 43 oblige the Board of Directors to develop an explicit and written

¹⁶ (Issued by the Board of Capital Market Authority pursuant to Resolution No. 8/16/2017 dated 16/5/1438AH (13/2/2017) based on the Companies Law issued by Royal Decree No. M/3 dated 28/1/1437H)
https://cma.org.sa/en/RulesRegulations/Regulations/Documents/CGRegulations_en.pdf

¹⁷ http://www.sama.gov.sa/en-US/Laws/InsuranceRulesAndRegulations/IIR_4600_C_InsuraMarketCode_Ar_1429_09_16_V2.pdf#search=insurance

¹⁸ http://www.sama.gov.sa/en-US/Laws/BankingRules/L_EN_FitAndProperRules.pdf

¹⁹ [http://www.sama.gov.sa/en-US/Laws/BankingRules/Corporate%20Governance%202024-2-2014%20\(%D8%A7%D9%84%D9%86%D8%B3%D8%AE%D8%A9%20%D8%A7%D9%84%D9%86%D9%87%D8%A7%D8%A6%D9%8A%D8%A9\).pdf](http://www.sama.gov.sa/en-US/Laws/BankingRules/Corporate%20Governance%202024-2-2014%20(%D8%A7%D9%84%D9%86%D8%B3%D8%AE%D8%A9%20%D8%A7%D9%84%D9%86%D9%87%D8%A7%D8%A6%D9%8A%D8%A9).pdf)

policy to deal with actual and potential conflicts of interest situations which may affect the performance of the members of the Board, the executive management or any company employees when dealing with the company or other stakeholders.

Financial disclosures in the private sector are required, inter alia, under the CMA Corporate Governance Regulations, which oblige companies to disclose their assets and financial situation. According to article 90, the Board's report shall include, among others, a summary in the form of a table or graph showing the company's assets, liabilities and results of the last five fiscal years or since the incorporation date, whichever is shorter.

In addition, article 89, para. 1 stipulates that the Board shall set forth in writing policies aimed at enabling shareholders and other stakeholders to access the financial and non-financial information pertaining to the company's performance and information in respect of ownership of shares, and to obtain a comprehensive view of the company's position.

Moreover, listed companies are required to comply with instructions specifying the basic elements that must be met in all corporate announcements advertised on the Saudi Stock Exchange and to disclose material events of the company, as required by the Companies Law and the Capital Market Law, including the rules of registration and listing and the rules of registration and listing in the parallel market. The CMA instructions for corporate announcements specify the basic elements that must be met in all announcements, according to CMA Board Decision No. 6-4-2017 issued on 7/22/1438H (19 April 2007)²⁰. The elements that are required to be disclosed are:

- Changes in the Board of Directors or senior management of the company.
- Preliminary and annual financial results.
- Report of the Board of Directors.
- Invitations to shareholders' meetings and announcing their results.
- Transactions with related parties.
- Substantial events affecting the price of the security.
- Changes in capital and dividends.
- Essential contracts and transactions entered into by the listed companies.
- Material events to which the company is exposed.
- The provisions of the instructions of the listed companies.
- Statutory disclosures required under provisions contained in the Corporate Governance Regulations, including the requirements set out in Chapter 9 (Disclosure and Transparency) thereof.

With regard to the penalties imposed on listed companies when not complying with the applicable laws and regulations, the necessary procedures shall be taken as stipulated in the Capital Market Law and the Companies Law by the concerned authority (for example, by virtue of a resolution issued by the CMA Board or by a decision of the Committee for the Resolution of Securities Disputes established pursuant to article 25 of the Capital Market Law), depending on the nature of the

²⁰ https://cma.org.sa/RulesRegulations/FormsSite/Documents/LJSCInstAr_20_4_17.pdf

violation. The Capital Market Law in Chapter 10 regulates sanctions and penalties for violations, and the Companies Law in Chapter XI regulates penalties.

The Capital Market Authority and Committee for the Resolution of Securities Disputes regularly publish decisions on listed companies on the CMA website. The Authority also publishes information and statistics on violations of the Capital Market Law, the Companies Law, as well as on penalties and criminal violations in its annual report.

Audit Committee requirements are also regulated in the Corporate Governance Regulations in Chapter 2, articles 54-59 (see paragraph 3 of article 12 below).

In regards to professions, the Saudi Lawyers Commission is working on a draft code of conduct for lawyers. As for auditors and accountants, professional standards are enforced through a quality assurance monitoring process. The standards of conduct for auditors and accountants cover professional standards and matters related to fees and accountability, among other requirements. Codes of conduct also exist for arbitration practitioners and were issued by the Saudi Institute of Arbitration.

Regarding business registration, the business registry of the Chamber of Commerce is publicly accessible through its website.

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

Examples, including enforcement statistics, are referred to above and included on the websites of the supervisory authorities, such as SAMA and the CMA. Additional regulations and instructions related to governance include internal auditing guidelines and instructions related to the work of administrative boards, committees, executive and internal departments and external auditors. Examples of application were discussed during the country visit.

(b) Observations on the implementation of the article

Much of the information provided relates to the Government's interaction with the private sector as opposed to the conduct of the private sector itself. The country's efforts to develop an anti-corruption strategy and implementation pathway for the private sector, possibly in conjunction with non-public stakeholders, are encouraged in this regard (see observation above under article 5).

Article 12, paragraph 3

3. In order to prevent corruption, each State Party shall take such measures as may be necessary, in accordance with its domestic laws and regulations regarding the maintenance of books and records, financial statement disclosures and accounting and auditing standards, to prohibit the following acts carried out for the purpose of committing any of the offences established in accordance with this Convention:

- (a) *The establishment of off-the-books accounts;*
- (b) *The making of off-the-books or inadequately identified transactions;*
- (c) *The recording of non-existent expenditure;*
- (d) *The entry of liabilities with incorrect identification of their objects;*
- (e) *The use of false documents; and*
- (f) *The intentional destruction of bookkeeping documents earlier than foreseen by the law.*

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with these provisions of the Convention.

Regarding accounting principles and financial statements for the private sector, Saudi Organization of Certified Public Accountants (SOCPA) standards are used. If an issue is not covered by SOCPA standards, IFRS is the standard (and is used by banks). Saudi Arabia is transitioning to IFRS. Listed companies (other than banks and insurance companies) are required to adopt IFRS as from 31 December 2017, with 1 January 2016 being the transition date for IFRS convergence (the beginning of the earliest comparative year); other entities are required to adopt IFRS as from 31 December 2018, with 1 January 2017 being the transition date for IFRS convergence. The cited SOCPA and IFRS standards address the elements of the provision under review.

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

As noted above, the Saudi Association of Auditors maintains statistics on violations of auditing and accounting rules, which were requested during the course of the review. There are many examples of the application of such penalties. The CMA website also contains information on decisions and judgments. Additional examples of application were discussed during the country visit.

(b) Observations on the implementation of the article

Based on the information provided under this article and during the country visit, the provision is adequately implemented.

Article 12, paragraph 4

- 4. Each State Party shall disallow the tax deductibility of expenses that constitute bribes, the latter being one of the constituent elements of the offences*

established in accordance with articles 15 and 16 of this Convention and, where appropriate, other expenses incurred in furtherance of corrupt conduct.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes.

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The tax deductibility of expenses constituting bribes, including when paid abroad, is not permissible under Saudi law. Article 13(g) of the Income Tax Law (Royal Decree No. M/1 of 15/1/1425 (7 March 2004H)) provides as follows:

“Article 13: Nondeductible Expenses

No deduction is allowed for the following:

- (a) Expenses not connected with the earning of taxable income.*
- (b) Any amounts paid or benefits offered to a shareholder, a partner or any of their relatives which constitute salaries, wages, awards or the like, or those which do not satisfy the conditions for transactions among independent parties against properties or services.*
- (c) Recreation expenses.*
- (d) Expenses of a natural person for personal consumption.*
- (e) Income tax paid in the Kingdom or in another country.*
- (f) Fines and financial penalties paid or payable to any party in the Kingdom, excluding those paid for breach of contractual conditions and obligations.*
- (g) Any bribe or similar amounts considered a criminal offense under the laws of the Kingdom, even if paid abroad.”*

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

There are no relevant case examples.

(b) Observations on the implementation of the article

The tax deductibility of expenses constituting bribes, including when paid abroad, is not permissible under Saudi law. The provision is implemented.

Article 13. Participation of society

Article 13, paragraph 1

1. Each State Party shall take appropriate measures, within its means and in accordance with the fundamental principles of its domestic law, to promote the active participation of individuals and groups outside the public sector, such as civil society, non-governmental organizations and community-based organizations, in the prevention of and the fight against corruption and to raise public awareness regarding the existence, causes and gravity of and the threat posed by corruption. This participation should be strengthened by such measures as:

(a) Enhancing the transparency of and promoting the contribution of the public to decision-making processes;

(b) Ensuring that the public has effective access to information;

(c) Undertaking public information activities that contribute to non-tolerance of corruption, as well as public education programmes, including school and university curricula;

(d) Respecting, promoting and protecting the freedom to seek, receive, publish and disseminate information concerning corruption. That freedom may be subject to certain restrictions, but these shall only be such as are provided for by law and are necessary:

(i) For respect of the rights or reputations of others;

(ii) For the protection of national security or ordre public or of public health or morals.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The following civil society organizations were included in the review process:

- the Council of Saudi Chambers,
- Saafah (Saafah Foundation is a civil society institution that aims to promote transparency and integrity in accordance with the National Strategy for Maintaining Integrity and Combating Corruption. It also works to raise awareness and educate individuals and institutions in these values, and to achieve the Strategy's purposes, objectives and mechanisms. <http://www.saafah.org.sa/en/> and
- SABIC, one of the Kingdom's largest manufacturing companies.

The authorities referred to the recent decision taken by the Council of Ministers to establish in the head office of the Council a center that studies and analyzes public opinion on crucial issues and key topics.

As for outreach activities, Nazaha holds a conference and events annually on International

Anti-Corruption Day, December 9. In all the events organized by Nazaha, it sends invitations to civil society, academia, university professors and the private sector seeking their active participation.

Saudi Arabia recently hosted the Second International Conference on governance, accountability and transparency, on 20-21 February 2017, under the patronage of the King. The event openly discussed transparency matters and international best practices and was held with the presence of media coverage. Details and conclusions of the event were posted on the Commission's website.

There is direct cooperation between Nazaha and the Ministry of Education through which integrity clubs are established in the universities, involving students and professors in anti-corruption efforts, awareness-raising and strengthening a culture of integrity, as described above. Detailed information was provided in Arabic language.

In addition researchers and scholars on anti-corruption contact the Commission, which welcomes their visits in line with the Commission's establishing law. Several studies and questionnaires by researchers were referred to by way of example. The Commission also attracts - in coordination with the Ministry of Education - qualified academic personnel in the anti-corruption field.

SAMA holds workshops in the various regions of the Kingdom in order to familiarize the media with its procedures and mechanisms of work.

The Commission's (Nazaha's) objectives aim at encouraging anti-corruption efforts in the public and private sector. Paragraph 12 of article 3 of its establishing statute (quoted above) provides for direct channels of communication with the public to receive and verify reports and take necessary measures thereon. Paragraph 13 provides for cooperation with relevant entities and civil society institutions towards raising the importance of protecting public property. Paragraph 15 provides for supporting research and studies on maintaining integrity and combating corruption, and encouraging relevant entities, specialized research centers and civil society institutions to participate therein. Paragraph 18 refers to encouraging civil society organizations and the media to contribute to promoting awareness of the dangers of corruption and the importance of maintaining integrity, raising self-monitoring and intolerance to corruption.

The Commission referred to the training programmes at the Public Administration Institute, such as courses on public service crimes, which comprise of 30 training hours for civil servants in the categories of legal researchers, counselors, lawyers, Public Prosecution, investigators, etc. and which focus on offences of bribery, embezzlement, trading in influence, forging, etc.

With regard to access to information, as mentioned above, in the case of a negative administrative decision made without a legal basis for refusal, the applicant may resort to the Board of Grievances for appeal. The Board has the mandate to look into appeals within the competence of its administrative courts and to issue judgements against administrative entities for wrongful administrative decisions.

Furthermore, a draft law on Freedom of Circulation of Information has been prepared, which would grant any natural or legal person the right to access and obtain any information of any public entity in accordance with the law, except for confidential information affecting sovereignty and national security (article 4), defined to include, inter alia, matters related to national security, military, information obtained under an agreement with another State and classified as confidential, and information related to the issuance of a government decision that has not yet been issued. It would further require the public body to provide information to requesting persons, in accordance with the law and without discrimination, within 30 days from the date of the filing of the claim (article 5). The law would also require public entities to publish information on their websites, such as their governing laws, regulations and instructions applied, the services they provide and how to obtain them, information on the organizational structure, and other details (article 9). The law would provide for penalties on violation, as well as investigations and prosecutions by the Public Prosecution (article 13). Copies of the draft law were provided during the review.

With regard to the participation of the society in decision-making, the Kingdom referred to the following institutions:

1. The Decision Making Support Centre, organizationally linked to the Royal Court, serves to provide the necessary information to the Council of Ministers, the Council for Political and Security Affairs and the Council for Economic Affairs and Development, to enable them to exercise their competencies and tasks; to contribute to raising awareness about decisions taken by the Government; to create channels of communication with the public, through the traditional as well as new means of communication; and to survey public opinion trends on issues of interest to citizens (see Resolution 337 dated 09/08/1437 organizing the Decision Making Support Centre).
2. The National Centre for Measuring the Performance of Public Entities (see article 10 above).

Saudi officials also cited the important functions of the Ministry of Labor in terms of furthering the participation of society. The Ministry has involved all concerned parties, including public and private sector employees, in the elaboration of regulations related to the labor market. Opportunities to provide comments and observations were also provided.

- 3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.**

Additional examples of implementation are referred to under article 10 above.

(b) Observations on the implementation of the article

This was a very interesting part of the review. Much progress has been made but it might be worthwhile for Saudi Arabia to promote the active contribution of civil society in the development of anti-corruption policy, and the strategy to promote such communication would be a positive move in this direction (see observations under article 5 above). It is further recommended that Saudi Arabia take necessary administrative steps to adopt a freedom of information law.

Article 13, paragraph 2

2. Each State Party shall take appropriate measures to ensure that the relevant anti-corruption bodies referred to in this Convention are known to the public and shall provide access to such bodies, where appropriate, for the reporting, including anonymously, of any incidents that may be considered to constitute an offence established in accordance with this Convention.

(a) Summary of information relevant to reviewing the implementation of the article

- 1. Is your country in compliance with this provision?**

Yes

- 2. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.**

Article 17 of the Anti-Bribery Law provides for financial rewards for persons who report corruption crimes. The National Anti-Corruption Commission has established a hotline for receiving communications and for answering enquiries about how to report corrupt practices. Information may be reported to the Commission via e-mail or fax or in person. The confidentiality of the information and data reported is guaranteed. The Commission also has a department that handles rewards. The Commission's website contains information about the Commission's jurisdiction and powers and the national strategy for protecting integrity and combating corruption in Arabic and English versions.

Nazaha ensures the secrecy and confidentiality of the reports it receives. For example, corruption reports may be made anonymously to Nazaha via a dedicated mobile phone application. Nazaha further takes steps to ensure adequate protection of reporting persons from threats or mistreatment. For example, in one case Nazaha reinstated an employee to his previous work position after he was expelled due to reporting corruption, and disciplinary measures were taken against the perpetrator.

The draft law on the protection of victims, witnesses and persons of equivalent status

(whistleblower law) is still under consideration.

A number of other awareness raising and outreach activities are conducted, as described in the previous articles.

(b) Observations on the implementation of the article

Based on the information provided under this article and during the country visit, the provision is adequately implemented.

Article 14. Measures to prevent money-laundering

Article 14, paragraph 1 (a)

1. Each State Party shall:

(a) Institute a comprehensive domestic regulatory and supervisory regime for banks and non-bank financial institutions, including natural or legal persons that provide formal or informal services for the transmission of money or value and, where appropriate, other bodies particularly susceptible to money-laundering, within its competence, in order to deter and detect all forms of money-laundering, which regime shall emphasize requirements for customer and, where appropriate, beneficial owner identification, record-keeping and the reporting of suspicious transactions;

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

1. The Kingdom issued the Anti-Money Laundering Law by Royal Decree No. M/39 on 25/06/1424 H (23/08/2003) and its implementing regulation (2005) to deal with money laundering. The Anti-Money Laundering Law was amended by Royal Decree No. M/31 dated 11/5/1433 AH (03 April, 2012) and its Implementing Regulation (2012) (copy provided). The new law supersedes the previous law, as stipulated in article 32 ("This Law shall supersede the Anti-Money Laundering Law, issued by Royal Decree No. M/39, dated 25/06/1424 H"). A new Anti-Money Laundering Law was adopted by Royal Decree No. M/20 on 5/2/1439 H (25 October 2017), in addition to its implementing regulation. This new law was not yet in force at the time of the review.

The Standing Committee on Anti-Money Laundering under the chairmanship of the Saudi Arabian Monetary Agency (SAMA) ensures the implementation of the Financial Action Task Force (FATF) requirements, as well as local regulations and rules issued in this respect, and in particular the following:

- The Banking Control Law issued by Royal Decree No. M/5 of 22/02/1386 H (11 June 1966) and its implementing regulations, which allows SAMA to license banks, local banks, and branches of foreign banks, supervise and monitor their business, and impose sanctions where relevant;
- The Finance Companies Control Law issued by Royal Decree No. M/51 of 13/08/1433 H (02/07/2012) and its implementing regulations, which allows SAMA to license finance companies, supervise and monitor their business, and impose sanctions where relevant;
- The Cooperative Insurance Companies Control Law issued by Royal Decree No. M/32 of 02/06/1424 H (31/07/2003) and its implementing regulations, which allows SAMA to license cooperative insurance companies, supervise and monitor their business, and impose sanctions where relevant;
- The “Rules Governing Anti-Money Laundering and Combating Terrorist Financing” for banks, money exchange businesses, and branches of foreign banks (Third Update), by Resolution No. M.A.T./9201 of 04/04/1433 H (26/02/2012)²¹ under which SAMA exercises, through its AML/TF department supervision and monitoring of banks, money exchange businesses, and foreign bank branches;
- The “Rules Governing Anti-Money Laundering and Combating Terrorist Financing” for finance companies (First Update) by Resolution No. M.A.T./9253 of 06/04/1433 H (28/02/2012)²² under which SAMA exercises, through its AML/TF department supervision and monitoring of finance companies;
- The “Rules Governing Anti-Money Laundering and Combating Terrorist Financing” for cooperative insurance companies by Resolution No. 21/433 of 05/04/1433 H (27/02/2012)²³ under which SAMA exercises, through its AML/TF department supervision and monitoring of cooperative insurance companies;
- The “Rules Governing the Opening of Bank Accounts in Saudi Arabia” (Fourth update - 2012) issued by SAMA;²⁴
- The Guidelines on combating money laundering issued by the General Directorate of Financial Investigation under the Presidency of the State Security, which are contained in a Manual of Combating Money Laundering and Terrorism, available on the GDFI website²⁵. The

²¹ [www.sama.gov.sa/en-US/Laws/BankingRules/B and E AML CTF Rules Final 3rd Update.pdf](http://www.sama.gov.sa/en-US/Laws/BankingRules/B%20and%20E%20AML%20CTF%20Rules%20Final%203rd%20Update.pdf)

²² http://www.sama.gov.sa/en-US/Laws/BankingRules/Anti-Money_Laundering_and_Counter-Terrorism_Financing_Rules_For_Financing_Companies.pdf

²³ http://www.sama.gov.sa/en-US/Laws/InsuranceRulesAndRegulations/IIR_4600_AML_Regulations_Updated.pdf#search=insurance

²⁴ http://www.sama.gov.sa/en-US/Laws/BankingRules/Rules_Governing_the_Opening_of_Bank_Accounts_ver4.pdf

²⁵

<https://www.moi.gov.sa/wps/wcm/connect/e85838004dcfb996890f9f2b6135edb7/%D8%A7%D9%84%D8%AF%D9%84%>

Manual is aimed at providing tools to help financial and non-financial institutions curb money laundering and financing of terrorism, and summarizes the actions and measures the Saudi Government has taken in respect of international developments in the financial and non-financial sectors to prevent money laundering and terrorism financing activities. Also included are forms to report suspicious transactions;

- The Audit Committees Rules issued by Banking Control Department.

SAMA and the CMA carry out a supervisory role over financial and designated non-financial institutions and conduct inspection and supervision to ensure compliance with AML requirements.

2. In addition, all units responsible for office and field review at the Audit Department of SAMA supervise the work of financial institutions to ensure their compliance with the rules and regulations relating to anti-money laundering and issue reports on compliance with the requirements of anti-money laundering and terrorist financing, including the presence of employees to conduct anti-money laundering activities within the framework of a certified organizational structure, the application of due diligence / enhanced due diligence, the investigation of suspected cases, reports to the GDFI, training, which is followed by the staff of SAMA, in general, and the staff responsible for anti-money laundering and terrorist financing, in particular.

Executive units, each one with respect to its terms of reference, study the reports they issue and impose sanctions in case of violation of regulations, in accordance with the following provisions of the Anti-Money Laundering Law:

“Article 19:

A person committing a money laundering crime shall be punished by a term of imprisonment not exceeding fifteen years and a fine not exceeding seven million riyals, if he...:

- 1- commits the crime through an organized crime syndicate;*
- 2- uses violence or weapons;*
- 3- occupies a public office and the crime is connected thereto or if he exploits his powers in committing the crime;*
- 4- deceives or exploits women or minors;*
- 5- commits the crime through a correctional, charitable or educational institution or in a social service facility; or*
- 6- has prior convictions pursuant to domestic or foreign judgments, especially in similar crimes.*

Art. 20:

Without prejudice to other laws, any of the chairmen of the boards of directors or board members, owners, managers, employees, authorized representatives, and hired hands who act

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MOD=AJPERES&CVID=IDGua-J&CVID=IDGua-J

under such capacities, of financial institutions, designated non-financial businesses and professions, and non-profit organizations, shall be punished by a term of imprisonment not exceeding two years and a fine not exceeding five hundred thousand riyals or by either penalty, if they violate any of the obligations stipulated in Articles 5, 6, 7, 8, 9, 10, 11 and 12 of this Law. The penalty shall apply to any person engaging in such activities without obtaining the required license.

Art. 21:

Based on a judgment and upon referral by the competent authority, financial institutions, designated non-financial businesses and professions, and non-profit organizations shall be subject to a fine not less than one hundred thousand riyals and not exceeding the value of the funds, subject of the crime, if their liability is established according to the provisions of Article 3 of this Law.

Art. 22:

Upon commission of any of the criminal acts set forth in Article 2 of this Law, the following shall apply:

- 1. A Saudi national who has served his term of imprisonment shall be barred from travelling outside the Kingdom for a period equal to the term of imprisonment served. Such period shall not be less than two years. The Minister of Interior, or his designee, may grant said person permission to travel during such period when necessary.*
- 2. A non-Saudi shall be deported from the Kingdom upon execution of the penalty imposed against him. He may not return to the Kingdom save as permitted by Hajj and Umra directives.*

Art. 23:

Except for the penalties set forth in this Law, a person violating its provisions shall be punished by a term of imprisonment not exceeding six months and a fine not exceeding one hundred thousand riyals, or by either penalty.”

SAMA's functions can be summarized as follows:

The Saudi Arabian Monetary Authority (SAMA), the central bank of the Kingdom of Saudi Arabia, was established in 1372H (1952). It has been entrusted with performing many functions pursuant to several laws and regulations. The most important functions are the following:

- Performing the work of the government bank;
- Casting and printing the national currency (the Saudi Riyal), strengthening the Saudi currency and stabilizing its external and internal value, in addition to strengthening the currency's cover;
- Managing the Kingdom's foreign exchange reserves;

- Managing the monetary policy for maintaining the stability of prices and exchange rate;
- Promoting the growth of the financial system and ensuring its soundness;
- Supervising commercial banks and exchange dealers;
- Supervising cooperative insurance companies and the self-employment professions relating to the insurance activity;
- Supervising finance companies;
- Supervising credit information companies.

Pursuant to Article 11 of the Anti-Money Laundering Law issued under Royal Decree No. M/39 dated 25/6/1424 AH, the Financial Investigation Unit (FIU) (an administrative-type financial intelligence unit) was established to receive, analyze, disseminate and direct Suspicious Activity Reports as well as other money-laundering related activities. The GDFI commenced its operations on 6/8/1426 AH.

The GDFI's mandate can be summarized as follows:

1. Receive incoming reports from financial and non-financial institutions, government agencies, and individuals regarding ML/TF suspected financial operations and crimes;
2. Develop a database for all reports and information related to money-laundering and terrorist funding, and respectively update this information while keeping its secrecy and availability to the relevant authorities;
3. Request from and exchange information with stakeholders and take necessary actions to counter money laundering;
4. Request from and exchange information with other FIUs regarding anti-money laundering in accordance with Article 25 of the Anti-Money Laundering Law;
5. Develop reporting forms (SARs) used by financial and non-financial institutions, including forms which assist the unit to collect, analyze, investigate and maintain the database, and update the information if necessary;
6. Collect and analyze SAR's. The unit has the right to seek the help of proper stakeholder SMEs' for this purpose;
7. Conduct field investigations and request such investigations from security agencies at MOI sectors. Once there is sufficient evidence leading to a relationship between SARs and ML crime, GDFI refers the evidence to the proper investigative entity accompanied with a detailed report that contains enough data about the crime, the criminals, and an explanation of the evidence as well as recommendations and all related attachments;
8. Request from Public Prosecution Precautionary seizure of funds, assets and all resources related to the suspicious activities in accordance with Article 14 of the Law;

9. Dispose of SAR's which analysis does not lead to evidence or suspicion of a crime or wrongdoings as described in Article 2 of the Law;

10. Coordinate with agencies that regulate financial and non-financial institutions to formulate the methods to ensure the institution's compliance with the rules, regulations, and instructions associated with anti-money laundering;

11. Participate in preparing anti money laundering related awareness programs;

12. GDFI may conclude MOUs with other FIUs in accordance with applicable procedures and regulations.

It is worth mentioning that the Kingdom is currently assessing national risks in terms of money laundering. A task force for this purpose has been established in the Standing Committee on Anti-Money Laundering. Amendments to the Anti-Money Laundering Law were adopted in 2017 but not yet in force at the time of review²⁶.

According to the Guidelines on combating money laundering issued by the GDFI, to comply with Anti-Money Laundering Law, all financial and non-financial institutions must:

Have in place efficient internal control systems:

- All financial and non-financial institutions must design and develop internal control systems for combating money laundering and terrorist financing transactions, considering the following:
- The policies of financial and non-financial institutions related to combating money laundering and terrorist financing transactions must include self-assessment procedures, assuring compliance with such policies and procedures.
- Internal auditors of financial and non-financial institutions must enlist the report of compliance with money laundering & terrorist financing policies within inspection and audit programs carried out by them.
- Financial and non-financial institutions must set indicators for the suspicion of money laundering & terrorist financing transactions, updating them continuously.

Apply "Know Your Customer" Standards

- Financial and non-financial institutions must have correct relevant policies and procedures, which constitutes an important factor to guarantee an efficient risk management system.
- The policies and the procedures to combat money laundering and terrorist financing must assert "Know your Customer" standards and require the preparation of customer profile summaries.
- Financial and non-financial institutions have to develop a system for the internal reporting of transactions, which can facilitate the detection of suspicious activities.
- Financial and non-financial institutions have to use a specialized automatic programme, capable of preparing customer profiles automatically, and indicating abnormal patterns that

²⁶ The Anti-Money Laundering Law No. 20 was adopted by Royal Decree on 5/2/1439 H (25 October 2017), including its implementing regulation. The new law was not yet in force at the time of review.

imply transactions or trends, which might be indicative of the possibility of criminal acts.

- Internal auditing units and other control departments in financial and non-financial institutions have to ensure compliance by their employees with the policies and the procedures intending to combat money-laundering and terrorist financing.
- Customer account data, at a minimum, must be verified (e.g., name, address, signature and contact phones, occupation data, etc.) to assure the data recorded in the systems of financial and non-financial institutions.
- If the financial and non-financial institutions have reasons to suspect the credibility of any data submitted by a customer, those institutions must use all possible methods to verify such data, such as calling home or business phone.
- Financial institutions have to require a customer to submit data about his accounts at other local financial institutions, which must be followed up and verified in case of a suspicion indicator.

Employee Training and Qualification:

Financial and non-financial institutions must prepare continuous training programmes for specialized employees to inform them of money laundering transactions updates; and develop their efficiency in identifying such transactions, their patterns and the way of dealing with them; that is by performing preparation, qualification and training programmes on anti-money laundering at specialized institutes locally and abroad; provided such training programmes include:

- A. Conventions, laws and regulations related to anti-money laundering.
- B. Controlling authority policies and regulations of anti-money laundering.
- C. The updates of money laundering and other suspicious transactions and how to identify and deal with them and their systems.
- D. Employee criminal and civil responsibility, as per relevant regulations, rules and instructions.

As described further under this article, an inter-institutional Standing Committee on Anti-Money Laundering has been constituted in accordance with Council of Ministers Resolution No. 15 of 17/01/1420 H (03/05/1999). The Committee's tasks include, inter alia, to consider all issues relating to combating money laundering in the Kingdom, and to submit suggestions to the King on methods to improve the implementation of the procedures to combat money laundering. The Committee is comprised of different task forces, which cover areas such as money laundering risks, statistics and other issues. The Committee is located at the Saudi Arabian Monetary Authority (SAMA) Head office and is chaired by the Governor of SAMA. The Committee holds regular monthly meetings and can also meet on an ad hoc basis in case of urgent issues, upon request of its Chairman or deputy. Its website is: <http://www.sama.gov.sa/en-US/AntiMoney/Pages/home.aspx>.

Several institutions provide instructions and guidance to financial and non-financial institutions to identify high-risk accounts, such as the GDFI, SAMA, the Ministry of Justice, the Ministry

of Trade and Investment, and the Capital Market Authority.

In addition, SAMA has created a specific unit to deal with inspection and supervision of financial institutions under its supervision concerning the requirements on anti-money laundering. It conducts inspections of offices as well as in the field to ensure that covered institutions are in compliance with the relevant rules and regulations.

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

It was explained by the authorities that there is significant high-level cooperation among the authorities in the implementation of the country's anti-money laundering standards, including in raising awareness on prevention and enforcement requirements and in the inspection and review of suspicious transactions received from supervised entities. Awareness of the anti-money laundering requirements is raised principally by SAMA and the GDFI through trainings and workshops. For example, the GDFI has conducted training of supervisory bodies and GDFI staff on anti-money laundering requirements and participated in anti-money laundering training at the regional level; SAMA and the GDFI have conducted joint trainings for staff in financial and non-financial institutions; and anti-money laundering training has been conducted by other institutions, such as Saudi Customs and Saudi Chambers. The Standing Committee on Anti-Money Laundering has an important control function to play in the application of the relevant standards.

Statistics on Reported Banking and AML Violations:

The total number of STRs reported to the GDFI in 2014 reached 2,240, which were analyzed.

The total number of violations of the anti-money laundering rules and the Rules Governing the Opening of Bank Accounts in Saudi Arabia reported by the Saudi Arabian Monetary Agency (SAMA)'s General Department of Banking Control for the years 2014 and 2015 and in the second quarter of 2016 reached issued 43 cases resulting in a total amount of fines of four million nine hundred thirty-four thousand and one hundred and fifty (4,934,150) riyals. The number of violations of the anti-money laundering rules reached 21 violations, i.e. two (2) violations in 2014, nine (9) violations in 2015, and ten (10) violations up to the end of Q2 of 2016.

Below are statistics on inspections conducted by SAMA from 1/1/2017 to 24/8/2017:

	Section	Number of inspected financial institutions	Number of onsite follow-up visits	Number of meetings with financial institutions to discuss correction plans
1	Local Banks	10	3	5
2	Foreign Banks	7	2	2
3	Finance Companies	9	2	3
4	Insurance	8	2	4
5	Brokers	3	0	0
6	Money Exchangers (A)	4	2	2
7	Money Exchangers (b)	9	1	2
Total		50	12	18

Below is the overall number of STR reports for 2015 and 2016 (by Non-Banking FIs and Banking FIs).

Type of institution	Number of STRs filed (2015)	Number of STRs filed (2016)
Financial institutions	3252	5723
Specific non-financial businesses and professions and non-profit organizations	5	17
Governmental institutions	244	220
Individuals	33	42
Total	3534	6002

Further details from the GDFI's annual report for 2014 are included below.

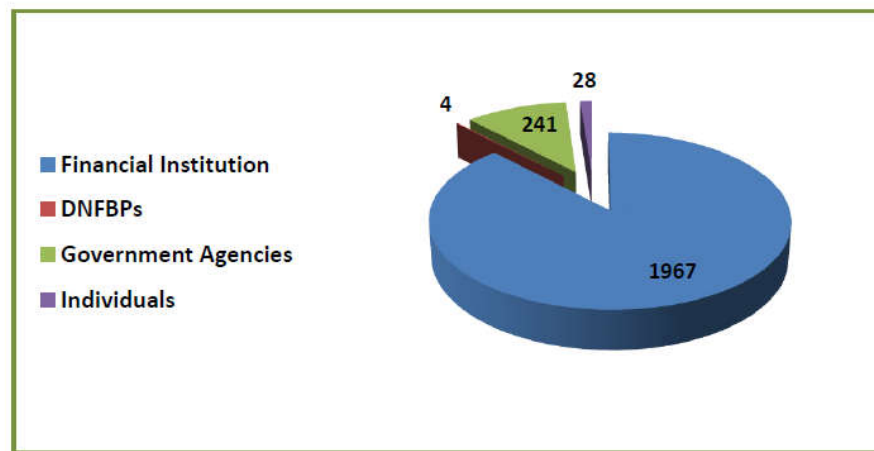
First: "Total Number of received Reports in 2014"

Type of Reports	Number of ML Reports
Number of Analyzed Reports	2240
Number of Reports Referred to Investigation Authorities	136

Second: "Number of Submitted Reports by the Reporting Entities in 2014"

Reporting Entity	Number of ML Reports
Financial Institution	1967
DNFBPs	4
Government Agencies	241
Individuals	28
Total	2240

The following chart shows the number of Submitted Reports by the Reporting Entities in 2014:



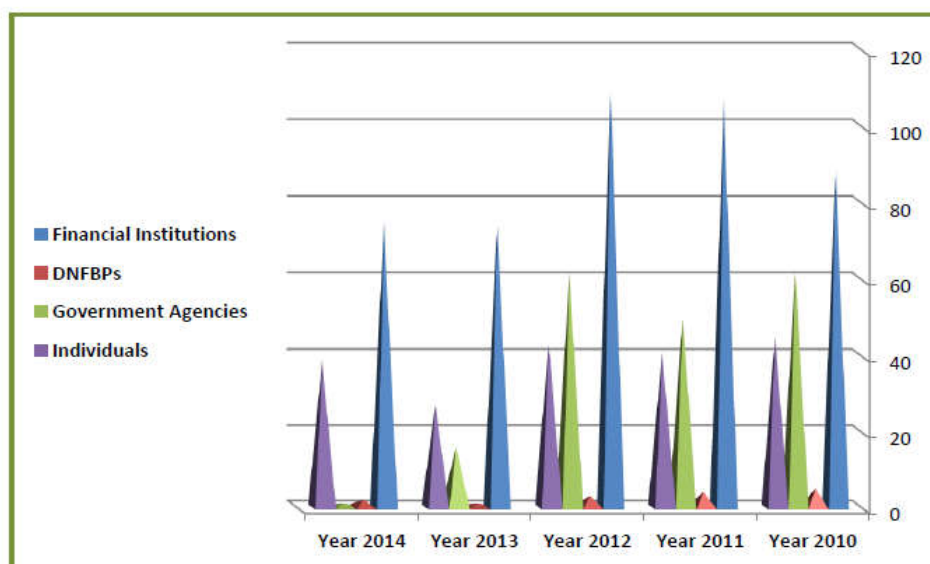
Fifth: "Number of Feedbacks in 2014":

Type of Operation	Number of Feedbacks
ML	2240

Seventh: "Comparison Between the Number of Reports issued by Reporting Entity from 2010 to 2014":

Reporting Entity	Year 2010	Year 2011	Year 2012	Year 2013	Year 2014
Financial Institutions	1137	1694	1954	2039	1967
DNFBPs	1	10	6	2	4
Government Agencies	109	176	209	300	241
Individuals	9	69	17	38	28
Total	1168	1842	2077	2379	2240

The following chart shows a comparison between the number of reports issued by the reporting entity from 2010 to 2014:



(b) Observations on the implementation of the article

The 2014 4th Follow up Report to the 2010 mutual evaluation review by the Financial Action Task Force (FATF) and the Middle East & North Africa Financial Action Task Force (MENAFATF), observed that, with respect to Suspicious Transaction Reports (STRs), the statistics provided by the GDFI reveal a large number of STRs from the reporting entities as well as supervisors in cases suspected to be linked to ML/TF crimes; however, the STRs submitted by Non-Banking FIs compared to the STRs provided by Banking FIs are low, which may be due to many reasons, among others, that some non-banking financial activities are recent, such as the insurance and financing sector and the need for those sectors to develop internal systems to trace and detect suspicious transactions and increase awareness levels to identify suspicious cases.

As a result of KSA having satisfactorily addressed the deficiencies of its 2010 mutual evaluation review to the level of compliance of, at a minimum, Largely Compliant, the

Plenary meeting moved KSA from the regular follow up procedure to biennial updates.

It is recommended that Saudi Arabia take steps to address the remaining deficiencies raised in the FATF/MENAFATF review.

Article 14, paragraph 1 (b)

1. Each State Party shall:

...

(b) Without prejudice to article 46 of this Convention, ensure that administrative, regulatory, law enforcement and other authorities dedicated to combating money-laundering (including, where appropriate under domestic law, judicial authorities) have the ability to cooperate and exchange information at the national and international levels within the conditions prescribed by its domestic law and, to that end, shall consider the establishment of a financial intelligence unit to serve as a national centre for the collection, analysis and dissemination of information regarding potential money-laundering.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Saudi Arabia determined that the supervisory and regulatory authorities responsible for law enforcement and all authorities responsible for the fight against money laundering are entitled to cooperate and exchange information. Therefore, the General Directorate of Financial Investigation (GDFI) was established pursuant to Article 13 of the Anti-Money Laundering Law, which reads:

“Article 13:

The Financial Intelligence Unit at the Ministry of Interior shall enjoy adequate practical independence and shall act as a national central agency to receive, analyze and publish reports and direct and channel notifications on suspicious transactions and other information related to money laundering activities. The Implementing Regulations of this Law shall specify the location, formation, powers and affiliation of said unit as well as manner of carrying out its duties.”

One of the terms of reference of the GDFI is the request and exchange of information with the relevant authorities and the adoption of necessary measures to combat money laundering.

Article 15 of the Anti-Money Laundering Law:

“Information disclosed by financial institutions, designated non-financial businesses and professions, and non-profit organizations, according to the provisions of Article 10 of this Law, may be exchanged between such institutions and the competent authorities where such information relates to a violation of the provisions of this Law. The competent authorities shall keep such information confidential and not disclose it, except as necessary for use in investigations or suits relating to a violation of the provisions of this Law.”

Article 25 of the Anti-Money Laundering Law:

“The competent authorities may exchange information disclosed by financial institutions, designated non-financial businesses and professions, and non-profit organizations with their foreign counterparts in other countries which are signatories with the Kingdom to valid agreements, treaties or memorandums of understanding, or on the basis of reciprocity, pursuant to applicable statutory procedures, without prejudice to the provisions and customs related to confidentiality of information.”

In addition, the Kingdom set up a Standing Committee on Anti-Money Laundering composed of the following government agencies responsible for combating money laundering offences:

- Ministry of Finance
- Ministry of Interior: a) General Department for Combating Narcotic Drugs, b) General Directorate of Criminal Investigations and Research Public Security, c) Legal Affairs
- Presidency of State Security: General Directorate of Administrative Investigation (GDFI)
- Ministry of Justice
- Ministry of Foreign Affairs
- Ministry of Commerce and Investment
- Ministry of Labour and Social Development
- General Intelligence Directorate
- Ministry of Islamic Affairs, Endowment and Guidance
- Public Prosecution
- Capital Market Authority
- Saudi Arabian Monetary Agency
- Saudi Customs

Saudi Arabia adopted a range of various initiatives, involving judicial measures and other standards in response to international developments in this field. Some of the most important initiatives that were adopted at the international level include:

- The United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Vienna, 1988);

- The International Convention for the Suppression of the Financing of Terrorism (New York, 1999);
- The United Nations Convention against Transnational Organized Crime (Palermo, 2000).
- The United Nations Convention against Corruption (2004);
- Implementation of all relevant resolutions of the United Nations Security Council (2001);
- Participation in the Financial Action Task Force through the GCC membership in this task force.

Regional conventions signed by the Kingdom of Saudi Arabia include:

- The Arab Convention on the Suppression of Terrorism under the auspices of the League of Arab States, on the sidelines of the 1998 Conference;
- The Convention of the Organization of the Islamic Conference (OIC) on Combating International Terrorism (July 1999);
- The Convention of the Cooperation Council for the Arab States of the Gulf on Combating Terrorism (May 2004).

Saudi law enforcement authorities cooperate through a number of mechanisms and networks, including INTERPOL and the Egmont Group. Saudi Arabia is a party to the Financial Action Task Force (FATF) (Member observer since 2015) and the Middle East and North Africa Financial Action Task Force (MENAFATF) (member since 2005). The CMA has joined a number of regional and international organizations such as: The Union of Arab Securities Authorities, the International Organization of Securities Commissions (IOSCO) and the Securities Authorities in the Cooperation Council for the Arab States of the Gulf to the extent that allows for the exchange of information with a number of counterpart bodies. The GDFI also cooperates through INTERPOL Riyadh.

2. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

Below are statistics on cooperation by the GDFI and the Public Prosecution at the international level:

Number of Outgoing and Incoming Requests to the GDFI in relation to Money-Laundering:

Year	Request Type	Number	Status
2010	Incoming Requests	80	Replied
	Outgoing Requests	54	Replies received from counterparts
2011	Incoming Requests	171	Replied
	Outgoing Requests	85	Replies received from counterparts

2012	Incoming Requests	107	Replied
	Outgoing Requests	84	Replies received from counterparts
2013	Incoming Requests	268	Replied
	Outgoing Requests	185	Replies received from counterparts
2014	Incoming Requests	388	Replied
	Outgoing Requests	88	Replies received from counterparts
2015	Incoming Requests	169	Replied
	Outgoing Requests	45	Replies received from counterparts
2016	Incoming Requests	135	Replied
	Outgoing Requests	38	Replies received from counterparts

Number of International Cooperation cases between the Public Prosecution and counterpart bodies:

Year	Request Type	Number
2010	Incoming Requests	3
	Outgoing Requests	1
2011	Incoming Requests	1
	Outgoing Requests	2
2012	Incoming Requests	2
	Outgoing Requests	4
2013	Incoming Requests	2
	Outgoing Requests	6

Table of Memoranda of Understanding signed by the GDFI since 2013 (see article 56):

Year	No. of memoranda signed
2010	4

2011	10
2012	3
2013	6
2014	2
2015	0
2016	2
2017	1

(b) Observations on the implementation of the article

Based on the information provided under this provision and during the country visit, the provision is adequately implemented.

Article 14, paragraph 2

2. States Parties shall consider implementing feasible measures to detect and monitor the movement of cash and appropriate negotiable instruments across their borders, subject to safeguards to ensure proper use of information and without impeding in any way the movement of legitimate capital. Such measures may include a requirement that individuals and businesses report the cross-border transfer of substantial quantities of cash and appropriate negotiable instruments.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Kingdom adopted a number of important measures to detect and monitor the movement of cash and negotiable instruments across borders mentioned Article 16 of the Anti-Money Laundering Law, which reads:

“Article 16:

The Implementing Regulations of this Law shall set rules and procedures for declaration of cash amounts, bearer negotiable instruments as well as precious metals and stones entering or exiting the Kingdom, and shall determine the amounts and weights that must be declared.”

Therefore, the Implementing Regulations stipulate:

"16-1: The requirements of declaration specified in this article include the declaration of amounts in cash or bearer negotiable instruments as well as precious metals or stones and equivalent when entering or leaving the Kingdom.

16-2: The amounts in cash or bearer negotiable instruments bearer or precious metals or stones and equivalent that must be declared when entering or leaving the Kingdom reach sixty thousand (60,000) riyals or the equivalent value in foreign currency."

In addition, the requirements of declaration of suspicious transactions are stipulated in Article 9 of the Anti-Money Laundering Law, which reads:

"Article 9:

- 1- If financial institutions, designated non-financial businesses and professions, and non-profit organizations suspect or have reasonable grounds to suspect that funds or parts thereof are proceeds of a criminal activity or they are related to transactions of money laundering, financing of terrorism, acts of terrorism, terrorist organizations, terrorist financiers, or if such funds – regardless of their amounts – would be used in transactions of money laundering, financing of terrorism, acts of terrorism, terrorist organizations or terrorist financiers, including attempts to engage in such transactions, they shall take the following measures:
 - a- Report such transaction to the Financial Intelligence Unit immediately;*
 - b- Provide the Financial Intelligence Unit with a detailed report including all available data and information on such transaction and the parties involved therein.**
- 2- The Financial Intelligence Unit shall take necessary legal measures upon verifying that the suspected transaction involves any of the crimes related to financing of terrorism, acts of terrorism, terrorist organizations, terrorist financiers, punishable in accordance with the provisions related to crimes of terrorism and financing thereof."*

As for the types of sanctions and measures to be taken in case of false declaration or non-declaration, these are set forth in Article 16-5 of the Implementing Regulations of the Anti-Money Laundering Law:

"16-5:

"If a traveller entering or leaving the Kingdom of Saudi Arabia , in case of repetition, does not make the statutory declaration, or makes the statutory declaration but there is suspicion that the cash at hand is related to money laundering acts, or makes a false declaration of cash, bearer negotiable instruments, or precious metals or stones whose value exceeds the declared value, a report shall be drafted on the case by the seizing authority, which refers said traveller to the

Customs authority. The Customs authority then refers said traveller to the relevant authority responsible for investigation so that sanctions are imposed in accordance with Article 23 of the Anti-Money Laundering Law or the Unified Customs Regulation depending on the findings of the investigation. The Financial Investigation Unit shall be notified of the case. The amounts in excess of allowed amounts are deposited by the Customs authorities in a special account devoted to deposits, precious metals, and stones that are impounded by the Customs authorities until a notice thereon is sent by the investigating authority. ”

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

In regards to the procedure for sanctions described in Article 16-5 of the Implementing Regulations of the AML Law, it was explained that this procedure is followed where an incident involving a suspicion of money-laundering is detected by the Customs authority. Accordingly, the GDFI is notified of the case and the matter is referred to the investigating authority. In cases of non-declaration not involving a suspicion of criminal activity the matter is handled by the Customs authority in accordance with relevant regulations.

Statistics on this aspect are within the prerogatives of the General Customs Department.

Declarations of cash, tourist checks and precious metals for incoming and outgoing flights for institutions and individuals during 2014 (Value in SAR)

Customs Point	Arrival				Departure			
	Nbr	Cash and tourist checks	Precious metals	Total	Nbr	Cash and tourist checks	Precious metals	Total
AL Malik Fah Bridge	3,417	63,166,750,380	2,114,285	63,168,864,665	2,683	2,697,282,535	7,452,754	2,704,735,289
King Abdulaziz International Airport	3,835	18,075,874,702	14,459,976,047	32,535,850,748	4,032	2,159,545,606	2,192,818,466	4,352,364,073
King Khaled International Airport	2,411	12,652,464,844	3,495,993,806	16,148,458,650	1,884	575,607,909	934,973,286	1,510,581,195
King Fahd International Airport	362	3,605,202	243,623,346	247,228,548	717	103,109,974	55,459,473	158,569,447
ARROKI	291	153,206,727	0	153,206,727	447	244,583,124	0	244,583,124
Salwa	212	63,117,260	389,995	63,507,255	809	122,482,244	571,493	123,053,737
Albathaa	67	20,799,240	367,006	21,166,246	770	144,398,365	210,000	144,608,365
Prince Mohamed Ibn Abdeaziz Airport	177	70,885,537	2,910,914	73,796,451	299	67,859,126	889,462	68,748,588
Islamic Port of Djeddah	13	142,500	9,318,634	9,461,134	35	2,234,375	104,087,809	106,322,184
Aleb	7	534,400	0	534,400	161	73,476,706	14,700	73,491,406
Al Haditha	50	8,389,636	0	8,389,636	273	56,998,688	0	56,998,688
Alkhifdji	138	40,342,207	226,000	40,568,207	49	10,911,218	0	10,911,218
Atiwal	29	2,790,400	538,524	3,328,924	298	44,662,988	45,000	44,707,988
Etaif Airport	23	10,003,552	890,065	10,893,617	173	23,661,763	114,000	23,775,763
Abha Airport	3	140,000	4,334,345	4,474,345	165	24,807,293	135,000	24,942,293
Prince Naif Abdulaziz Airport	5	818,071	120,000	938,071	84	15,488,019	60,000	15,548,019
Hala Omar	29	3,900,073	0	3,900,073	63	11,210,460	0	11,210,460
Yanbaa Airpot	5	402,786	0	402,786	78	9,826,032	179,547	10,005,579
Akhadraa	22	2,654,550	0	2,654,550	25	3,185,450	0	3,185,450
Alwadiaa	5	702,250	0	702,250	43	4,271,689	0	4,271,689
Edurrah	6	836,005	0	836,005	25	4,059,100	0	4,059,100
Prince Sultan ben Abdulaziz Airpoty	4	385,877	0	385,877	43	4,352,550	0	4,352,550
Thabaa Port	6	1,413,876	0	1,413,876	2	61,000	117,000	178,000
Yanbaa Port	0	0	0	0	2	232,650	0	232,650
Total	11,117	94,280,160,074	18,220,802,967	112,500,963,041	13,160	6,404,308,865	3,297,127,990	9,701,436,855

Declarations of cash, tourist checks and precious metals for incoming and outgoing flights for institutions and individuals during 2015 (Value in SAR)

Customs Point	Arrival				Departure			
	Nbr	Cash and tourist checks	Precious metals	Total	Nbr	Cash and tourist checks	Precious metals	Total
AL Malik Fah Bridge	5,677	63,367,680,338	5,560,833	63,373,241,171	3,849	1,919,530,958	15,120,191	1,934,651,149
King Abdulaziz International Airport	4,721	36,089,024,264	14,759,614,702	50,848,638,966	4,615	6,217,741,662	1,830,390,594	8,048,132,256
King Khaled International Airport	3,391	20,877,657,001	5,947,970,785	26,825,627,786	2,012	663,427,196	870,399,705	1,533,826,901
King Fahd International Airport	225	127,303,364	0	127,303,364	459	859,694,872	0	859,694,872
ARROKI	393	324,698,340	278,742,963	603,441,303	1,009	155,373,113	44,710,319	200,083,432
Salwa	303	81,112,228	892,800	82,005,028	1,129	167,331,608	306,288	167,637,896
Albathaa	63	11,524,138	717,825	12,241,963	1,198	217,371,182	450,800	217,821,982
Prince Mohamed Ibn Abdeaziz Airport	178	83,569,895	849,873	84,419,768	495	124,155,264	866,594	125,021,858
Alwadiala	231	131,432,417	3,233,500	134,665,917	48	11,022,435	39,209,769	50,232,204
Abha Airport	6	103,777,350	0	103,777,350	222	35,374,692	253,980	35,628,672
Alkhifdji	97	23,208,958	60,000	23,268,958	195	70,231,928	60,000	70,291,928
Atiwal	94	12,228,481	775,716	13,004,197	216	77,153,182	318,107	77,471,289
Alhadiitha	49	6,840,376	90,000	6,930,376	339	67,071,363	0	67,071,363
Prince Naif Abdulaziz Airport	18	2,419,749	1,381,041	3,800,790	257	36,606,657	3,529,198	40,135,855
Djeddah Islamic Port	26	392,625	33,390,558	33,783,183	13	1,342,650	976,697	2,319,347
Etaif Airport	13	2,142,456	0	2,142,456	120	27,836,500	154,500	27,991,000
Hala Omar	34	4,381,084	0	4,381,084	116	18,236,720	60,000	18,296,720
Eduurrah	12	1,688,987	0	1,688,987	100	16,594,397	0	16,594,397
Aleb	2	200,000	0	200,000	34	11,272,300	0	11,272,300
Yanbaa Airport	4	1,330,000	0	1,330,000	79	9,846,173	46,530	9,892,703
Prince Sultan ben Abdulaziz Airport	0	0	0	0	88	10,703,360	0	10,703,360
Dia Port	10	2,474,250	0	2,474,250	32	3,401,334	0	3,401,334
Al Khadraa	2	143,600	0	143,600	7	3,829,500	0	3,829,500
Riyadh Dry Port	0	0	0	0	12	0	758,438	758,438
Yanbaa Port	0	0	0	0	3	132,000	9,000	141,000
Total	15,549	121,255,229,900	21,033,280,596	142,288,510,496	16,647	10,725,281,045	2,807,620,710	13,532,901,755

Declarations of cash, tourist checks and precious metals for incoming and outgoing flights for institutions and individuals during 2016 (Value in SAR)

Customs Point	Arrival				Departure			
	Nbr	Cash and tourist checks	Precious metals	Total	Nbr	Cash and tourist checks	Precious metals	Total
King Abdulaziz International Airport	4,395	40,348,154,315	8,209,064,483	48,557,218,798	4,980	2,300,238,410	4,245,659,839	6,545,898,249
AL Malik Fah Bridge	5,450	47,222,072,030	1,332,588	47,223,404,618	3,533	1,465,403,929	50,639,329	1,516,043,258
King Khaled International Airport	3,732	31,331,480,596	2,698,676,408	34,030,157,004	1,258	370,857,367	911,292,341	1,282,149,708
King Fahd International Airport	449	127,654,041	312,258,489	439,912,530	1,145	173,509,309	510,445,070	683,954,379
Alwadiala	382	414,259,314	22,714,705	436,974,019	46	78,971,623	26,527,226	105,498,849
Prince Mohamed Ibn Abdeaziz Airport	129	97,361,478	367,065	97,728,543	751	163,794,621	785,100	164,579,721
Salwa	286	70,649,999	159,340	70,809,339	654	102,137,369	0	102,137,369
Alkhafidji	91	19,426,415	0	19,426,415	142	151,175,343	0	151,175,343
Albathaa	90	12,332,711	1,405,926	13,738,637	688	123,960,770	174,080	124,134,850
Abha Airport	3	1,544,004	0	1,544,004	236	68,282,106	0	68,282,106
Arrokai	131	27,487,668	0	27,487,668	174	32,555,354	0	32,555,354
Naif Ibn Abdulaziz Airport	11	1,083,700	9,163,948	10,247,648	210	30,560,716	7,302,800	37,863,516
Alhadiitha	33	5,024,471	0	5,024,471	234	38,994,243	150,000	39,144,243
Etaif Airport	8	1,558,124	0	1,558,124	119	17,253,568	7,350	17,260,918
Hala Omar	18	2,200,326	0	2,200,326	119	14,316,560	64,270	14,380,830
Prince Sultan Ibn Abdulaziz Airport	4	898,137	0	898,137	90	11,268,575	322,000	11,590,575
Yanbaa Airport	5	577,125	0	577,125	81	9,440,991	149,500	9,590,491
Eduurrah	20	2,233,031	0	2,233,031	61	6,734,783	148,000	6,882,783
Islamic Port Djeddah	6	225,750	3,007,047	3,232,797	22	2,068,700	1,424,575	3,493,275
Dhia Port	1	80,000	0	80,000	13	1,510,700	0	1,510,700
Jizran Port	5	0	349,256	349,256	2	275,000	0	275,000
Prince Abdulaziz Port	3	0	184,932	184,932	0	0	0	0
Yanbaa Port	0	0	0	0	1	70,000	0	70,000
Total	15,252	119,686,303,235	11,258,684,186	130,944,987,421	14,559	5,163,380,037	5,755,091,481	10,918,471,518

Seizures of money cash and precious metals during 2014

<i>Total of seizures</i>	<i>Seizures</i>	<i>Quantity of seizures</i>			<i>Number of seizures</i>	<i>Percentage of seizures</i>
		Number	Litter	Weight Kg		
Disclosure of gold, jewelleries and currencies	Money Cash	259,486,285	0	0.000	317	87.088
	Purchasing gold	1	0	1265.663	22	6.044
	Gold	60,175	0	5.973	19	5.220
	Diamond	12	0	0.053	3	0.824
	Gemstones	3,507	0	0.0	2	0.549
	Jewelleries	0	0	0.525	1	0.275
General Total		259,849,953	0	1,272.21	364	100
Total of seizures		288				

Seizures of money cash and precious metals during 2015

<i>Total of seizures</i>	<i>Seizures</i>	<i>Quantity of seizures</i>			<i>Number of seizures</i>	<i>Percentage of seizures</i>
		Number	Litter	Weight Kg		
Disclosure of gold, jewelleries and currencies	Money Cash	91,534,016	0	7.580	435	78.662
	Gold	185,462	0	45.545	57	10.307
	Purchasing gold	3,883	0	1,820.329	31	5.606
	Silver	3,925	0	38.572	13	2.351
	Gemstones	222	0	1.668	6	1.085
	Diamond	183	0	2.722	5	0.904
	Jewelleries	143	0	0.242	2	0.362
	Pieces of silver	22	0	3.60	2	0.362
	Gold currencies	34	0	1.088	1	0.181
	Semi-precious stones	12	0	0.009	1	0.181
General Total		91,727,901	0	1,921.355	553	100
Total of seizures		392				

Seizures of money cash and precious metals during 2016

Total of seizures	Seizures	Quantity of seizures			Number of seizures	Percentage of seizures
		Number	Litter	Weight Kg		
Disclosure of gold, jewelleryes and currencies	Money Cash	84,643,744	0	0.547	385	72.505
	Gold	182,890	0	58,523,470	69	12.994
	Purchasing gold	4,788	0	68.735	49	9.228
	Silver	11,694	0	75.954	7	1.318
	Diamond	385	0	0.954	7	1.318
	Gemstones	645	0	0.204	7	1.318
	White gold	34,509	0	20.243	4	0.753
	Jewelleryes	959,401	0	0.143	2	0.377
	Pieces of silver	4	0	0.0	1	0.188
General Total		85,838,033	0	58,690.249	531	100
Total of seizures		323				

(b) Observations on the implementation of the article

Based on the information provided under this provision and during the country visit, the provision is adequately implemented.

Article 14, paragraph 3

3. States Parties shall consider implementing appropriate and feasible measures to require financial institutions, including money remitters:

- (a) To include on forms for the electronic transfer of funds and related messages accurate and meaningful information on the originator;
- (b) To maintain such information throughout the payment chain; and
- (c) To apply enhanced scrutiny to transfers of funds that do not contain complete information on the originator.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Kingdom of Saudi Arabia makes it an obligation for financial institutions and relevant bodies to transfer funds in compliance with supervisory rules, rules and controls on e-banking and the Rules

Governing the Opening of Bank Accounts in Saudi Arabia (Fourth update - 2012)²⁷ issued by SAMA, which stipulate that,

“SECOND: SUPERVISORY RULES & CONTROLS

1 - Electronic Record:

For the purpose of setting up a uniform electronic database for bank accounts in accordance with procedures consistent with the Ministry of Interior's Ten-digit computerized numbers pertaining to the identity cards / identification documents issued to Saudi citizens, resident expatriates, visitors, pilgrims, Government entities, private enterprises (Juristic entities and organizations) and others, all banks shall establish an electronic registration system. in accordance with the classification of the Ministry of Interior set forth in Exhibit (C) and including the requirements stated under paragraphs 1-1, 1-2, and 1-3 below and the detailed requirements indicated under "Third" and "Fourth" of these Guidelines, as a basis for opening, operating, and following up bank accounts and speed (SARIE) transfers. Forms used for opening bank accounts shall be prepared in accordance with the requirements of this registration system.”

The “Rules Governing Anti-Money Laundering and Combating Terrorist Financing” for banks, money exchange businesses, and branches of foreign banks (Third Update), issued in February 2012, stipulate that,

“To enhance the transparency of wire transfers for effective AML/CTF programs, banks and money exchangers should adopt the following measures when executing transfers for their customers:

- 1. Exercise Enhanced due diligence when processing transfers relating to accounts of Politicians Exposed Persons (PEPs).*
- 2. Not to accept any incoming or outgoing transfers outside Saudi Arabia, for any charity or non-profit organizations, other than permitted entities. in accordance with the rules for opening bank accounts and the general operational rules.*
- 3. When implementing any new electronic fund transfer and payment systems, ensure they are designed with capabilities for preventing and detecting money laundering and terrorist financing transactions. Examples of the new electronic payment methods include prepaid cards, electronic purse/stored value cards, mobile payments, internet payment services, etc. Ensure these services are offered only to customers who already have an account or other bank relationship with the bank or money exchanger.*
- 4. Comply with standards of transparency and ensure that the letters of remittances (enclosed with the transfer), sent and received by remitting, receiving and correspondent banks and transfer services companies, include full information about the remitter and the beneficiary, as determined below.*
- 5. Obtain full information about the remitter of outgoing remittances and keep the information in the transfer letter, which should include the following:*

²⁷ http://www.sama.gov.sa/en-US/Laws/BankingRules/Rules_Governing_the_Opening_of_Bank_Accounts_ver4.pdf

- 2/1- Remitter's name.*
- 2/2- Remitter's account / membership No.*
- 2/3- Remitter's address, if not available, it may be replaced by government ID No. (National ID of citizens, Iqama No. of expatriates and commercial registration No. of companies) or both date and place of birth*
- 2/4- the purpose of transfer should be determined in details.*
- 2/5 Identity information of the transfer beneficiary and as a minimum the ID government identification number issued by the beneficiary's country.*
6. *In case of incoming transfers, taking into consideration the applicable procedures of the countries and their financial institutions operating therein, full information must be obtained about the remitter to be attached fully to the transfer letter. identity information of the beneficiary of the remittance shall be obtained from the remitter. The identity of beneficiary means the government identity card issued by the beneficiary's country.*
7. *Taking continuous due diligence in respect of customers exporting and import remittances and checking transactions implemented during that relationship to ensure they are complete and compatible with the size of customers activity, including the source of income. Conducting KYC/ due diligence on the remitter/ originator is the responsibility of the remitting bank or money exchanger, whether foreign or local.*
8. *In case of wire transfers which are not accompanied with full information of remitter, banks and money exchanger operating in the Kingdom shall adopt effective measures, and act against such transfers as follows:*
- 5/1- obtain missing information from the correspondent bank or the company providing transfer services and this applies to all local and international banks.*
- 5/2- reject the transaction and return the remittance in the case the correspondent bank does not respond.*
- 5/3- In case of suspicion in such a transaction and if the correspondent bank does not respond, the case should be reported to the Financial Investigation Unit.*
- 5/4- Document decisions made in writing, including reasons and keep hard and soft copies of records for 10 years in compliance with the rules on anti-money laundering and terrorism financing issued by SAMA.*
- 5/5- Incoming remittance shall include name of the bank, originating country, correspondent bank and the country. Correspondent banks shall comply therewith, and in case of a change in the remitter's information, the beneficiary bank should be notified thereof.*
9. *In case of sending cross-border wire transfers by one remitter as part of combined transfer to beneficiaries in another country, all information related to the remitter and accompanied with wire transfer should be inserted with the transfer for each cross-border wire transfer provided that the combined transfer file (in which individual wire transfers are grouped) should have full information about the remitter that can be tracked easily.*
10. *In situations where technical restrictions prevent sending full information of the remitter that is accompanied with a cross-border wire transfer with local wire transfer linked to it (during the period necessary to adapt payment systems), intermediary financial institutions receiving a transfer shall keep a record containing all information received from the financial*

institution exporting the transfer for a period of 10 years in compliance with the rules on combating money laundering and terrorist financing issued by SAMA, taking into consideration the commitment for a period no longer than (72 working hours) to respond to any inquiries received from the correspondent bank or the relevant authorities.

- 11. In case of repetition of lack of information situations, and non-cooperation by transfer originator banks, a correspondent bank or transfer services company, banks and money exchanger operating in the Kingdom should evaluate the relationship with the bank or the company and consider restricting or even ending the relationship therewith.*
- 12. In case of suspecting transactions or relationship with a correspondent bank or transfer services company from the perspective of money laundering or terrorist financing, this must be reported immediately to the FIU, and these cases shall be documented.*
- 13. Prior approval of SAMA shall be taken in the case of contracting with agents or companies that offer financial transfers services.*
- 14. There should be a possibility for banks and money exchangers operating in the Kingdom and contracting with financial transfer service companies to obtain full information about the parties of financial transfers carried out by such companies on their behalf.*
- 15. The business of the contracted companies providing a remittance service regarding transactions carried out through banks and money exchangers operating in the Kingdom shall be subject to supervision and control by the bank or money exchanger through which those companies operate.*
- 16. During the study of the relationship with a correspondent bank or a financial transfer service company and in case of going to end the relationship with them, finding alternative correspondent banks or financial transfer service companies shall be taken into account in order to avoid stopping of the transfer service with the country in question.*
- 17. Monitor relationships with correspondent banks and financial transfer service companies, make sure they are lawful and evaluate the relationship whether the activity of the bank / company and their controls to combat money laundering and terrorist financing and transparency standards are consistent with what have been emphasized at the beginning of the relationship. Correspondent banks and financial transfer service companies shall obtain a certificate to confirm compliance with combating money laundering and terrorist financing on a continuing basis according to the rules of combating money laundering and terrorist financing, the rules of opening bank accounts and the general operational rules issued by SAMA.*
- 18. Compliance with confidentiality of information exchanged between correspondent banks, receiving banks and financial transfer service companies, and is used only for authorized purposes in order to maintain the terms and conditions of banking secrecy and prevent its use for any other purpose.*
- 19. Check names of wire transfer originators and beneficiaries against lists of individuals and entities that their assets should be stopped, refused or frozen based on international lists (e.g. resolutions of the United Nations 1373 and 1267), and take actions thereon.*

20. Check names of individuals, entities, banks/financial transfer service companies and originator, intermediary or beneficiary countries against international lists (e.g. UN, OFAC, INTERPOL, FATF, etc...), and take actions thereon.
21. Banks and money exchanger operating in the Kingdom shall apply effective measures in all its business based on the effective measures to ensure fulfillment of KYC and due diligence requirements based on risk criterias and relative importance. Extra due diligence for funds transferred from or to Countries that do not apply or do not fully apply FATAF's require.
22. Monitor all transactions (incoming and outgoing transfers) to detect the types of unusual activities that do not have a clear legal or economic purpose, check the background of these transactions and their purpose to the maximum extent, and document findings reached in writing.
23. Whenever there are logical reasons to suspect that customers' money, operations and transactions represent proceeds of criminal activity or have connection or relationship with money laundering or terrorist financing, the FIU shall be informed.
24. In case of receipt of a remittance from outside the Kingdom on behalf of a beneficiary, it shall be paid only by an account or by creating a relationship to ensure obtaining complete information about the beneficiary. A customer can open the account or establish the relationship when he receives the remittance, taking into account the rules for opening and operating accounts issued by SAMA.
25. For domestic transfers (within Saudi Arabia), ensure the remitter's name and account number is included, which should be recorded and retained in the system of remitting bank or money exchanger for prompt retrieval if requested by competent authorities. Also should be Verify the identity of the beneficiary of a local remittance (incoming) in accordance with the rules for opening bank accounts and the general operational rules.
26. It is not allowed to receive any transfer from a particular country to be passed through one of the banks operating in the Kingdom for a beneficiary in a bank located abroad in any currency other than the Saudi riyal.
27. When receiving a transfer in Saudi riyal from a particular country to be passed through one of the banks operating in the Kingdom for a beneficiary in a bank located outside the Kingdom, the purpose of remittance shall be determined in details.
28. Retain all physical and system records of all funds transfers in accordance with the prevailing record retention periods.”

The Rules Governing the Opening of Bank Accounts in Saudi Arabia (Fourth update - 2012)²⁸ and the Circulars on remittances emphasize the importance of strengthening control measures when information on the source is not complete. A specific section is devoted to rules and general instructions for the operation of bank accounts. In this respect, SAMA issued Circular No. 32275/MAT/516 of 04/09/1427 H (26/09/2006), which provides that services shall only be provided to clients after they are personally interviewed and their data and information are checked. In addition, measures have been taken by SAMA, to verify transfer operations

²⁸ http://www.sama.gov.sa/en-US/Laws/BankingRules/Rules_Governing_the_Opening_of_Bank_Accounts_ver4.pdf

through supervisory visits, which resulted in the discovery of irregularities relating to the requirements on remittances. A number of companies have been fined in this regard.

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

(b) Observations on the implementation of the article

The reviewers are satisfied that this provision has been complied with, given the information provided.

Article 14, paragraph 4

4. In establishing a domestic regulatory and supervisory regime under the terms of this article, and without prejudice to any other article of this Convention, States Parties are called upon to use as a guideline the relevant initiatives of regional, interregional and multilateral organizations against money-laundering.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Saudi Arabia underwent a joint assessment by the Financial Action Task Force for the Middle East and North Africa (MENAFATF) with the participation of the Financial Action Task Force (FATF) in accordance with the FATF 40 Recommendations and the FATF IX Special Recommendations. This assessment was discussed at the MENAFATF Plenary held in Tunisia in 2010 and at the FATF Plenary held in Amsterdam in June 2010. The Kingdom exited the follow-up process at the MENAFATF Plenary in April 2014.

The Council of Ministers issued Resolution No. 15 of 17/01/1420 H (03/05/1999) on the implementation of the 40 Recommendations to combat money laundering in accordance with the regulations in force in the Kingdom. The resolution also provides for the setting up of a standing anti-money laundering committee, whose tasks include: taking the necessary steps to implement the said recommendations and pursue their implementation; considering all issues relating to combating money laundering in the Kingdom; and submitting proposals and visions to the King on the constraints and difficulties faced by the relevant authorities regarding the implementation of the steps and procedures and the 40 recommendations to combat money laundering.

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

(b) Observations on the implementation of the article

As noted above, as a result of KSA having satisfactorily addressed the deficiencies of its 2010 mutual evaluation review to the level of compliance of, at a minimum, Largely Compliant, the MENAFATF Plenary meeting moved KSA in 2014 from the regular follow up process to biennial updates.

Article 14, paragraph 5

5. States Parties shall endeavour to develop and promote global, regional, subregional and bilateral cooperation among judicial, law enforcement and financial regulatory authorities in order to combat money-laundering.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Kingdom has strengthened global, regional, and bilateral cooperation among judicial, law enforcement, and financial regulatory authorities to combat money laundering, in accordance with the provisions of Article 13.4 of the Implementing Regulations of the Anti-Money Laundering Law, which reads,

“Article 13:

13.4 (c) Information Exchange and Follow-up Section: Exchange of information with local authorities and similar units in foreign countries on the fight against money laundering.”

In addition, Article 25 of the Anti-Money Laundering Law stipulates:

“The competent authorities may exchange information disclosed by financial institutions, designated non-financial businesses and professions, and non-profit organizations with their foreign counterparts in other countries which are signatories with the Kingdom to valid agreements, treaties or memorandums of understanding, or on the basis of reciprocity, pursuant to applicable statutory procedures, without prejudice to the provisions and customs related to confidentiality of information.”

Enhancing international bilateral cooperation among law enforcement agencies and financial regulatory authorities to combat corruption and money laundering

The Kingdom devotes attention to international cooperation and judicial cooperation in the fight against corruption and money laundering. In this respect, the Kingdom joined several conventions and adopted several measures to promote cooperation in this area, including:

- The Riyadh Arab Agreement for Judicial Cooperation, approved by the Arab Justice Ministers Council by its Resolution No. 1 of 06/04/1983 at its first ordinary session. This convention entered into force on 30/10/1985 pursuant to Article 67 thereof;
- The United Nations Convention against Transnational Organized Crime, approved by Council of Ministers Resolution No. 210 of 01/09/1421 H (27/11/2000).

The Kingdom of Saudi Arabia established a Committee on Requests for Legal Assistance, in order to strengthen international cooperation.

The Kingdom of Saudi Arabia participated in the drafting of a model law for legal and judicial cooperation agreements of the Gulf Cooperation Council, which consists of 87 articles providing for all aspects of legal and judicial cooperation, which are usually the subject of bilateral agreements between brotherly or friendly countries. In this regard, the Ministers of Justice agreed on the model at their 15th meeting held in Doha on 4 and 5/08/1424 H (30 September and 1 October 2003). The model agreement was adopted by the Supreme Council at its 24th summit (Kuwait, December 2003) to guide Member States in the preparation of agreements in the field of legal and judicial cooperation;

The Kingdom approved the Kuwait Document for a Unified Code of International Legal and Judicial Cooperation in criminal matters of the Gulf Cooperation Council. In this regard, the Supreme Council approved at its 31st session (Abu Dhabi, December 2010) the Draft Unified Code of International Legal and Judicial Cooperation in criminal matters of the Gulf Cooperation Council.

The Kingdom joined the Middle East & North Africa Financial Action Task Force to combat money laundering and terrorist financing (MENAFATF) in 2005.

Aware of the risks of money laundering and financing of terrorism in the Middle East and North Africa;

Considering that these risks can be addressed in an effective manner in cooperation between the countries of the Middle East and North Africa;

Recalling the actions taken by the United Nations on combating money laundering and financing of terrorism;

Recognizing that the Forty Recommendations of FATF on combating money laundering, terrorist financing, and the proliferation of arms, the United Nations conventions, relevant UN Security Council resolutions, and other criteria adopted by the Arab countries to strengthen the fight against

money laundering and terrorist financing in the region are acceptable international standards on this matter:

On 30 November 2004 a ministerial meeting was held in Manama, Kingdom of Bahrain, during which 14 Arab governments, including Saudi Arabia, agreed to the Middle East & North Africa Financial Action Task Force to combat money laundering and terrorist financing (MENAFATF), which operates along the lines of FATF.

The meeting agreed that the host country of this organization is the Kingdom of Bahrain.

The Kingdom joined the Financial Action Task Force against money laundering and terrorist financing and the proliferation of arms (FATF) as an observer in 2015.

FATF issued during its 3rd Meeting of the 26th Session, held in Brisbane, Australia, on Friday, 26th June 2015, a unanimous resolution approving the granting to Saudi Arabia of observer status in FATF pending the granting of full membership to this country in accordance with domestic working policies and procedures to join this group. FATF's resolution was taken following the hearing of the outcome of the report of the field visit by a high-level FATF delegation to the Kingdom led by its Chairperson in the period from 1 to 4 June 2015. During the general meeting, the Chairperson and the members of the delegation praised the prominent role of the Kingdom of Saudi Arabia in the fight against money laundering and terrorist financing and the spread of arms through an integrated programme with the involvement of all the Kingdom's relevant authorities, which are members of the Anti-Money Laundering Committee headed by His Excellency the Governor of the Saudi Arabian Monetary Agency (the central bank). FATF expressed its full conviction of the importance of the membership of the Kingdom of Saudi Arabia in support of regional and international efforts to combat these crimes and the importance of its joining FATF.

The Kingdom of Saudi Arabia signed the Memorandum of Understanding between the Governments of the Member States of MENAFATF to combat money laundering and terrorist financing on 30 November 2004 (as amended on 26 November 2013).

In addition, the Kingdom concluded the following conventions on international cooperation and judicial cooperation:

1. Convention between the Government of the Kingdom of Saudi Arabia and the Government of the People's Democratic Republic of Algeria on extradition of accused and convicted persons, signed on 18 April 2013;
2. Convention on Extradition between Saudi Arabia and the Islamic Republic of Pakistan, signed on 3 April 1983;
3. Arab League extradition Agreement, signed in 1954;
4. Arab Convention on the Suppression of Terrorism, ratified by Royal Decree No. M / 14 of 10/06/1419 H (01/10/1998);

In addition, the Kingdom of Saudi Arabia entered into several bilateral agreements in the field of judicial cooperation, including:

1. Convention on judicial cooperation between Saudi Arabia and Yemen, signed in 1429 H (2008);
2. Convention on cooperation between the Kingdom of Saudi Arabia and Morocco, signed on 1428 H (2007);
3. Convention on the enforcement of judgements, letters rogatory and notifications of the Gulf Cooperation Council, signed in December 1995.

Moreover, the Kingdom signed several other agreements and bilateral and multilateral arrangements in this regard. Negotiations and consultations are under way with other countries for the conclusion of other agreements in this area, examples included, without limitation:

- The GCC Convention on the transfer of persons sentenced to custodial sentences, signed in Abu Dhabi, United Arab Emirates, on 25/06/1427 H (23 May 2006);
- The Convention between Saudi Arabia and the United Kingdom of Great Britain and Northern Ireland on the Transfer of Sentenced Persons, signed in Riyadh on 02/08/1433 H. (02/01/2012);
- The Convention between the Government of the Kingdom of Saudi Arabia and the Government of the Republic of Sudan for the transfer of sentenced persons penalties of deprivation of liberty which was signed in Tunis on 04/01/1431 H corresponding to 03/17/2010 AD;
- Convention between the Kingdom of Saudi Arabia and the Republic of India on the Transfer of Sentenced Persons, signed in Riyadh on 03/14/1431 H (28/05/2008);
- Draft Convention between the Government of the Kingdom of Saudi Arabia and the Government of the Republic of Azerbaijan on extradition and the transfer of wanted persons and persons sentenced to deprivation of liberty.

The Saudi Financial Investigation Unit exchanges information with counterpart units through its membership in the Egmont group. This group includes FIUs from around the world. Information is exchanged between Saudi Arabia GDFI and counterparts units through the Egmont Secure Web (ESW). One of the most important goals of the Egmont Group is to promote the exchange of information relating to combating money laundering and related offences and terrorist financing.

The Kingdom signed memorandums of understanding in this regard, such as the memorandum of understanding between the Saudi GDFI and the FIU of the United Kingdom on the exchange of information and investigations relating to money laundering and terrorist financing, signed in Yerevan on 11/08/1432 H (12/07/2014)

Saudi Arabia concluded treaties to strengthen international cooperation, including:

- The agreement on security cooperation between Saudi Arabia and the Republic of Yemen, signed in Jeddah on 12/03/1417 H (27/07/1996);
- The Convention on security cooperation and extradition between Saudi Arabia and Bahrain;
- Convention on security cooperation and extradition between Saudi Arabia and Oman.

3. Please provide examples of the implementation of those measures, including related court or other cases, available statistics etc.

The Kingdom signed several international and regional conventions, including:

- The United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Vienna, 1988);
- The International Convention for the Suppression of the Financing of Terrorism (New York, 1999);
- The United Nations Convention against Transnational Organized Crime (Palermo, 2000);
- The United Nations Convention against Corruption (2004);
- The Arab Convention on the Suppression of Terrorism under the auspices of the Arab League in 1998;
- The Convention of the Organization of the Islamic Conference on Combating International Terrorism, July 1999; and
- The Gulf Cooperation Council Convention against Terrorism, May 2004.

(b) Observations on the implementation of the article

Additional examples of cooperation through Egmont/INTERPOL were discussed during the country visit. The reviewers are satisfied that this provision has been complied with, given the information provided.

V. Asset recovery

Article 51. General provision

Article 51

1. The return of assets pursuant to this chapter is a fundamental principle of this Convention, and States Parties shall afford one another the widest measure of cooperation and assistance in this regard.

(a) Summary of information relevant to reviewing the implementation of the article

Is your country in compliance with this provision?

Yes

Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention, including identifying both any legal authorities/procedures for accepting requests for asset recovery and assessing that these requests are reasonably substantiated and supplemented as well as any time frame established under domestic laws and procedures for their execution, taking into account requests received from countries with similar or different legal systems and any challenges faced in this context.

There is a common belief among legislative, judicial, and executive authorities on the gravity of theft of public assets and its impact on development, and that asset recovery requires the strengthening of international cooperation and the concluding of international conventions.

The Ministry of Interior issued a procedural guide for legal assistance and asset recovery in Saudi Arabia (Asset Recovery Guide). This guide summarizes the existing practice and general framework of the relationship between the parties concerned by asset recovery within the internal, regional, and international context, the means of detection, rules of disclosure, the drafting of requests for legal assistance, the selection of the method of request of recovery, and the exchange of information. An updated version of the Asset Recovery Guide was issued in May 2017.

Ordinary courts are competent to take preventive and temporary measures enforced in the Kingdom, even if they have no jurisdiction over the original case, as stipulated in Article 29 of the Law on procedure before Sharia Courts.

“Article 29: The Kingdom's courts shall have jurisdiction over preventive and temporary measures enforced in the Kingdom, even though they had no jurisdiction over the original case.”

The Procedures Manual for Asset Recovery in the Kingdom of Saudi Arabia (Asset Recovery Guide) provides as follows:

“Investigation and information gathering:

The Kingdom shall exert utmost effort to verify the existence of crime proceeds and instrumentalities. The competent authorities in the Kingdom shall attend to legal assistance requests for obtaining information from natural or corporate persons, determining assets, and taking measures to identify and track crime proceeds. The Committee shall notify the requesting state of its findings.

Rules for requesting legal assistance:

5. The requesting state may provide the Kingdom with a draft of the legal assistance request for review prior to submitting said request formally to ensure compliance of the request with the conditions for legal assistance.”

Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

Saudi Arabia has not refused any requests related to asset recovery to-date; several requests have been returned for further clarification or specification.

There have been several requests for asset recovery under this Convention. By way of example, Saudi Arabia referred to two asset recovery requests that the authorities executed in 2016 for offences related to money-laundering and smuggling of cash, which were received under the UN Convention against Corruption.

Saudi Arabia provided the following statistics on mutual legal assistance requests (related to all criminal offences, not only those under this Convention, and not limited to asset recovery):

TOTAL NUMBER OF MUTUAL LEGAL ASSISTANCE REQUESTS

YEAR	2013	2014	2015	2016	2017
Outgoing Requests	15	23	25	27	7
Incoming Requests	40	58	64	75	25
Total	55	81	89	102	32
Returned Requests	5	7	11	9	4

Reasons for return of the requests for further specification or clarification:

1. The request did not contain sufficient information about the subject or his/her details;
2. Absence of address;
3. Absence of MLA;

4. Request is civil in nature;
5. Request issued from a non-judicial authority.

(b) Observations on the implementation of the article

It was clarified by the authorities that the legislation in respect of asset recovery in Saudi Arabia is not limited to public assets but relates to property of any kind associated with criminal activity. The law does not distinguish between public and private property; both can be confiscated, although the procedure is different for the return of property to the government than to a private person. No case examples involving the recovery of non-public assets were available, as the focus of legislative, judicial, and executive authorities has been on the theft of public assets.

It was further confirmed that the Procedures Manual for legal assistance and Asset Recovery in the Kingdom of Saudi Arabia (Asset Recovery Guide) reflects the existing practice on asset recovery in Saudi Arabia, and summarizes and supplements other existing laws and regulations in force in the Kingdom.

Asset recovery in the Kingdom is governed primarily by provisions in the Anti-Money Laundering Law issued by Royal Decree No. M/31 dated 11/5/1433 AH (03 April, 2012) and its implementing regulation (2012). Other domestic laws that provide for seizing or confiscating property obtained through, or used in, corruption-related offences include: the Anti-Bribery Law (article 15), the Royal Decree on Abuse-of-Power Offences (article 3), the Law on Public-Fund Management Functions (article 9) and the Criminal Procedure Law (article 27). Proceeds of bribery offences are seized and confiscated automatically by the government. Furthermore, it was explained by the authorities that the Government can use Royal Decree No. 43 on corruption-related offences to seize and return assets to their legitimate owner (see article 57 para. 3(c) below). Guidelines on confiscation have also been established for individual institutions. Specific observations on the domestic confiscation regime were issued during the first review cycle. The executive summary of that review was published on 24 September 2015 (CAC/COSP/IRG/I/4/1/Add.20).

(c) Successes and good practices

Saudi Arabia has developed clear guidance for domestic and foreign parties to facilitate asset recovery procedures involving the Kingdom, in the form of a dedicated manual (available in English and Arabic) on asset recovery.

Article 52. Prevention and detection of transfers of proceeds of crime

Article 52, paragraph 1

1. Without prejudice to article 14 of this Convention, each State Party shall take such measures as may be necessary, in accordance with its domestic law, to require financial institutions within its jurisdiction to verify the identity of

customers, to take reasonable steps to determine the identity of beneficial owners of funds deposited into high-value accounts and to conduct enhanced scrutiny of accounts sought or maintained by or on behalf of individuals who are, or have been, entrusted with prominent public functions and their family members and close associates. Such enhanced scrutiny shall be reasonably designed to detect suspicious transactions for the purpose of reporting to competent authorities and should not be so construed as to discourage or prohibit financial institutions from doing business with any legitimate customer.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Financial institutions and designated non-financial businesses and professions are subject to the requirements of customer due diligence (CDD), in accordance with the first paragraph of Article 3 of the Implementing Regulation (2012) for the Anti-Money Laundering Law, which reads:

“The provisions of the Anti-Money Laundering Law and the Implementing Regulations apply to financial institutions, designated non-financial businesses and professions, and non-profit organizations in the free zones established on the territory of the Kingdom.”

Financial institutions subject to the requirements of due diligence are defined in Article 1 of the Anti-Money Laundering Law, as amended by the Royal Decree No. M/31 of 11/5/1433 H (3 April 2012), as, *“5- Financial Institutions: Any institution in the Kingdom engaging in one or more banking activities, money transfer, currency exchange, investment, securities, insurance and financing. The Implementing Regulations of this Law shall specify the financial activities to be engaged in by said institutions. 6- ...The Implementing Regulations of this Law shall specify the types of designated non-financial businesses and professions engaged in the Kingdom.”*

Regarding CDD and beneficial ownership verification, banks and money exchange companies are required to verify the identity of customers and beneficial owners based on the official documents provided.²⁹ SAMA rules impose the same obligations on finance companies³⁰ and insurance companies.³¹ With respect to CMA Authorized Persons, article 8

²⁹ Rule 4.4, of the “Rules Governing Anti-Money Laundering and Combating Terrorist Financing” for banks, money exchange businesses, and branches of foreign banks (Third Update), issued in February 2012.

³⁰ “Rules Governing Anti-Money Laundering and Combating Terrorist Financing” for finance companies (First Update) by Resolution No. M.A.T./9253 of 06/04/1433 H (28/02/2012)

³¹ “Rules Governing Anti-Money Laundering and Combating Terrorist Financing” for cooperative insurance companies by Resolution No. 21/433 of 05/04/1433 H (27/02/2012)

of the AML/CFT rules issued by the CMA imposes CDD and beneficial ownership verification requirements.³²

The rules also require enhanced scrutiny of high-risk accounts and Politically Exposed Persons (PEPs), including their family members and close associates (SAMA Rules 4.6.4; Rule 3; Article 10 of CMA Rules, respectively).

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

The Kingdom of Saudi Arabia adopted within the principles of the protection of customers (banks – finance companies – insurance companies, see art. 14(1)(a) above) the necessary measures to verify the identity of their customers, conduct accurate audits to detect suspicious transactions, as well as due diligence by third parties as set forth in Article 5, para. 10 of the Implementing Regulation of the Anti-Money Laundering Law, which stipulates that,

“Financial institutions, designated non-financial businesses and professions, and non-profit organizations that rely on intermediaries or third parties shall exercise some elements of due diligence process so that such parties immediately obtain from the third party the necessary information concerning due diligence; such parties shall take adequate steps to ensure that the third parties provide, upon request and without delay, copies of identification data and other relevant documents, that they are subject to regulation and supervision, that they have procedures in place to comply with the requirements of due diligence, that their States adequately implement international requirements on combating money laundering, and that such parties are ultimately responsible for identifying and verifying customer identities.”

The laws in force oblige the parties and institutions in addition to exercising due diligence with regard to their customers, to keep records and documents in accordance with the provisions of Article 6 of the Anti-Money Laundering Law, which reads:

“Article 6: Financial institutions, designated non-financial businesses and professions, and non-profit organizations shall, for the purpose of indicating domestic or foreign financial dealings as well as commercial and monetary transactions, keep all records and documents for a period not less than ten years from the date of concluding the transaction or closure of account. They shall also keep account files, commercial correspondences and photocopies of personal identification documents.”

A short description of the Saudi Arabian Monetary Authority (SAMA) and its supervisory and inspection functions is included under article 14 above.

³² CMA, “Anti-Money Laundering and Counter-Terrorist Financing Rules”
https://cma.org.sa/en/RulesRegulations/Regulations/Documents/AML_en.pdf

(b) Observations on the implementation of the article

In respect of intermediaries, it was confirmed that SAMA monitors and controls third party transactions and has issued principles for third party transactions, whereby covered entities are required to exercise due diligence in respect of third parties commensurate with the sophistication of the transaction and intermediary, such as the level and control of the holding structure (see Article 5, para. 10 of the Implementing Regulation of the Anti-Money Laundering Law). Furthermore, CMA conducts periodic reviews of third party transactions; CMA authorized entities must conduct due diligence verification pursuant to article 14 of the AML/CFT rules issued by the CMA and are prohibited from engaging in transactions with intermediaries from jurisdictions that do not have regulations in place of equivalent standard to those in the Kingdom.

Article 52, paragraph 2 (a)

2. *In order to facilitate implementation of the measures provided for in paragraph 1 of this article, each State Party, in accordance with its domestic law and inspired by relevant initiatives of regional, interregional and multilateral organizations against money-laundering, shall:*

(a) Issue advisories regarding the types of natural or legal person to whose accounts financial institutions within its jurisdiction will be expected to apply enhanced scrutiny, the types of accounts and transactions to which to pay particular attention and appropriate account-opening, maintenance and record-keeping measures to take concerning such accounts;

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Rules Governing the Opening of Bank Accounts in Saudi Arabia, relating to the “Role of Regulatory Supervisor/Compliance Officer”, provide instructions relating to the accounts of the customers of financial institutions and the types of natural or legal persons, as defined in paragraphs 7 and 9 thereof, the role of continuing monitoring of accounts and operations, and paying special attention to high-risk accounts. Paragraph 300 of these rules sets forth the measures and rules for opening accounts for legal persons and keeping their records in addition to continuous monitoring of their accounts and transactions in accordance with Article 6 of the Anti-Money Laundering Law, which reads:

“Article 6: Financial institutions, designated non-financial businesses and professions, and non-profit organizations shall keep all records and documents for a period not less than ten years from the date of completing the transaction or closure of account, for the purpose of indicating domestic or foreign dealings as well as commercial and monetary

transactions. They shall also keep account files, commercial correspondences and photocopies of personal identification documents.”

Rules Governing the Opening of Bank Accounts in Saudi Arabia

“SECOND: SUPERVISORY RULES & CONTROLS

7 - Role of Regulatory Supervisor/Compliance Officer:

- Establishment, review, and updating of ethical and professional standards and determination of acceptable accounts under KYC program should be started by the Supervisory Authority (compliance officer) in coordination with the Internal Audit.*
- Ensure that the bank policies and procedures at least conform with local statutory and regulatory requirements with respect to money laundering and terrorism finance prevention.*
- The Regulatory Supervisor/Compliance Officer Shall have the authority and right to access, at any time, customers’ identification information and other information needed toward customers, transaction records and other related information.*

9 -On-Going Monitoring of Accounts and Transactions:

- Banks should always monitor the accounts and their transactions and activity, identify any suspicious transactions and report these to the Financial Investigation Unit and inform SAMA accordingly. They should implement formal procedures to identify unusual or suspicious activities, such as accounts exceeding certain limits, transactions of no economic or commercial purpose or those involving large or frequent cash deposits and subsequent transferring of such deposits.*
- Accounts and transactions must be classified according to the risk level so that no high risk accounts will be opened except after obtaining the bank senior management approval. Also, the discovered transactions shall not be allowed to be continued as well, except after the approval of high management. There should be intensified monitoring of high risk accounts. Every bank should set key indicators for such accounts based on the country of origin, source of funds and the type of transactions involved, etc. The senior management should pay great attention to management information systems and high risk personal banking transactions. Such transactions should be reviewed regularly (at least annually), especially with regard to high risk clients.*
- Banks should include in its internal procedures those related to the e-services provided to the clients to enable monitoring the electronic transactions, risks in general and clients of high risks basically according to indicators that enable acknowledging and measuring the risks extent and criminal suspicions through these services.*
- Monitoring accounts of all existing customers (whether before or after the issue of the Anti-Money Laundry Law) and their operations must be carried out on the basis of materiality and risks.”*

The AML/CFT rules for financial institutions (“Red Flag Indicators” in Section 10) provide information on businesses prone to money-laundering activities (high risk businesses) and high risk customers.³³

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

(b) Observations on the implementation of the article

Proper account-opening, maintenance and record-keeping measures, including advisories regarding the types of persons, accounts and transactions to which financial institutions should apply enhanced scrutiny, are found principally in the Rules Governing the Opening of Bank Accounts and the know-your-customer (KYC) rules for banks, non-bank financial institutions and other sectors (such as exchange firms) issued by SAMA. These rules apply from the initiation of the customer relationship until its conclusion, and beyond.

Recent amendments to the regulations incorporate the international requirements of the Financial Action Task Force and have covered matters such as the risks of dealing with jurisdictions that have weak anti-money laundering regimes. Other topics covered in the regulations are obligations for financial institutions to ensure that client account information is periodically updated (every five years) and that monitoring of accounts and transactions, together with reporting thereon, occurs.

SAMA conducts trainings on these requirements and has also established a “Manual of Combating Embezzlement and Financial Fraud and Control Guidelines”³⁴ that covers these requirements. The reporting and review of suspicious transactions further reinforce the KYC and customer due diligence measures.

Several institutions develop indicators on the processes of money laundering for the purposes of instructing financial and other institutions to monitor and identify high risk accounts and transactions, such as the GDFI, SAMA, the Ministry of Justice, the Ministry of Trade and Investment, and the Capital Market Authority. Reverse feedback from judicial authorities is used to develop risk indicators and inform financial institutions. Additional measures are applied by banks to identify high risk accounts and transactions, and the GDFI issues annual strategic reports as well as a manual with relevant indicators to inform supervisory authorities and financial institutions of new and emerging methods.

Article 52, paragraph 2 (b)

³³ “Rules Governing Anti-Money Laundering and Combating Terrorist Financing” for banks, money exchange businesses, and branches of foreign banks (Third Update), issued in February 2012,

³⁴ <http://www.sama.gov.sa/en-US/Laws/BankingRules/Manual%20of%20Combating%20Embezzlement%20and%20%20Financial%20Fraud%20and%20%20Control%20Guidelines.pdf>

2. In order to facilitate implementation of the measures provided for in paragraph 1 of this article, each State Party, in accordance with its domestic law and inspired by relevant initiatives of regional, interregional and multilateral organizations against money-laundering, shall:

...

(b) Where appropriate, notify financial institutions within its jurisdiction, at the request of another State Party or on its own initiative, of the identity of particular natural or legal persons to whose accounts such institutions will be expected to apply enhanced scrutiny, in addition to those whom the financial institutions may otherwise identify.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Financial institutions report the identity of high-risk persons through communication with official bodies through the Saudi Arabian Monetary Agency. SAMA determined that it is important to set special criteria for monitoring accounts that are subject to enhanced scrutiny, as well as complex and unusually large transactions and giving them special attention, as stipulated in Article 8 of Anti-Money Laundering Law, which reads,

“Article 8: Financial institutions, designated non-financial businesses and professions, and non-profit organizations shall give due diligence to complex and unusually large transactions and all types of unusual transactions that have no clear economic or legal objective, examine the circumstances and purpose of such transactions to the extent possible and keep records of the findings for a period of ten years and make them available to competent authorities upon request.”

Article 9, paragraph (1)(b) of the same law stipulates that it is important to *“Provide the Financial Intelligence Unit with a detailed report including all available data and information on such transaction and the parties involved therein”*.

The Standing Committee on Anti-Money Laundering is primarily responsible for receiving and issuing advisories regarding particular individuals and accounts. Saudi Arabia applies international standards such as the lists issued by the FATF, United Nations and INTERPOL.

The Kingdom has shared relevant information with other States without prior request. A special link connecting the GCC countries has been established for sharing such information instantly.

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

Statistics on information spontaneously shared by the GDFI with foreign FIUs

2015	Incoming	40
	Outgoing	10
2016	Incoming	50
	Outgoing	8

(b) Observations on the implementation of the article

Based on the information and the clarifications provided during the country visit, the provision is adequately implemented.

Article 52, paragraph 3

3. *In the context of paragraph 2 (a) of this article, each State Party shall implement measures to ensure that its financial institutions maintain adequate records, over an appropriate period of time, of accounts and transactions involving the persons mentioned in paragraph 1 of this article, which should, as a minimum, contain information relating to the identity of the customer as well as, as far as possible, of the beneficial owner.*

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Anti-Money-Laundering Law in force emphasizes the importance for financial institutions to keep records of customers and transactions and define their conditions in accordance with the provisions of Article 6 of the Anti-Money Laundering Law, which reads:

“Article 6: Financial institutions, designated non-financial businesses and professions, and non-profit organizations shall, for the purpose of indicating domestic or foreign financial dealings as well as commercial and monetary transactions, keep all records and documents for a period not less than ten years from the date of concluding the transaction or closure of account. They shall also keep account files, commercial correspondences and photocopies of personal identification documents.”

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

(b) Observations on the implementation of the article

The provision is legislatively implemented.

Article 52, paragraph 4

4. With the aim of preventing and detecting transfers of proceeds of offences established in accordance with this Convention, each State Party shall implement appropriate and effective measures to prevent, with the help of its regulatory and oversight bodies, the establishment of banks that have no physical presence and that are not affiliated with a regulated financial group. Moreover, States Parties may consider requiring their financial institutions to refuse to enter into or continue a correspondent banking relationship with such institutions and to guard against establishing relations with foreign financial institutions that permit their accounts to be used by banks that have no physical presence and that are not affiliated with a regulated financial group.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Rules Governing Money Changing Businesses issued by Decision of the Minister of Finance No. 1357 dated 01/05/1432H³⁵ regulate the engagement of banks in this activity and prevent the establishment of fictitious banks or to engage in the money changing business without a valid licence, in accordance with Article 10 thereof, which reads, “Any natural or legal person shall be prohibited from: a. Practicing money changing business in the Kingdom without a valid license issued by SAMA in accordance with the provisions of these Rules or the previous resolution of the Minister of Finance No. 3/920 of 16/02/1402 H (13/12/1981) governing the practice of money changing business. [...]”

The rules on correspondent banking and prohibition on dealing with “shell banks” are found in the AML/CFT Rules for banks, money exchange businesses, and branches of foreign banks, which define “shell banks” as follows:

“Shell bank means a bank that has no physical presence in the country in which it is incorporated and licensed, and which is unaffiliated with a regulated financial services group that is subject to effective consolidated supervision. Physical presence means meaningful mind and management located within a country. The existence simply of a local agent or low level staff does not constitute physical presence.”

³⁵ <http://www.sama.gov.sa/en-US/Laws/BankingRules/Rules%20Regulating%20Money%20Changing%20Business.pdf>

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

(b) Observations on the implementation of the article

The provision is legislatively implemented.

Article 52, paragraph 5

5. Each State Party shall consider establishing, in accordance with its domestic law, effective financial disclosure systems for appropriate public officials and shall provide for appropriate sanctions for non-compliance. Each State Party shall also consider taking such measures as may be necessary to permit its competent authorities to share that information with the competent authorities in other States Parties when necessary to investigate, claim and recover proceeds of offences established in accordance with this Convention.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Asset declarations are currently required for Nazaha and SAMA staff, pursuant to Nazaha's rules on financial disclosures adopted by Nazaha's President Resolution No. 2 of 4 December 2011 and SAMA's Code of Conduct (see article 8, para. 5 above). However, the draft law on the management of public funds prepared by Nazaha would require asset declarations to be made by some categories of State employees, as described further under article 8, para. 5.

The Anti-Corruption Commission is the governmental authority in the Kingdom that is also entitled to access information on private financial disclosures and to adopt measures on this matter.

Asset declarations could in principle be shared with other countries through procedures on mutual legal assistance, if not precluded by the terms of the relevant treaties. However, there have been no examples of this in practice.

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

(b) Observations on the implementation of the article

As noted above under article 8, in the context of ongoing reforms on conflicts of interest, it is recommended that Saudi Arabia continue efforts to review its asset disclosure systems in line with international good practices. For example, it could consider adopting electronic filing systems, which could simplify filings and verifications.

The reviewers welcome steps being taken by Saudi Arabia to establish asset declaration requirements for a wider category of public officials.

Article 52, paragraph 6

6. Each State Party shall consider taking such measures as may be necessary, in accordance with its domestic law, to require appropriate public officials having an interest in or signature or other authority over a financial account in a foreign country to report that relationship to appropriate authorities and to maintain appropriate records related to such accounts. Such measures shall also provide for appropriate sanctions for non-compliance.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

No

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

No provisions in the regulations issued by SAMA or in any other applicable law or regulation compel public officials who have an interest in a financial account in a foreign country, or a signing or other authority over such account, to inform the relevant authorities about such relationship and to keep the records relating to them.

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

(b) Observations on the implementation of the article

There is currently no disclosure requirement for public officials concerning interests in foreign financial accounts. The draft amendment to the Law on the Management of Public Funds prepared by Nazaha would require asset declarations by a wider group of State employees, including over foreign financial interests. The reviewers welcome steps being taken by Saudi Arabia to extend asset declaration requirements to a wider category of public officials and encourage the authorities to adopt relevant disclosure and record-keeping requirements concerning foreign financial accounts.

Article 53. Measures for direct recovery of property

Article 53, subparagraph (a)

Each State Party shall, in accordance with its domestic law:

(a) Take such measures as may be necessary to permit another State Party to initiate civil action in its courts to establish title to or ownership of property acquired through the commission of an offence established in accordance with this Convention;

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Courts of Saudi Arabia have jurisdiction over cases relating to assets located in the Kingdom or to a commitment originated or discharged or to be enforceable in the Kingdom, or cases relating to bankruptcy declared in the Kingdom as stated in Chapter I of the Law of Procedure Before Sharia Courts.

“Chapter I: International Jurisdiction

Article 24: The Kingdom's courts shall have jurisdiction over cases filed against a Saudi, even if there is no record of his general or designated place of residence in the Kingdom. Excepted are cases in rem involving real estate located outside the Kingdom.

Article 25: The Kingdom's courts shall have jurisdiction over cases filed against an alien who has a general or a designated place of residence in the Kingdom. Excepted are cases in rem involving real estate outside the Kingdom.

Article 26: The Kingdom's courts shall have jurisdiction over cases filed against an alien who has no general or designated place of residence in the Kingdom in the following circumstances:

a•If the lawsuit involves property located in the Kingdom or an obligation considered to have originated or is enforceable in the Kingdom.

b•If the lawsuit involves bankruptcy declared in the Kingdom.

c•If the lawsuit is against more than one person and one of them has a place of residence in the Kingdom.”

Article 47 of the Basic Law on Governance further guarantees the right of private litigation to citizens and residents of Saudi Arabia.

“Article 47:

The right of litigation shall be guaranteed equally for both citizens and residents in the Kingdom. The Law shall set forth the procedures required thereof.”

Saudi legislation establishes the basic right of an injured party to claim compensation in the domestic courts. This is presumed to include foreign governments. There is no limitation on who can file suit and the law does not distinguish between different claimants (e.g., a person, entity, citizen, foreign person or government). Nothing in the domestic law precludes any foreign person, whether legal or natural, from initiating an action before the Saudi courts. For instance, foreign countries may, through their embassies or representations, claim compensation for the benefit of their citizens without a proxy. Similarly, the Riyadh Arab Agreement on Judicial Cooperation guarantees the right to obtain legal assistance to citizens of the contracting States parties according to the domestic laws (article 4). From a practical perspective an action submitted by a foreign person or entity in Saudi Arabia is considered to have the equivalent legal status as a domestic case (for example, foreign judicial orders that have been duly authenticated must be executed domestically).

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

As examples of implementation, Saudi officials noted that foreign banks have filed actions against Saudi citizens and entities before the Committee on Dispute Resolution, which has asserted jurisdiction over such cases and declared that the law does not preclude foreign entities from asserting their claims, even against nationals of the Kingdom (Decree No. 62/1426 H).

(b) Observations on the implementation of the article

Article 53 (a) concerns measures for direct recovery of assets through civil action. This provision complements the recovery of proceeds from corruption by way of confiscation and obliges States to recognise in their legal systems the right of harmed States to seek direct recovery through private civil actions of property, compensation or damages. Such civil litigation could be asset-based (claims in rem) or tort-based. It should not be confused with so-called non-conviction based (NCB) asset forfeiture/confiscation, which is a form of confiscation taken by the State.

Article 47 of the Basic Law on Governance and Chapter I of the Law of Procedure Before Sharia Courts are referred to. It was explained by the authorities that a foreign government could file a civil suit claiming compensation for damages, either against property or against a person, in the courts in the Kingdom in the same manner as a Saudi citizen. There have been no case examples by foreign States to date.

The provision is legislatively implemented.

Article 53, subparagraph (b)

Each State Party shall, in accordance with its domestic law:

...

(b) Take such measures as may be necessary to permit its courts to order those who have committed offences established in accordance with this Convention to pay compensation or damages to another State Party that has been harmed by such offences;

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The information under subparagraph (a) is referred to.

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

There have been no case examples to date.

(b) Observations on the implementation of the article

The provision is legislatively implemented.

Article 53, subparagraph (c)

Each State Party shall, in accordance with its domestic law:

...

(c) Take such measures as may be necessary to permit its courts or competent authorities, when having to decide on confiscation, to recognize another State Party's claim as a legitimate owner of property acquired through the commission of an offence established in accordance with this Convention.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

The information under subparagraph (a) is referred to. In addition, article 16 of the Criminal Procedure Law provides for the possibility of a criminal action to the victim or his representative on the basis of a private right of action.

“Article 16:

The victim or his representative and his heirs may initiate criminal action with respect to all cases involving a private right of action, and shall follow-up any such case before the competent court. The competent court shall serve a summons to notify the Prosecutor.”

- 2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.**

There have been no case examples involving either a civil or criminal case being filed by a foreign government to date.

- 3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.**

(b) Observations on the implementation of the article

The paragraph requires States parties to provide legal standing (civil or criminal) to other States parties to claim, as legitimate owner in a confiscation procedure, ownership over assets acquired through the commission of a Convention offence. The provision is legislatively implemented.

Article 54. Mechanisms for recovery of property through international cooperation in confiscation

Article 54, paragraph 1 (a)

1. Each State Party, in order to provide mutual legal assistance pursuant to article 55 of this Convention with respect to property acquired through or involved in the commission of an offence established in accordance with this Convention, shall, in accordance with its domestic law:

(a) Take such measures as may be necessary to permit its competent authorities to give effect to an order of confiscation issued by a court of another State Party;

(a) Summary of information relevant to reviewing the implementation of the article

- 1. Is your country in compliance with this provision?**

Yes

- 2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.**

When a request for enforcement of a foreign judgement is received, the Standing Committee on requests for legal assistance transmits the judgement to the competent court to order its execution in accordance with Article 14 (3) of the rules of procedure (Mechanism of action) of the Standing Committee on requests for legal assistance, as well as the provisions on provisional measures and restriction in the KSA Legal Assistance and Asset Recovery Guide.

“Article 14: Execution of requests for legal assistance

- 1- All requests for legal assistance should be referred to the Committee as the authority responsible for the reception and execution of requests for legal assistance.*
- 2- The Committee has the right to accept or reject requests submitted or referred to her from countries or from any national authority of the Kingdom.*
- 3- Requests for legal assistance should be executed in accordance with the rules and regulations in force in the Kingdom, and may be executed in accordance with the requirements specified in the request for legal assistance if they do not conflict with those rules and regulations.*
- 4- The request for legal assistance should be executed as soon as possible, and taking into account, to the greatest extent possible, any deadlines suggested by the requesting State.*
- 5- The requesting State must be notified - if so requested - of any circumstances that would cause a noticeable delay in the execution of the request.*
- 6- The result should be notified to the requesting party through diplomatic channels, and in urgent cases through INTERPOL Directorate at the Ministry of Interior.”*

This is also addressed in article 27 of the Anti-Money Laundering Law, as amended:

“Article 27:

A final judgment providing for the confiscation of funds, proceeds or means related to a money laundering crime, issued by a competent court in another country which is a signatory to a valid agreement or treaty with the Kingdom or on the basis of reciprocity, may be acknowledged and enforced if the funds, proceeds or means subject of the judgment can be confiscated, according to laws applicable in the Kingdom.”

The Procedures Manual for Asset Recovery in the Kingdom of Saudi Arabia (Asset Recovery Guide) provides:

“Confiscation:

A legal assistance request may include a request for executing a final court ruling in accordance with the statute of the court providing for the confiscation of crime proceeds if issued by a competent court in another state which is a party with the Kingdom to a valid agreement or treaty or on the basis of reciprocity. The request shall, upon satisfying statutory requirements, be referred to the competent court in the Kingdom which shall order its execution in accordance with statutory procedures applicable in the Kingdom.”

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

A recent decision by the Minister of Justice No. M/53 of 13/08/1433 (2 July 2012) further regulates the execution of foreign judgements.

By way of example, the authorities referred to requests to arrest and interview persons and to seize property based on a foreign judicial order, which were executed by the national authorities in the region where the property was located in the same manner as domestic judicial orders.

(b) Observations on the implementation of the article

Paragraph 1 (a) requires the establishment of a domestic legal regime that enables the direct enforcement of foreign freezing and confiscation orders.

KSA implemented this requirement in article 27 of the Anti-Money Laundering Law, as amended, and the Procedures Manual for Legal Assistance and Asset Recovery in the Kingdom of Saudi Arabia (Asset Recovery Guide). In addition to the Anti-Money Laundering Law, other domestic laws also provide for seizing or confiscating property obtained through, or used in, corruption-related offences, as noted in the introduction to this chapter. Specific observations on the domestic confiscation regime were issued during the first review cycle, as noted in the executive summary of that review (CAC/COSP/IRG/I/4/1/Add.20).

Asset recovery is subject to dual criminality, and presupposes the existence of an agreement or reciprocity. The Asset Recovery Guide also provides:

“Cases of non-execution or deferral of legal assistance requests: ...

3. In the absence of dual criminality. The Kingdom may, however, provide assistance to the extent it deems necessary, irrespective of whether the conduct constitutes a crime under laws and rules in force in the Kingdom.”

The provision is implemented.

Article 54, paragraph 1 (b)

1. Each State Party, in order to provide mutual legal assistance pursuant to article 55 of this Convention with respect to property acquired through or involved in the commission of an offence established in accordance with this Convention, shall, in accordance with its domestic law:

...

(b) Take such measures as may be necessary to permit its competent authorities, where they have jurisdiction, to order the confiscation of such property of foreign origin by adjudication of an offence of money-laundering or such other offence as may be within its jurisdiction or by other procedures authorized under its domestic law;

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

In addition to what is stated in the previous answer, this is implemented in accordance with Article 27 of the Anti-Money Laundering Law, which states that,

“Article 27: A final judgment providing for the confiscation of funds, proceeds or means related to a money laundering crime, issued by a competent court in another country which is a signatory to a valid agreement or treaty with the Kingdom or on the basis of reciprocity, may be acknowledged and enforced if the funds, proceeds or means subject of the judgment can be confiscated, according to laws applicable in the Kingdom.”

Further, Article 26 of the Anti-Money Laundering Law states that,

“Article 26: Upon the request of a competent court or authority in another country which is a signatory with the Kingdom to a valid agreement or treaty or on the basis of reciprocity, the judicial authority may order seizure of funds, proceeds or means associated with the money laundering crime, according to laws in force in the Kingdom.

Upon the request of a competent authority in another country which is a signatory with the Kingdom to a valid agreement or treaty or on the basis of reciprocity, the competent authority may order tracking of funds, proceeds or means associated with a money laundering crime, according to laws applicable in the Kingdom.

The matter is directly addressed in the Rules of procedure (Mechanism of action) of the Standing Committee, Article 12, (V), paras. 2(b) and 4(a).

“Article 12: Requests related to specific forms of legal assistance

Fifth: Proceeds and instrumentalities of crime ...

2- A request for legal assistance to seize or confiscate the proceeds or instrumentalities of crime should be submitted in accordance with the rules and regulations in force in the Kingdom and may include a request to execute the following: ...

b- A request to a competent governmental authority in the Kingdom to issue a seizure or a confiscation order of those proceeds and instrumentalities.

...

4- In addition to the data specified in Article 11 of this mechanism, requests made pursuant to this paragraph should contain the following:

a- In case of a request pertaining to paragraph 2 (a) of this paragraph, a description of the property to be confiscated, and a statement of facts sufficient to enable the Kingdom to issue a confiscation order in the framework of its internal procedures. ...”

Regarding the domestic procedure, the following provisions of the Anti-Money Laundering law are relevant.

“Article 18: Without prejudice to the rights of bona fide third parties, a person who commits the offence of money laundering, provided for in Article 2 hereof, shall be punished with imprisonment not exceeding ten years and a fine not exceeding five million riyals, or either penalty, in addition to the confiscation of funds, proceeds, and means subject of the offence. In case the funds and proceeds are commingled with funds acquired from legitimate sources, the said funds shall be subject to confiscation within the limits equivalent to the estimated value of the illegitimate proceeds. The competent court may invalidate or prohibit certain acts, whether contractual or otherwise, if one or more of the parties know or ought to know that such acts could influence the ability of the competent authorities to recover the property subject to confiscation.”

According to the definitions provided in Article 1,

“2- Funds: Assets or properties of any value or type, whether material or immaterial, tangible or intangible, movable or immovable, along with documents, deeds and instruments of any form, including electronic or digital systems and bank credits that indicate ownership or interest therein, including, for example, all types of checks, transfer, stocks, securities, bonds, promissory notes and letters of credit.

3- Proceeds: Any funds directly or indirectly obtained or acquired by committing a crime punishable pursuant to the provisions of Sharia or this Law, if such funds are transferred or converted wholly or partially into assets, properties or investment returns.

4- Means: Anything used or prepared for use in any form for committing a crime punishable pursuant to the provisions of Sharia or this Law.”

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

The case examples mentioned above are referred to.

(b) Observations on the implementation of the article

Article 54, subparagraph 1 (b) requires the issuance of domestic confiscation orders through domestic proceedings for property of foreign origin, where there is no foreign judgment.

The cited measures allow a Saudi court to order confiscation of property of foreign origin located in KSA, where there is no foreign judgment, on the basis of a domestic proceeding, as described in the Rules of procedure (Mechanism of action) of the Standing Committee.

The provision is implemented.

Article 54, paragraph 1 (c)

1. Each State Party, in order to provide mutual legal assistance pursuant to article 55 of this Convention with respect to property acquired through or involved in the commission of an offence established in accordance with this Convention, shall, in accordance with its domestic law:

...

(c) Consider taking such measures as may be necessary to allow confiscation of such property without a criminal conviction in cases in which the offender cannot be prosecuted by reason of death, flight or absence or in other appropriate cases.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

As a general rule, the principle upheld in Saudi law is that confiscation must be based on a conviction. However, the lapse of a public criminal action does not preclude confiscation proceedings (article 22 of the Criminal Procedure Law; article 10 of the Implementing Regulation of the Criminal Procedure Law). In addition to what is stated in the previous paragraphs, this provision is implemented because the Saudi legal system allows the tracing of funds without a criminal conviction, as provided for in the Legal Assistance and Asset Recovery Guide.

The Procedures Manual for Legal Assistance and Asset Recovery in the Kingdom of Saudi Arabia (Asset Recovery Guide) provides:

“Return of Funds seized without a conviction:

A request for the execution of a decision issued by the competent judicial authorities of a foreign country to return funds arising from a crime in the absence of a conviction may be made in accordance with the applicable procedures for enforcement of foreign judgments in the Kingdom. The request shall be filed with the competent court to order its enforcement in accordance with statutory procedures in the Kingdom.”

Moreover, this is implemented in accordance with Article 27 and the definition of “confiscation” in the Anti-Money Laundering Law, as amended, which states that,

“Article 27: A final judgment providing for the confiscation of funds, proceeds or means related to a money laundering crime, issued by a competent court in another country which is a signatory to a valid agreement or treaty with the Kingdom or on the basis of reciprocity, may be acknowledged and enforced if the funds, proceeds or means subject of the judgment can be confiscated, according to laws applicable in the Kingdom.

Confiscation: Permanent dispossession and deprivation of funds, proceeds or means used in a crime, pursuant to a judicial ruling issued by a competent court.”

There have been no requests received to date from a foreign country to recover assets in the absence of a conviction. It was explained that if such a request were received the authorities would proceed in the same manner as if it were a domestic case to seize and confiscate property where the offender has absconded.

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

It was reported that in some domestic cases, the recovery of assets has been done without sentencing the offender.

(b) Observations on the implementation of the article

Article 54, subparagraph 1 (c) requires States to consider taking measures as may be necessary to allow confiscation without a criminal conviction in cases in which the offender cannot be prosecuted by reason of death, flight or absence etc. (non-conviction-based forfeiture).

KSA has adopted measures allowing for the confiscation of property in the absence of a criminal conviction. Case examples were reported. Nonetheless, in the interest of greater legal certainty, Saudi Arabia is encouraged to consider specifying procedures for non-conviction based forfeiture more clearly in the legislation.

Article 54, paragraph 2 (a)

2. Each State Party, in order to provide mutual legal assistance upon a request made pursuant to paragraph 2 of article 55 of this Convention, shall, in accordance with its domestic law:

(a) Take such measures as may be necessary to permit its competent authorities to freeze or seize property upon a freezing or seizure order issued by a court or competent authority of a requesting State Party that provides a reasonable basis for the requested State Party to believe that there are sufficient grounds for taking such actions and that the property would eventually be subject to an order of confiscation for purposes of paragraph 1 (a) of this article;

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Kingdom is compliant with this provision in accordance with Article 26 of the Law on Money Laundering which states that,

“Article 26: Upon the request of a competent court or authority in another country which is a signatory with the Kingdom to a valid agreement or treaty or on the basis of reciprocity, the judicial authority may order seizure of funds, proceeds or means associated with the money laundering crime, according to laws in force in the Kingdom.

Upon the request of a competent authority in another country which is a signatory with the Kingdom to a valid agreement or treaty or on the basis of reciprocity, the competent authority may order tracking of funds, proceeds or means associated with a money laundering crime, according to laws applicable in the Kingdom.”

The Procedures Manual for Legal Assistance and Asset Recovery in the Kingdom of Saudi Arabia (Asset Recovery Guide) for the Kingdom of Saudi Arabia also provides for provisional and restrictive measures.

“Seizure and restriction:

Foreign countries may submit a legal assistance request to the Kingdom for seizing crime proceeds or preventing disposition thereof. Such request shall – upon satisfying legal requirements – be referred to the Bureau of Investigation and Public Prosecution. If the Bureau determines that the items can be confiscated, it shall issue an order of seizure or prohibit disposition thereof for a period not exceeding thirty (30) days. If it is necessary for the seizure to continue for a longer period, this shall be pursuant to a court order by the competent court, without prejudice to the rights of bona fide persons.

The legal assistance request may include a request for the execution of an order of seizure issued by a competent court or government agency in the requesting state. Execution of the request shall be pursuant to an order issued by the competent court in the Kingdom in accordance with statutory procedures.

The court order of seizure shall provide the manner in which funds are kept and managed. The competent court in the Kingdom may appoint an administrator, if necessary, and his expenses shall be deducted from the value of the items under his administration. The requesting state shall pay compensation for the damages resulting from seizure in the absence of conviction.”

This is as mentioned in the rules of procedure (Mechanism of action) of the Standing Committee in Article 12, (V).

Rules of procedure (Mechanism of action) of the Standing Committee:

“Article 12: Requests related to specific forms of legal assistance Fifth: Proceeds and instrumentalities of crime

...

Fifth: Proceeds and instrumentalities of crime

1- Every possible effort must be made to verify the existence of the proceeds and instruments of crime, and the competent authorities in the Kingdom must respond to the request of the State requesting legal assistance in determining or tracing for evidence the proceeds, property, vehicles or other objects, and the Committee shall notify the requesting State of the results reached in this regard.

2- A request for legal assistance to seize or confiscate the proceeds or instrumentalities of crime should be submitted in accordance with the rules and regulations in force in the Kingdom and may include a request to execute the following:

a- An order from a court or a competent governmental authority in the requesting State.

b- A request to a competent governmental authority in the Kingdom to issue a seizure or a confiscation order of those proceeds and instrumentalities.

3- When a request from another State is received, the Kingdom shall take measures to identify, trace, freeze or seize the proceeds, property, instrumentalities or other instruments of a crime, for the purpose of eventual confiscation pursuant to a request under paragraph 2 of this Article, and an order issued by the competent authorities in the Kingdom.

4- In addition to the data specified in Article 11 of this mechanism, requests made pursuant to this paragraph should contain the following:

a- In case of a request pertaining to paragraph 2 (a) of this paragraph, a description of the property to be confiscated, and a statement of facts sufficient to enable the Kingdom to issue a confiscation order in the framework of its internal procedures.

b- In case of a request pertaining to paragraph 2 (b) of this paragraph, a legally accepted copy of the confiscation order on which the request from the requesting State is based, and the statement of the facts and information to execute the request.

c- In case of a request pertaining to paragraph 3 of this article, a statement of the facts relied upon by the requesting State Party and a description of the requested measures.

5- A request for legal assistance may be submitted to prevent the disposition of funds which are the proceeds or instrumentalities of crime, in order to ensure their existence if an asset recovery decision was issued by the competent authority.

6- The confiscated properties and instrumentalities shall be devolved to the Kingdom, unless otherwise agreed upon.

7- In all cases in which the legal assistance is provided in accordance with the provisions of this paragraph, this should be without any prejudice to the acquired rights of the Kingdom regarding the proceeds or instrumentalities of crime, and taking into account the rights of bona fide third parties.”

Article 58 of the Implementing Regulations of the Criminal Procedure Law is also referred to, which provides as follows:

“The seizure of funds and assets in banks and enquiring about them during the investigations phase is to be done through a request addressed by the head of the zone or a mandated authority to the Saudi Arabian Monetary Agency.”

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

(b) Observations on the implementation of the article

Article 54, subparagraph 2 (a) requires the competent authorities to be able to take provisional measures (freezing, seizing) on the basis of a foreign order.

KSA has implemented this in article 26 of the AML Law, as amended, the Asset Recovery Guide and the rules of procedure (Mechanism of action) of the Standing Committee.

Article 54, paragraph 2 (b)

2. Each State Party, in order to provide mutual legal assistance upon a request made pursuant to paragraph 2 of article 55 of this Convention, shall, in accordance with its domestic law:

...

(b) Take such measures as may be necessary to permit its competent authorities to freeze or seize property upon a request that provides a reasonable basis for the requested State Party to believe that there are sufficient grounds for taking such actions and that the property would eventually be subject to an order of confiscation for purposes of paragraph 1 (a) of this article;

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Kingdom is compliant with this provision in accordance with Article 14 of the Anti-Money Laundering Law, as amended, which states,

“Article 14: If reasonable suspicion of a money laundering crime is established, the competent investigation authority may, of its own accord or upon request by the Financial Intelligence Unit, order provisional seizure of the funds, properties and means associated with the crime of money laundering for a period or periods not exceeding thirty days. Should there be a need for the seizure to be extended for a longer period, this shall be pursuant to a judicial order by the competent court, without prejudice to the rights of bona fide third parties.”

This is also mentioned in the rules of procedure (Mechanism of action) of the Standing Committee in Article 12, (V) (quoted above).

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

(b) Observations on the implementation of the article

Article 54, paragraph 2 (b) permits the legal regime of States parties to take provisional measures (freezing, seizing) on the basis of issuing a domestic order to that effect.

KSA has implemented this requirement through provisions in the AML Law, as amended, the Asset Recovery Guide and the rules of procedure (Mechanism of action) of the Standing Committee.

Article 54, paragraph 2 (c)

2. Each State Party, in order to provide mutual legal assistance upon a request made pursuant to paragraph 2 of article 55 of this Convention, shall, in accordance with its domestic law:

...

(c) Consider taking additional measures to permit its competent authorities to preserve property for confiscation, such as on the basis of a foreign arrest or criminal charge related to the acquisition of such property.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Kingdom is compliant with the provision under review. A legal guardian from the competent court is appointed if necessary pursuant to Articles 211-217 of the Law of Procedure before Sharia Courts. In addition, the Authority of Guardianship for the Funds of Minors and Similar Persons is competent to do so in accordance with Article 2 paragraph 9.4 of its Law. The Criminal Procedure Law (articles 92 to 94) and the Asset Recovery Guide also address the preservation of property for confiscation.

Law of Procedure before Sharia Courts:

“Article 211: A creditor of a due and payable debt may, even though he does not possess an enforceable judgment, request the placement under protective attachment of debts, albeit deferred or contingent, owed by third parties to the debtor as well of debtor's

movables in the possession of third parties. A garnishee has ten days from the date of his notification of attachment to declare the debts he owes as provided for under Article 204, and shall make the deposit at the court treasury as provided for under Article 205 within ten days of his notification of a valid attachment judgment.

Article 212: Protective attachment in the circumstances set forth in the preceding four articles may be placed only by the order of the court with jurisdiction over the place of residence of the judgment debtor. Before issuing its order the court may conduct the necessary investigation if it finds insufficient the documents supporting the request for attachment.

Article 213: If a case claiming a right is filed with the competent court, the case for attachment shall be brought before the same court for decision.

Article 214: The judgment debtor and the garnishee shall be notified of the attachment order within a maximum of ten days of its issuance, or else the attachment shall be considered void. The seeker of attachment shall within the said ten days bring to the competent court a case for the establishment of right and validity of attachment or else the attachment shall be considered void.

Article 215: An applicant for attachment shall present to the court a written notarized declaration from a payment and performance bondsman guaranteeing all the rights of the judgment debtor and indemnifying him against any damages if it transpires that the seeker of attachment was not entitled to the request.

Article 216: Protective attachment of movables shall follow the same procedures, except for sale, as the executory attachment of movables with debtors.

Chapter IV: Enforcement against Property of the Judgment Debtor

Article 217: Execution on the property of the judgment debtor shall be enforced if he does not deliver the sum awarded. This shall be done by attaching, of his movable and immovable property, what is sufficient for executing the judgment, and, if need be, selling some in a public auction by the court's order pursuant to the provisions of this chapter. The judge shall, prior to sale, determine what movable and immovable property needs to be left to the judgment debtor."

Criminal Procedure Law:

"Article 92: Seized items that have not been claimed by its owners – after having been duly notified of their right to recover them, – shall be deposited with Bait al-Mal (Public Treasury).

Article 93: The court within whose jurisdiction an investigation has been conducted may, on sufficient cause, refer the litigants to a competent court. In that case, the seized items may be kept under guard, or any other security action may be taken with respect thereto.

Article 94: If a seized item is perishable with passage of time, or if the cost of its safekeeping is so excessive that it could equal its value, the court may order that it be delivered to its owner or be deposited with Bait al-Mal for the purpose of selling it by auction whenever the investigation requirements allow. In that case, the claimant of ownership may claim the value for which it has been sold.”

Implementing Regulations of the Criminal Procedure Law:

Article 66: The entity in charge of the seizures shall indicate in the seizure records perishable items and those whose preservation requires significant expenditures.

Article 133: The entity in charge of the seizures shall keep records of perishable items and those whose preservation requires significant expenditures. ...

The Asset Recovery Guide (quoted above) also addresses the preservation of property for confiscation:

“Seizure and restriction:...

The court order of seizure shall provide the manner in which funds are kept and managed. The competent court in the Kingdom may appoint an administrator, if necessary, and his expenses shall be deducted from the value of the items under his administration. The requesting state shall pay compensation for the damages resulting from seizure in the absence of conviction.”

As for the preservation of assets, it was indicated that according to Resolution No. 451 (2017) of the Council of Ministers, the Authority of Guardianship for the Funds of Minors and Similar Persons is tasked, on an interim basis, with the preservation of the assets to be recovered, until the establishment of a dedicated asset management entity, as foreseen by the resolution.

A Ministry of Justice decision, adopted in 2016, further contains provisions applicable to service providers tasked with the management of seized assets, including the procedure for their licensing, duties, salaries and functions.

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

(b) Observations on the implementation of the article

It was confirmed by the authorities that, in accordance with article 93 of the Criminal Procedure Law, property may be preserved in accordance with the directions of the court within whose jurisdiction an investigation has been conducted. Case examples were referred to where property was auctioned by court order as requested by the prosecution. Pending the

establishment of a specialized asset management office, as foreseen by Resolution No. 451 (2017) of the Council of Ministers, seized and confiscated assets are managed by the Authority of Guardianship for the Funds of Minors and Similar Persons and service providers licensed by the Ministry of Justice.

It is recommended that Saudi Arabia continue efforts to prepare a specific law on the establishment of a specialized office for the management, administration and preservation of property, as foreseen by Resolution No. 451 (2017) of the Council of Ministers, with a view to permit its competent authorities to preserve property for confiscation.

Article 55. International cooperation for purposes of confiscation

Article 55, paragraph 1

1. *A State Party that has received a request from another State Party having jurisdiction over an offence established in accordance with this Convention for confiscation of proceeds of crime, property, equipment or other instrumentalities referred to in article 31, paragraph 1, of this Convention situated in its territory shall, to the greatest extent possible within its domestic legal system:*

(a) Submit the request to its competent authorities for the purpose of obtaining an order of confiscation and, if such an order is granted, give effect to it; or

(b) Submit to its competent authorities, with a view to giving effect to it to the extent requested, an order of confiscation issued by a court in the territory of the requesting State Party in accordance with articles 31, paragraph 1, and 54, paragraph 1 (a), of this Convention insofar as it relates to proceeds of crime, property, equipment or other instrumentalities referred to in article 31, paragraph 1, situated in the territory of the requested State Party.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Kingdom is compliant with this provision in accordance with Article 15 of the Anti-Bribery Law, which reads, “*In all cases, any money, benefit or privilege – subject of the offence – shall be confiscated, whenever possible.*” and Article 27 of the Anti-Money Laundering Law referred to above, and as mentioned in the Asset Recovery Guide in the article relating to confiscation.

The matter is directly addressed in the Rules of procedure (Mechanism of action) of the Standing Committee, Article 12, (V).

“Article 12: Requests related to specific forms of legal assistance...”

Fifth: Proceeds and instrumentalities of crime

1- Every possible effort must be made to verify the existence of the proceeds and instruments of crime, and the competent authorities in the Kingdom must respond to the request of the State requesting legal assistance in determining or tracing for evidence the proceeds, property, vehicles or other objects, and the Committee shall notify the requesting State of the results reached in this regard.

2- A request for legal assistance to seize or confiscate the proceeds or instrumentalities of crime should be submitted in accordance with the rules and regulations in force in the Kingdom and may include a request to execute the following:

a- An order from a court or a competent governmental authority in the requesting State.

b- A request to a competent governmental authority in the Kingdom to issue a seizure or a confiscation order of those proceeds and instrumentalities.

3- When a request from another State is received, the Kingdom shall take measures to identify, trace, freeze or seize the proceeds, property, instrumentalities or other instruments of a crime, for the purpose of eventual confiscation pursuant to a request under paragraph 2 of this Article, and an order issued by the competent authorities in the Kingdom.

4- In addition to the data specified in Article 11 of this mechanism, requests made pursuant to this paragraph should contain the following:

a- In case of a request pertaining to paragraph 2 (a) of this paragraph, a description of the property to be confiscated, and a statement of facts sufficient to enable the Kingdom to issue a confiscation order in the framework of its internal procedures.

b- In case of a request pertaining to paragraph 2 (b) of this paragraph, a legally accepted copy of the confiscation order on which the request from the requesting State is based, and the statement of the facts and information to execute the request.

c- In case of a request pertaining to paragraph 3 of this article, a statement of the facts relied upon by the requesting State Party and a description of the requested measures.

5- A request for legal assistance may be submitted to prevent the disposition of funds which are the proceeds or instrumentalities of crime, in order to ensure their existence if an asset recovery decision was issued by the competent authority.

6- The confiscated properties and instrumentalities shall be devolved to the Kingdom, unless otherwise agreed upon.

7- In all cases in which the legal assistance is provided in accordance with the provisions of this paragraph, this should be without any prejudice to the acquired rights of the Kingdom regarding the proceeds or instrumentalities of crime, and taking into account the rights of bona fide third parties.”

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

The case examples mentioned above are referred to.

(b) Observations on the implementation of the article

As described under article 54 above, Saudi Arabia has adopted measures to permit its competent authorities to give effect to a foreign confiscation order, and it may also obtain a

domestic order of confiscation on the basis of a foreign request. Case examples were referred to where a foreign order has been executed in practice. KSA has implemented the provision.

Article 55, paragraph 2

2. Following a request made by another State Party having jurisdiction over an offence established in accordance with this Convention, the requested State Party shall take measures to identify, trace and freeze or seize proceeds of crime, property, equipment or other instrumentalities referred to in article 31, paragraph 1, of this Convention for the purpose of eventual confiscation to be ordered either by the requesting State Party or, pursuant to a request under paragraph 1 of this article, by the requested State Party.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Kingdom is compliant with this provision according to the information referred to in previous answers. In addition, the Anti-Money Laundering Law provides for keeping the files accounts and documents and submitting them to the competent authorities in accordance with Articles 6, 7, and 10 thereof.

“Article 6

Financial institutions, designated non-financial businesses and professions, and non-profit organizations shall, for the purpose of indicating domestic or foreign financial dealings as well as commercial and monetary transactions, keep all records and documents for a period not less than ten years from the date of concluding the transaction or closure of account. They shall also keep account files, commercial correspondences and photocopies of personal identification documents.

Article 7

Competent monitoring agencies shall issue directives, rules, guidelines or any other instruments to entities under their supervision in implementation of the provisions of this Law. Said agencies shall ensure the compliance of said entities with anti-money laundering requirements. Financial institutions, designated non-financial businesses and professions, and non-profit organizations shall set precautionary measures and internal monitoring to detect and abort any of the crimes specified in this Law and shall comply with the directives issued by the monitoring agencies in this regard.

Article 10

As an exception to provisions relating to confidentiality, financial institutions, designated non-financial businesses and professions, and non-profit organizations shall submit

documents, records and information to the Financial Intelligence Unit, the competent investigation authority or the judicial authorities upon request by the monitoring agency.”

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

(b) Observations on the implementation of the article

KSA has implemented the provision.

Article 55, paragraph 3

3. *The provisions of article 46 of this Convention are applicable, mutatis mutandis, to this article. In addition to the information specified in article 46, paragraph 15, requests made pursuant to this article shall contain:*

(a) In the case of a request pertaining to paragraph 1 (a) of this article, a description of the property to be confiscated, including, to the extent possible, the location and, where relevant, the estimated value of the property and a statement of the facts relied upon by the requesting State Party sufficient to enable the requested State Party to seek the order under its domestic law;

(b) In the case of a request pertaining to paragraph 1 (b) of this article, a legally admissible copy of an order of confiscation upon which the request is based issued by the requesting State Party, a statement of the facts and information as to the extent to which execution of the order is requested, a statement specifying the measures taken by the requesting State Party to provide adequate notification to bona fide third parties and to ensure due process and a statement that the confiscation order is final;

(c) In the case of a request pertaining to paragraph 2 of this article, a statement of the facts relied upon by the requesting State Party and a description of the actions requested and, where available, a legally admissible copy of an order on which the request is based.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Kingdom is compliant with this provision in accordance with:

- The information provided in previous answers;
- The provisions of Articles 11 and 12 of the rules of procedure (Mechanism of action) of the Standing Committee on requests for legal assistance;
- The provisions of the Legal Assistance and Asset Recovery Guide; and
- The provisions of Article 18 of the Anti-Money Laundering Law.

Rules of procedure (Mechanism of action) of the Standing Committee on requests for legal assistance:

“Article 11: Data of a request for legal assistance

1- A request for legal assistance should include the following data:

- a- Specify the name and functions of the authority issuing the request, in charge of investigations, prosecutions or judicial proceedings, and direct channels of communication, if available.*
 - b- Subject of the request, indicating the type of the case and the detailed factual data, the legal assistance required, or any specific requirements the requesting State wishes to be followed.*
 - c- The purpose for which the evidence, information or measures are requested.*
 - d- Identify the names of the persons concerned, their place of residence and their nationalities, and, as much as possible, the questions to be directed to them.*
 - e- Specify a time limit - if necessary - to execute the request, especially if it requires the presence of a person in front of the judiciary.*
 - f- Written undertaking from the requesting State that it will not use the provided information or evidence in investigations or prosecutions or judicial proceedings other than those stated in the request without the prior consent.*
- 2- The requesting State shall be provided with any additional conditions relating to specific forms of legal assistance.*
- 3- The competent authorities may request additional information or documentation when it appears that this information is necessary to execute or to facilitate the execution of the request.*
- 4- The non-inclusion in the request for legal assistance of some of the information mentioned in paragraph (1) of this Article, does not affect the validity of the request or its acceptance nor does it prevent the start of its execution.*

Article 12:

Requests related to specific forms of legal assistance

First: Search and seizure request

1- In the case of a search and seizure request, and in addition to the data specified in Article 11 of this mechanism, the request should include the following:

- a- Specific description - as much as possible - of the site to be searched, and documents or materials to be seized. In case of requesting records or copy of them, a determination of the time periods relevant to the legal assistance.*
- b- Reasons and rationale based on which the required documents or objects were believed to be in the exact location, and that such documents or objects will provide probative evidence on the offense which is the subject of investigation or proceedings in the requesting State.*
- c- Any specific requirements regarding the execution of the search or seizure request.*
- d- Any information regarding other or bona fide parties which may have legitimate rights in movable and immovable property.*

Second: Request for obtaining records, documents and objects

1- The requesting State may be provided with copies of governmental records, documents or information in accordance with relevant internal rules and regulations.

2- In the case of a request for obtaining documents, and in addition to the data specified in Article 11 of this mechanism, the request should include the following:

a- Specific descriptions - as much as possible - of the required documents, and their relevance to the investigation.

b- Locate the necessary documents and identity, as possible, their custodian.

c- Clarify the causes and reasons for obtaining the original documents.

d- Indicate whether it is likely to have any of the documents subject to any allegation for exclusive franchise.

3- Certified copies of records or documents may be provided, unless the requesting State explicitly requested the original. Objects and original records and documents may be provided to the requesting State, taking the pledge to return them as soon as possible, unless agreed otherwise on a case by case basis.

4- Copies of records and documents provided to the requesting State must take into account the special form and ratification necessary for the validity of what has been sent, as specified in the request for legal assistance, in order to accept those objects, records and documents as proof according to the legislation of the requesting State, unless this was contrary to the rules and regulations applicable in the Kingdom.

5- In cases of requests for obtaining computer records, the requesting State must provide swift and secure means countering the risk of deleting, destroying and tampering with the document.

Third: obtaining evidence and request for testimony

1- Any person, including a detainee, if requested to testify or to provide records, documents or other objects under his possession, may be ordered to do so pursuant to a summons issued by the competent authority in accordance with the rules and regulations in force in the Kingdom.

2- In the case of a request for obtaining statements or testimonies, and in addition to the data specified in Article 11 of this mechanism, the request should include the following:

a- The identity and location of the person requested to provide statement or testimony.

b- Description of the way to obtain the probative testimony (under oath or any cautionary measures which should be applied on the affidavits and statements), to record such testimony (minutes, tape recorder), and whether the authorities of the requesting State would like to participate in it in any way, and why.

c- A list of the main topics to be covered, and the specific questions to be asked.

d- If the presence of representatives of the defense is required in the requesting State, it should be clearly determined, with clarifying the reasons for it.

3- The provisions set forth in Article 3 paragraphs 1 and 2 do not prevent the right to obtain evidence from citizens of any country, with their consent, through diplomatic or consular representatives, and under agreed seizure procedures.

4- Taking into account the rules and regulations in force in the Kingdom, it is permissible for commissioners and employees of the requesting State responsible for criminal proceedings to be present when obtaining evidence in the kingdom if the need arises.

5- Listening to the statements of witnesses or registration of statements or confessions of the accused should be done in accordance with the procedures prescribed by the regulations in force in the Kingdom, unless the other party shows explicitly its desire to do so according to a certain form. This can be done provided it is not contrary to the general rules applicable in the Kingdom.

6- When a person who is present in the Kingdom, is requested to be heard as a witness or expert by the judicial authorities of another country, and this is possible and consistent with the rules and regulations in force in the Kingdom, it may be permitted - at the request of the requesting State - to set a hearing by video, if the appearance of the person concerned in the territory of the requesting State was not possible. It may be agreed between the parties that the hearing will be

administered by a judicial authority from the requesting State, and attended by a judicial authority from the Kingdom.

Fourth: Request for persons or detainees to provide evidence or assist in the investigation

1- The requesting State may request the presence of a person in front of its authorities to testify or to assist in an investigation.

2- The citizens and residents of the Kingdom may be enabled to attend or to be present in the requesting State to assist in the investigation or to participate in some judicial proceedings, and that in accordance with the following conditions:

a- Written consent of the sought person.

b- The requesting State should specify the nature of the required legal assistance.

c- Approval from the competent authority to provide such assistance.

d- The requesting State should carry transportation and return costs of the person sought and expenses of residence and treatment if necessary.

e- Pledge from the requesting State to preserve the safety of the person and to ensure his return.

f- The Kingdom should not have jurisdiction over the crime for which the legal assistance is required.

3- It shall not be allowed to prosecute, detain, punish, or subject his personal liberty in the territory to any other restriction, a witness, an expert or any other person who voluntarily agrees - at the request of the requesting State - to testify in a proceeding or to assist in an investigation, prosecution or judicial proceedings in the territory of the requesting State, and that's with respect to any act or omission or convictions prior to his departure from the territory of the Kingdom. This guarantee shall end when the witness, the expert or the other person has voluntarily decided to stay in the territory of the requesting State, after he has had an opportunity to depart within a period of fifteen consecutive days, or for any period to be agreed upon with the requesting State, with effect from the date on which he has been officially informed that his presence is no longer required by the judicial authorities, or in the event of his voluntarily return to the region after his departure.

4- A person required to testify or to assist in the investigation shall be notified according the procedures in place in the Kingdom, and it is permissible to use the compulsory summons methods in accordance with the rules and regulations in force.

5- In case the sought person must remain detained under the rules and regulations in force in the Kingdom, the requesting State must put that person in custody and return him detained at the end of the execution of the request.

6- Subject to the provisions of paragraph 4 (2), if the sought person was detained, the following conditions shall be met:

a- The person should not be detained for a crime punished by the death sentence or by a "Had" sentence according to the Sharia Law.

b- The requesting State should commit to return back the detainee after the end of the execution of the request within a specified period to be agreed upon in advance with the requesting State.

c- A pledge from the requesting State to return back the detainee as soon as possible when his assistance is no more necessary for the purposes of the request or according to the agreement with the requesting State.

d- A pledge from the requesting State that the detainee will not be detained, prosecuted or punished in the requesting State for any offense committed before being transferred to it.

e- A pledge that the detainee will be returned to the Kingdom without the need to extradition proceedings.

7- If the sentence imposed on the detained person expired, or if the requesting State has been notified that the person is no longer required to be detained, he must be released and treated as a person whose presence was sought by the requesting State pursuant to a request for the presence.

8- The transfer of a detained person may be refused if his presence was necessary for criminal proceedings.

9- The period spent by the person transferred in custody shall be accounted for when calculating the service of his sentence.

Fifth: Proceeds and instrumentalities of crime

1- Every possible effort must be made to verify the existence of the proceeds and instruments of crime, and the competent authorities in the Kingdom must respond to the request of the State requesting legal assistance in determining or tracing for evidence the proceeds, property, vehicles or other objects, and the Committee shall notify the requesting State of the results reached in this regard.

2- A request for legal assistance to seize or confiscate the proceeds or instrumentalities of crime should be submitted in accordance with the rules and regulations in force in the Kingdom and may include a request to execute the following:

a- An order from a court or a competent governmental authority in the requesting State.

b- A request to a competent governmental authority in the Kingdom to issue a seizure or a confiscation order of those proceeds and instrumentalities.

3- When a request from another State is received, the Kingdom shall take measures to identify, trace, freeze or seize the proceeds, property, instrumentalities or other instruments of a crime, for the purpose of eventual confiscation pursuant to a request under paragraph 2 of this Article, and an order issued by the competent authorities in the Kingdom.

4- In addition to the data specified in Article 11 of this mechanism, requests made pursuant to this paragraph should contain the following:

a- In case of a request pertaining to paragraph 2 (a) of this paragraph, a description of the property to be confiscated, and a statement of facts sufficient to enable the Kingdom to issue a confiscation order in the framework of its internal procedures.

b- In case of a request pertaining to paragraph 2 (b) of this paragraph, a legally accepted copy of the confiscation order on which the request from the requesting State is based, and the statement of the facts and information to execute the request.

c- In case of a request pertaining to paragraph 3 of this article, a statement of the facts relied upon by the requesting State Party and a description of the requested measures.

5- A request for legal assistance may be submitted to prevent the disposition of funds which are the proceeds or instrumentalities of crime, in order to ensure their existence if an asset recovery decision was issued by the competent authority.

6- The confiscated properties and instrumentalities shall be devolved to the Kingdom, unless otherwise agreed upon.

7- In all cases in which the legal assistance is provided in accordance with the provisions of this paragraph, this should be without any prejudice to the acquired rights of the Kingdom regarding the proceeds or instrumentalities of crime, and taking into account the rights of bona fide third parties.

Sixth: Notification of judicial documents

1- In addition to the data specified in Article 11 of this mechanism, requests of notification of judicial documents should contain the following:

a- Full name of the person to be notified.

b- Detailed address.

c- Nationality.

d- If he was an accused, the charge against him, its classification and the applicable text should be mentioned.

2- The competent authority in the Kingdom should notify the documents and memos in accordance with the applicable rules and regulations. This may be done according to the procedures determined by the requesting party, provided they are consistent with the regulations in force in the Kingdom.”

The Procedures Manual for Legal Assistance and Asset Recovery in the Kingdom of Saudi Arabia (Asset Recovery Guide) provides as follows:

“Information required for legal assistance requests:

The request shall include necessary information on the subject matter of the request to ensure the accuracy of the legal characterization of the crime committed and facilitate the effective processing thereof by forwarding it to the competent authority. Such information shall mainly include the following:

- 1. Legal grounds for the request.*
- 2. Name and powers of the agency issuing the request which is in charge of the investigations, prosecutions and judicial proceedings, as well as direct communication channels, if available.*
- 3. The subject matter of the request, including: the type of case, a description of the charge or crime, detailed information relating to the facts of the crime, and an annex of relevant legal provisions and penalties forming the ground for the indictment, as well as the legal assistance sought or any requirements deemed necessary by the requesting state.*
- 4. Purposes for which evidence, information or procedures are requested.*
- 5. Names of persons involved and their persons data, places of residence, nationalities and questions addressed.*
- 6. A time limit – if necessary – for processing.*
- 7. Reasons and grounds establishing the relevance of the request to the crime.*
- 8. If the request relates to the inspection of a place or seizure or confiscation of items, such request must contain an accurate description thereof.*
- 9. A copy of the order or ruling issued by the court when necessary.*
- 10. A written undertaking from the requesting state to maintain the confidentiality of information or evidence provided to it in any investigations, prosecutions or court proceedings and not to be used for purposes other than those stated in the request without prior approval.”*

Anti-Money Laundering Law:

“Article 18

Without prejudice to the rights of bona fide third parties, a person committing a crime of money laundering, provided for in Article 2 of this Law, shall be punished by a term of imprisonment not exceeding ten years and a fine not exceeding five million riyals or by either penalty, together with the confiscation of funds, proceeds and means subject of the crime. In case the funds and proceeds are commingled with funds acquired from legitimate

sources, said funds shall be subject to confiscation within the limits equivalent to the estimated value of the illegitimate proceeds.

The competent court may invalidate or prohibit certain acts, whether contractual or otherwise, if one or more of the parties know or is ought to know that such acts could influence the ability of the competent authorities to recover the property subject to confiscation.

The competent court may exempt from such penalties the owner, possessor or user of funds or proceeds subject of the criminal violation if he notifies the authorities prior to their knowledge of the sources of said funds or proceeds and the identity of the parties involved, without him benefiting from their proceeds.”

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

(b) Observations on the implementation of the article

KSA has implemented the provision.

Article 55, paragraph 4

4. The decisions or actions provided for in paragraphs 1 and 2 of this article shall be taken by the requested State Party in accordance with and subject to the provisions of its domestic law and its procedural rules or any bilateral or multilateral agreement or arrangement to which it may be bound in relation to the requesting State Party.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Kingdom is compliant with the provision under review according to the answers in the preceding paragraphs.

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

(b) Observations on the implementation of the article

KSA has implemented the provision.

Article 55, paragraph 5

5. Each State Party shall furnish copies of its laws and regulations that give effect to this article and of any subsequent changes to such laws and regulations or a description thereof to the Secretary-General of the United Nations.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please provide a reference to the date these documents were transmitted, as well as a description of any documents not yet transmitted.

(b) Observations on the implementation of the article

KSA has furnished copies of its laws during the course of the review.

Article 55, paragraph 6

6. If a State Party elects to make the taking of the measures referred to in paragraphs 1 and 2 of this article conditional on the existence of a relevant treaty, that State Party shall consider this Convention the necessary and sufficient treaty basis.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Kingdom is compliant with this provision in accordance with:

- The legal framework provided for in the KSA Asset Recovery Guide, and
- The provisions of Articles 17 of the rules of procedure (Mechanism of action) of the Standing Committee on requests for legal assistance.

Rules of procedure (Mechanism of action) of the Standing Committee on requests for legal assistance:

“Article 17:

Conventions and treaties

1- The provisions of this mechanism are without prejudice to the obligations arising out of any bilateral or multilateral treaty or agreement regulating or which will regulate, wholly or partly, the legal assistance in criminal matters.

2- If the Committee has received several requests for legal assistance from different countries, the priority shall be for the State that has a bilateral agreement with the Kingdom, then for the State that has a multilateral agreement with the Kingdom, and then to other countries according to the principle of reciprocity.”

As described under article 59, the Kingdom has concluded numerous security bilateral and multilateral cooperation agreements in the areas of the fight against crime and the tracing of criminals and proceeds of crime. Saudi Arabia also implements the provisions of the United Nations Convention against Corruption directly in cases where no relevant treaty on mutual legal assistance applies. In addition, the Kingdom may take the measures described in paragraphs 1 and 2 of this article on the basis of reciprocity in the absence of a treaty.

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

(b) Observations on the implementation of the article

KSA has implemented the provision.

Article 55, paragraph 7

7. Cooperation under this article may also be refused or provisional measures lifted if the requested State Party does not receive sufficient and timely evidence or if the property is of a de minimis value.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Kingdom is compliant with this provision in accordance with:

- The provisions of Articles 15 of the rules of procedure (Mechanism of action) of the Standing Committee on requests for legal assistance, and
- The Asset Recovery Guide of the Kingdom of Saudi Arabia.

Rules of procedure (Mechanism of action) of the Standing Committee on requests for legal assistance:

“Article 15: Reject or postpone requests for legal assistance

1- Request for legal assistance may be rejected in the following cases:

a- If the request is not made in accordance with the data requirements described in the Article 11 of this mechanism.

b- If execution of the request is contrary to the provisions of the Islamic Sharia or affects the Kingdom's sovereignty, security, ordre public or other essential interests.

c- If the rules and regulations in force in the Kingdom prohibit the authorities from carrying out the action requested with regard to any similar offense, if the offense was subject to investigation, prosecution or judicial proceedings under its jurisdiction.

2- Assistance may be refused in the absence of dual criminality, but might be provided, to the appropriate extent and in some cases, regardless of whether the conduct would constitute an offense under the rules and regulations in force in the Kingdom.

3- Legal assistance may be postponed if it conflicts with an investigation, prosecution or judicial proceedings in process.

4- It is possible to consult with the requesting State, before rejecting or postponing the execution of a request, to see if the legal assistance can be provided in accordance with the terms and conditions which it deems necessary.

5- If it has been decided to reject the request, in whole or in part, or to postpone its execution, the requesting State should be notified immediately with the reasons which have led to such decision.”

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

(b) Observations on the implementation of the article

KSA has implemented the provision.

Article 55, paragraph 8

8. Before lifting any provisional measure taken pursuant to this article, the requested State Party shall, wherever possible, give the requesting State Party an opportunity to present its reasons in favour of continuing the measure.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Kingdom is compliant with this provision in accordance with:

- The provisions of Articles 18 (6) of the rules of procedure (Mechanism of action) of the Standing Committee on requests for legal assistance, and
- The KSA Asset Recovery Guide.

Rules of procedure (Mechanism of action) of the Standing Committee on requests for legal assistance:

“Article 18: Language and way of submission of the request

1- Requests for legal assistance shall be sent through diplomatic channels and, in urgent cases, through INTERPOL Directorate at the Ministry of Interior.

2- Requests for legal assistance and supporting documents shall be submitted in writing in Arabic.

3- In exceptional circumstances, requests may be submitted in writing in English, to be translated into Arabic.

4- The Committee may receive requests for legal assistance in any way which enables request in writing, including by fax or e-mail.

5- In urgent cases, a verbal request for legal assistance may be accepted, provided that it will be confirmed in writing within ten days and completed with the data mentioned in Article 11 of this mechanism.

6- To ensure that the request for assistance meets the requirements for the legal assistance, the requesting State may provide the Committee with a draft request for legal assistance for review and opinion before sending the request formally.

7- The request and the attached documents must be dated, signed, and stamped by the requesting party.”

Article 15(4) (quoted above) is deemed relevant:

“4- It is possible to consult with the requesting State, before rejecting or postponing the execution of a request, to see if the legal assistance can be provided in accordance with the terms and conditions which it deems necessary.”

The Procedures Manual for Legal Assistance and Asset Recovery in the Kingdom of Saudi Arabia (Asset Recovery Guide) also provides:

“The Kingdom shall consult with the requesting state before rejecting or deferring the execution of a request to decide whether legal assistance may be provided under the terms and conditions it deems appropriate.”

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

It was explained that Saudi Arabia has not refused any requests related to asset recovery to-date. Several case examples were referred to where the authorities returned a request for further clarification or specification, for example of the assets involved.

(b) Observations on the implementation of the article

The provision is implemented.

(c) Successes and good practices

Saudi Arabia has adopted a policy of providing “informal” assistance in reviewing MLA requests before their formal submission, and consults as a matter of practice with requesting States before rejecting or deferring requests (Arts. 15(4) and 18, Rules of procedure of the MLA Committee).

Article 55, paragraph 9

9. *The provisions of this article shall not be construed as prejudicing the rights of bona fide third parties.*

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Kingdom is compliant with this provision in accordance with:

- Articles 14 and 15 the Anti-Money Laundering Law above mentioned, and
- The provisions of Article 12, para. 7 of the Rules of procedure (Mechanism of action) of the Standing Committee on requests for legal assistance (quoted under article 55, paragraph 3 above).

Anti-Money Laundering Law:

“Article 14

If reasonable suspicion of a money laundering crime is established, the competent investigation authority may, of its own accord or upon request by the Financial Intelligence Unit, order provisional seizure of the funds, properties and means associated with the crime of money laundering for a period or periods not exceeding thirty days. Should there be a need for the seizure to be extended for a longer period, this shall be pursuant to a judicial order by the competent court, without prejudice to the rights of bona fide third parties.

Article 15

Information disclosed by financial institutions, designated non-financial businesses and professions, and non-profit organizations, according to the provisions of Article 10 of this Law, may be exchanged between such institutions and the competent authorities where such information relates to a violation of the provisions of this Law. The competent authorities shall keep such information confidential and not disclose it, except as necessary for use in investigations or suits relating to a violation of the provisions of this Law.”

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

(b) Observations on the implementation of the article

The provision is legislatively implemented.

Article 56. Special cooperation

Without prejudice to its domestic law, each State Party shall endeavour to take measures to permit it to forward, without prejudice to its own investigations, prosecutions or judicial proceedings, information on proceeds of offences established in accordance with this Convention to another State Party without prior request, when it considers that the disclosure of such information might assist the receiving State Party in initiating or carrying out investigations, prosecutions or judicial proceedings or might lead to a request by that State Party under this chapter of the Convention.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Memoranda of Understanding have been signed for the exchange of information in anti-money laundering and terrorist financing between the Financial Investigation Unit in the Kingdom and 28 Financial Intelligence Units of other States. These memoranda provide for voluntary exchange of information. The Financial Investigation Unit in the Kingdom is a member of the Egmont Group which includes 155 FIUs, which exchange information among each other.

The Department in Saudi Arabia in charge of liaising with the International Police Organization (INTERPOL) automatically provides counterpart agencies with information without a prior request and likewise receives information from counterpart agencies.

Article 25 of the Anti-Money Laundering law reads:

“Article 25

The competent authorities may exchange information disclosed by financial institutions, designated non-financial businesses and professions, and non-profit organizations with their foreign counterparts in other countries which are signatories with the Kingdom to valid agreements, treaties or memorandums of understanding, or on the basis of reciprocity, pursuant to applicable statutory procedures, without prejudice to the provisions and customs related to confidentiality of information.”

The KSA Asset Recovery Guide explicitly provides that,

“The competent authorities in the Kingdom may, on their own discretion and without receiving request, forward information related to criminal matters to the

authorities of another state if they believe that such information could assist in carrying out investigation and criminal proceedings.”

The Kingdom is compliant with this provision. For example, there has been cooperation recently between the Financial Investigation Unit with counterparts in France, Belgium, and Turkey. It was explained that these cases involved the exchange of information with foreign counterpart FIUs in cases related to countering terrorist financing (CFT) where the Saudi GDFI spontaneously shared information in relation to a terrorist incident that had occurred abroad. The Saudi GDFI also spontaneously shares information related to money-laundering offences, though this is usually done on the basis of a foreign investigation and request for information.

The Saudi Financial Investigation Unit is a member of the Egmont group and exchanges information with member FIUs of this group.

The Kingdom of Saudi Arabia developed an Asset Recovery Guide, which includes important provisions for cooperation and exchange of information.

The Kingdom acceded to the Riyadh Convention on Judicial Cooperation, which includes rules for special cooperation.

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

Examples abound. This work is continuing for cooperation of the competent authorities in the Kingdom with their counterparts in other countries.

Statistics on information spontaneously shared by the GDFI with foreign FIUs.

2015	Incoming	40
	Outgoing	10
2016	Incoming	50
	Outgoing	8

(b) Observations on the implementation of the article

The provision is implemented.

Article 57. Return and disposal of assets

Article 57, paragraph 1

1. Property confiscated by a State Party pursuant to article 31 or 55 of this Convention shall be disposed of, including by return to its prior legitimate owners, pursuant to paragraph 3 of this article, by that State Party in accordance with the provisions of this Convention and its domestic law.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Pursuant to Article 17 of the Anti-Money Laundering Law, Saudi law allows the recognition and enforcement of a final judgement issued by a requesting State relating to property acquired through the commission of an offence established in accordance with the Convention, as that country is the legitimate owner, in principle, in the event of embezzlement of public funds or the laundering of embezzled public funds. Whether the right belongs to a natural person or legal entity, the judicial authority may consider such request and make a decision thereon for the recovery and return of proceeds of crime pursuant to the Convention. Requests from other States Parties to the Convention for provisional measures, tracing, or recovery of funds and proceeds are among the duties of the Standing Committee on requests for mutual legal assistance. The disposal of seized items is done by order of the court, after the case is submitted to the court, in accordance with article 62 of the Implementing Regulations of the Criminal Procedure Law.

The Asset Recovery Guide provides that the Kingdom of Saudi Arabia does not charge any fees or expenses for its legal mutual assistance, and bears ordinary expenses for executing the requests. Besides, it may deduct reasonable expenses incurred in exchange for the costs incurred by its competent authorities leading to the recovery of confiscated assets.

These provisions are stipulated in the rules of procedure (Mechanism of action) of the Standing Committee on requests for legal assistance in Article 12 (V), paragraphs 5 to 7.

Anti-Money Laundering Law

Article 17:

“If a judgment is rendered to confiscate funds, proceeds or means used or intended to be used, pursuant to the provisions of this Law, and they are not required to be destroyed, the competent authority may dispose of the same according to the law or share them with countries that are parties to valid agreements or treaties with the Kingdom.”

Article 18:

“Without prejudice to the rights of bona fide third parties, a person committing a crime of money laundering, provided for in Article 2 of this Law, shall be punished by a term of imprisonment not exceeding ten years and a fine not exceeding five million riyals or by either penalty, together with the confiscation of funds, proceeds and means subject of the crime. In case the funds and proceeds are commingled with funds acquired from legitimate sources, said funds shall be subject to confiscation within the limits equivalent to the estimated value of the illegitimate proceeds.

The competent court may invalidate or prohibit certain acts, whether contractual or otherwise, if one or more of the parties know or is ought to know that such acts could influence the ability of the competent authorities to recover the property subject to confiscation.

The competent court may exempt from such penalties the owner, possessor or user of funds or proceeds subject of the criminal violation if he notifies the authorities prior to their knowledge of the sources of said funds or proceeds and the identity of the parties involved, without him benefiting from their proceeds.”

Implementing Regulations:

“Article 18-1: The investigating authority assesses the value of illegal proceeds with the assistance of experts. A judgment is issued thereon by the competent court.

Article 18-2: A request for consideration of exemption of the reporting person from sanctions is submitted by the relevant investigating authority.

Article 18-3: Upon receiving such reports, inquiry and investigation procedures are taken to ensure that the authorities were not aware of the crime.”

Implementing Regulations of the Criminal Procedure Law:

Chapter Four: Disposal of Seized Items

Article 60: *If the items acquired during investigations are subject to confiscation the investigator shall issue an order for seizure.*

Article 62: *The restitution of the seized items falls within the mandate of the investigator before the case is submitted to the Court, and within the mandate of the President of the Court after the case is submitted to the Court.*

Article 64: *The notification to the owners of the seized items of their right of restitution is to be done according to the rules on notification contained in the law and the regulations. When this is not possible, the notification may be made by announcement in a newspaper that is broadly disseminated, or by other means of notification serving the same purpose.*

Article 133: *The entity in charge of the seizures shall keep records of perishable items and those whose preservation requires significant expenditures.*

If the judgement of the disposal of the seized items is to be executed swiftly, according to article 184, the court should indicate it in the judgement.

If the seized items are subject to dispute and the Court considers executing the judgment for disposal before the decision becomes final, the entity in charge of the delivery shall keep records of the seized items and their values.

The Court shall execute swiftly the delivery of the seized items when they are under its possession, and shall officially order their delivery when they are with another entity. The latter entity shall execute the order taking into consideration the commitment in article 84 of the law. The Court assesses whether bail is necessary or not.

The Procedures Manual for Legal Assistance and Asset Recovery in the Kingdom of Saudi Arabia:

“Disposition of confiscated items:

The proceeds or items confiscated shall devolve to the Kingdom, unless otherwise agreed on a case by case basis, or in accordance with relevant bilateral agreements or treaties.

In all cases where legal assistance is provided, the right of the Kingdom to crime proceeds as well as the rights of bona fide persons shall not be prejudiced.

Costs and expenses:

The Kingdom does not charge any fees for providing mutual legal assistance and shall bear ordinary costs for executing requests; however, the Kingdom may deduct reasonable expenses in return for its efforts in investigation, prosecution or judicial proceedings leading to the recovery of items confiscated.”

Rules of procedure (Mechanism of action) of the Standing Committee, Article 12, (V), paragraphs 5 to 7.

“Article 12: Requests related to specific forms of legal assistance...

Fifth: Proceeds and instrumentalities of crime...

5- A request for legal assistance may be submitted to prevent the disposition of funds which are the proceeds or instrumentalities of crime, in order to ensure their existence if an asset recovery decision was issued by the competent authority.

6- The confiscated properties and instrumentalities shall be devolved to the Kingdom, unless otherwise agreed upon.

7- In all cases in which the legal assistance is provided in accordance with the provisions of this paragraph, this should be without any prejudice to the acquired rights of

the Kingdom regarding the proceeds or instrumentalities of crime, and taking into account the rights of bona fide third parties.”

It was confirmed by the authorities that, in accordance with the Asset Recovery Manual, when a decision to return assets has been taken, it is the policy of the Kingdom to return assets without deducting any share, except in exceptional cases to cover reasonable costs, as provided for in the applicable bilateral or multilateral agreements the Kingdom has concluded. There have been no cases to date where Saudi Arabia has deducted expenses related to asset recovery. Saudi Arabia has not concluded any agreements related to asset sharing and there have been no requests or cases involving asset sharing to date. If such a request were received, each such request would be considered on a case by case basis in accordance with the provisions of the applicable treaties. Nothing would preclude the authorities from entering into asset sharing arrangements, but such decisions would only be made in exceptional circumstances.

As regards the legal framework, the Asset Recovery Guide provides as follows:

“Legal assistance in criminal matters – including the recovery of assets – is provided in the Kingdom of Saudi Arabia in accordance with international conventions and treaties. In the absence of an agreement or treaty with a foreign country in this respect, the Kingdom will provide legal assistance on the basis of reciprocity, and this shall take place based on a written commitment addressed to the Kingdom by the competent authorities of the state requesting legal assistance.

As regards requests for the recovery of assets with other countries, the Kingdom stipulates the existence of a bilateral agreement prior to the return or disposal of any funds or assets. If the Kingdom receives several requests for legal assistance from different countries, priority shall be given to the state which has a bilateral agreement with the Kingdom, then to the state which is linked by a multilateral agreement to which the Kingdom is party, and then to other countries according to the principle of reciprocity.”

The authorities also referred to Royal Decree No. 43 on Protecting the Integrity of the Public Service, dated 29/11/1377 AH (16 June 1958), which governs offences of bribery, embezzlement and waste of public funds, and stipulates in article 3 that:

In addition to the penalties cited in the previous article, a person found guilty should be sentenced to the appropriate compensation for the damaged person and the amounts that have been unlawfully taken should be returned to their owners.

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

The national authorities reported that Saudi Arabia has received and sent several requests for asset recovery, on the basis of article 46 of this Convention. Two cases were referred to in which the Saudi authorities responded to a request related to asset recovery that was received in accordance with this Convention.

There have been no cases to date where Saudi Arabia has deducted expenses related to asset recovery.

(b) Observations on the implementation of the article

The UNCAC provisions set forth mandatory requirements on the return of assets. The default position under KSA's asset recovery guide is that proceeds devolve to the Kingdom, unless otherwise agreed on a case by case basis, or in accordance with relevant bilateral agreements or treaties. When a decision to return assets has been taken by the Standing Committee, it is the policy of the Kingdom to return assets without deducting any share, except in exceptional cases to cover reasonable costs, as provided for in the applicable agreements.

More specifically, Article 17 of the AML Law provides that confiscated funds may be disposed of according to the law or shared with countries that are parties to valid agreements or treaties with the Kingdom. The restitution of seized items is done by order of the court, after the case is submitted to the court (article 62, Implementing Regulations of the Criminal Procedure Law).

It was further confirmed that the provisions of this Convention are directly applicable in cases where no relevant agreement applies and take precedence over arrangements concluded on a case-by-case basis. A request received from another State party in accordance with article 57 would be executed accordingly. The two requests received under this Convention were referred to.

Based on the information provided, including Saudi Arabia's laws and written policy providing for the return of assets to their prior legitimate owner, as well as the asset recovery case examples referred to, the provision appears to be implemented in practice. However, bearing in mind that the Asset Recovery Guide provides that, "In all cases where legal assistance is provided, the right of the Kingdom to crime proceeds ... shall not be prejudiced", and building on existing judicial practice, it is recommended that Saudi Arabia consider including a reference in the Asset Recovery Guide to the specific mechanisms and requirements of article 57 and monitor the application thereof in all asset recovery cases; Saudi Arabia is further encouraged to consider legislative clarification.

Article 57, paragraph 2

2. Each State Party shall adopt such legislative and other measures, in accordance with the fundamental principles of its domestic law, as may be necessary to enable its competent authorities to return confiscated property, when

acting on the request made by another State Party, in accordance with this Convention, taking into account the rights of bona fide third parties.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention

Saudi legislation recognizes the rights of bona fide parties in the application of sanctions for crimes or the confiscation of funds or property that are the proceeds of crime. The claims of States Parties to this Convention or to other conventions or treaties are considered on the basis of Article 24 of the Anti-Money Laundering Law and Article 24 (1) of its Implementing Regulations, or the principle of reciprocity with regard to property acquired from crime, when confiscation is ordered, or when the right of the State Party is recognized as a basis for the return of confiscated property when such party did not take part in the crime and is not an accomplice, whether it is a natural or legal person. The competent judicial authorities appreciate the sincerity of such parties on the basis of circumstances and facts. A bona fide party having sustained harm can claim compensation for harm to his property in case an order is issued for the confiscation or the return of property in accordance with Article 147 of the Criminal Procedure Law.

Anti-Money Laundering Law:

“Article 24:

Penalties stipulated in this Law shall not apply against persons violating its provisions in good faith.”

Implementing Regulation to the Anti-Money Laundering Law:

“24.1 Bona fide parties shall be determined by the judicial authority on the basis of objective situations and circumstances.”

Criminal Procedure Law:

“Article 147: A person harmed by a crime and his heirs shall, at any time during the proceedings of the case in issue, be entitled to submit a request to the trial court regarding his private right of action regardless of the amount thereof, even though his action has been rejected during the investigation.”

Implementing Regulations of the Criminal Procedure Law:

“Article 64: The notification to the owners of the seized items of their right of restitution is to be done according to the rules on notification contained in the law and the regulations. When this is not possible, the notification may be made by announcement in a newspaper that is broadly disseminated, or by other means of notification serving the same purpose.”

The Procedures Manual for Legal Assistance and Asset Recovery in the Kingdom of Saudi Arabia:

“Disposition of confiscated items:

The proceeds or items confiscated shall devolve to the Kingdom, unless otherwise agreed on a case by case basis, or in accordance with relevant bilateral agreements or treaties.

In all cases where legal assistance is provided, the right of the Kingdom to crime proceeds as well as the rights of bona fide persons shall not be prejudiced.”

Rules of procedure (Mechanism of action) of the Standing Committee, Article 12, (V), paragraphs 5 to 7:

“Article 12: Requests related to specific forms of legal assistance...

Fifth: Proceeds and instrumentalities of crime...

5- A request for legal assistance may be submitted to prevent the disposition of funds which are the proceeds or instrumentalities of crime, in order to ensure their existence if an asset recovery decision was issued by the competent authority.

6- The confiscated properties and instrumentalities shall be devolved to the Kingdom, unless otherwise agreed upon.

7- In all cases in which the legal assistance is provided in accordance with the provisions of this paragraph, this should be without any prejudice to the acquired rights of the Kingdom regarding the proceeds or instrumentalities of crime, and taking into account the rights of bona fide third parties.”

In addition, it was confirmed that the Kingdom does not impose any conditions on the return of assets (such as conditions that returned property be used for certain purposes or in a certain manner) and this is based on the understanding that owners are free to decide about their assets.

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics, etc.

(b) Observations on the implementation of the article

The provision is legislatively implemented.

Article 57, paragraph 3 (a)

3. In accordance with articles 46 and 55 of this Convention and paragraphs 1 and 2 of this article, the requested State Party shall:

(a) In the case of embezzlement of public funds or of laundering of embezzled public funds as referred to in articles 17 and 23 of this Convention, when confiscation was executed in accordance with article 55 and on the basis of a final

judgement in the requesting State Party, a requirement that can be waived by the requested State Party, return the confiscated property to the requesting State Party;

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Refer to the answer on the preceding Article (57), paragraph (1).

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

(b) Observations on the implementation of the article

Based on the information provided, in particular Royal Decree No. 43 on Protecting the Integrity of the Public Service as well as the laws, written policy and international agreements the Kingdom has concluded, the provision is legislatively implemented.

Article 57, paragraph 3 (b)

3. In accordance with articles 46 and 55 of this Convention and paragraphs 1 and 2 of this article, the requested State Party shall:

...

(b) In the case of proceeds of any other offence covered by this Convention, when the confiscation was executed in accordance with article 55 of this Convention and on the basis of a final judgement in the requesting State Party, a requirement that can be waived by the requested State Party, return the confiscated property to the requesting State Party, when the requesting State Party reasonably establishes its prior ownership of such confiscated property to the requested State Party or when the requested State Party recognizes damage to the requesting State Party as a basis for returning the confiscated property;

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Refer to the answer on the preceding Article (57), paragraph (1).

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

(b) Observations on the implementation of the article

Based on the information provided, in particular Royal Decree No. 43 on Protecting the Integrity of the Public Service as well as the laws, written policy and international agreements the Kingdom has concluded, the provision is legislatively implemented.

Article 57, paragraph 3 (c)

3. *In accordance with articles 46 and 55 of this Convention and paragraphs 1 and 2 of this article, the requested State Party shall:*

...

(c) In all other cases, give priority consideration to returning confiscated property to the requesting State Party, returning such property to its prior legitimate owners or compensating the victims of the crime.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Returning property to previous legitimate owners or compensation for victims of crime

Royal Decree No. 43 on Protecting the Integrity of the Public Service, dated 29/11/1377 AH (16 June 1958)

Article 33⁶:

“In addition to the penalties stipulated in the previous article any person who is found guilty shall make adequate compensation to those harmed and return the amounts taken unlawfully to the legitimate owners.”

Government Tenders and Procurement Law

Article 53:

“A government authority may withdraw the work from a contractor and rescind the contract or execute it at his expense without prejudice to the right of the government authority to claim compensation for damage sustained as a result, in any of the following cases:

(a) If it is proven that a contractor attempts by himself or through others, directly or indirectly, to bribe an employee of an authority subject to the provisions of this Law or has procured the contract by way of bribery...”

³⁶ Applicable to embezzlement, misappropriation, bribery, trading in influence, etc.

Law of Criminal Procedure:

Article 68:

“Whoever suffers harm in consequence of a crime may file a claim in respect of his private right of action during the investigation of that action. The Investigator shall decide on the admissibility of such claim within three days from the date of filing. If the claim is rejected, an appeal may be lodged with the head of the relevant department within one week from the date of communication of the decision to the interested party. The decision issued by the head of the relevant department shall be final during the investigation stage.”

Article 147:

“A person harmed by a crime and his heirs shall, at any time during the proceedings of the case in issue, be entitled to submit a request to the trial court regarding his private right of action regardless of the amount thereof, even though his action has been rejected during the investigation.”

Law on the Management of Public Funds issued by Royal Decree No. M/18 dated 23/02/1436 AH (15 December 2014) (currently under revision)

Article 9:

“Notwithstanding the provisions of Decree No. 43 of 1377H [1958], imprisonment of not more than ten (10) years or a fine of not more than one hundred thousand (100,000) riyals, or both penalties, shall be imposed on any official covered by this Regulation who is found guilty of the offense of embezzlement, misappropriation, or illegal use of public funds [...], in addition to the obligation to return the funds, objects, stamps, securities that were embezzled, misappropriated, or lost or their equivalent value.”

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

See previous answer

(b) Observations on the implementation of the article

Based on the information provided, in particular Royal Decree No. 43 on Protecting the Integrity of the Public Service as well as the laws, written policy and international agreements the Kingdom has concluded, the provision is legislatively implemented.

Article 57, paragraph 4

4. *Where appropriate, unless States Parties decide otherwise, the requested State Party may deduct reasonable expenses incurred in investigations, prosecutions or judicial proceedings leading to the return or disposition of confiscated property pursuant to this article.*

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

Anti-Money Laundering Law

“Article 17:

If a judgment is rendered to confiscate funds, proceeds or means used or intended to be used, pursuant to the provisions of this Law, and they are not required to be destroyed, the competent authority may dispose of the same according to the law or share them with countries that are parties to valid agreements or treaties with the Kingdom.”

The Kingdom of Saudi Arabia does not charge any fees or expenses for the legal mutual assistance it provides. It bears ordinary expenses for executing requests for assistance. Besides, it may deduct reasonable expenses incurred in exchange for the costs incurred by its competent authorities during investigation or prosecution or the proceedings leading to the recovery of confiscated assets in accordance with bilateral treaties with the Requesting State, pursuant to Article 16 of the rules of procedure (Mechanism of action) of the Standing Committee on requests for legal assistance (costs and expenses).

Rules of procedure (Mechanism of action) of the Standing Committee on requests for legal assistance:

“Article 16: Expenses of the execution of the request

The Kingdom does not charge any fees or expenses for the legal assistance which it provides, and bears the ordinary costs of executing a request, unless such assistance requires expenses of a substantial or an extraordinary nature. In the latter case, an agreement with the requesting State will determine the terms and conditions of the execution of the request, as well as how to carry those expenses.”

The Procedures Manual for Legal Assistance and Asset Recovery in the Kingdom of Saudi Arabia (Asset Recovery Guide):

“Costs and expenses:

The Kingdom does not charge any fees for providing mutual legal assistance and shall bear ordinary costs for executing requests; however, the Kingdom may deduct reasonable expenses in return for its efforts in investigation, prosecution or judicial proceedings leading to the recovery of items confiscated.”

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

(b) Observations on the implementation of the article

As noted above, it is the policy of the Kingdom to return assets without deducting any share, except in exceptional cases to cover reasonable costs, as provided for in the applicable bilateral or multilateral agreements the Kingdom has concluded. In the case of substantial or extraordinary expenses, consultations will be held with the requesting State, as per the Rules of Procedure of the Standing Committee. There have been no cases to date where Saudi Arabia has deducted expenses related to asset recovery. KSA implemented this provision.

Article 57, paragraph 5

5. Where appropriate, States Parties may also give special consideration to concluding agreements or mutually acceptable arrangements, on a case-by-case basis, for the final disposal of confiscated property.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The principle of reciprocity is recognized by the Kingdom in its relations with other countries throughout the confiscation procedures. Agreements are being concluded for this purpose in the framework of Article 27 of the Anti-Money Laundering Law.

Saudi legislation recognizes the principle of reciprocity in its relations with other countries. The procedures of confiscation are completed in accordance with this principle. Agreements or arrangements are concluded on a case by case basis for the purpose of disposal of confiscated property pursuant to Article 27 of the Anti-Money Laundering Law, whether the right belongs to a natural person or a legal entity in accordance with Article 16 of the rules of procedure (Mechanism of action) of the Standing Committee on requests for legal assistance (quoted above). This is also provided for in the Kingdom’s Asset Recovery Guide (article on disposal of confiscated assets).

Anti-Money Laundering Law:

“Article 27:

A final judgment providing for the confiscation of funds, proceeds or means related to a money laundering crime, issued by a competent court in another country which is a signatory to a valid agreement or treaty with the Kingdom or on the basis of reciprocity, may be acknowledged and enforced if the funds, proceeds or means subject of the judgment can be confiscated, according to laws applicable in the Kingdom.”

- 3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.**

(b) Observations on the implementation of the article

As noted above, Saudi Arabia has not concluded any agreements related to asset sharing and there have been no requests or cases involving asset sharing to date. If such a request were received, each such request would be considered on a case by case basis in accordance with the provisions of the applicable treaties. Nothing would preclude the authorities from entering into asset sharing arrangements, but such decisions would only be made in exceptional circumstances. KSA does not impose any conditions on the return of assets (e.g. require that they be used for certain purposes or in a certain manner).

Article 58. Financial intelligence unit

States Parties shall cooperate with one another for the purpose of preventing and combating the transfer of proceeds of offences established in accordance with this Convention and of promoting ways and means of recovering such proceeds and, to that end, shall consider establishing a financial intelligence unit to be responsible for receiving, analysing and disseminating to the competent authorities reports of suspicious financial transactions.

(a) Summary of information relevant to reviewing the implementation of the article

Is your country in compliance with this provision?

Yes

- 2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.**

The Kingdom of Saudi Arabia is compliant with these provisions. In this regard, it set up a Standing committee on requests for legal assistance, including asset recovery requests as the central competent authority in charge of these matters.

In 2005, the General Directorate of Financial Investigation (GDFI) commenced its operations (Article 13 of the Anti-Money Laundering Law, as amended). This department under the Presidency of State Security is in charge of receiving and analyzing reports of suspicious financial transactions, drawing up reports thereon, and referring them to the competent authorities, within and outside the Kingdom, in charge of the fight against money laundering and terrorist financing.

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

Statistics on suspicious transaction reports by banks/non-bank FIs:

Type of institution	Number of STRs filed (2015)	Number of STRs filed (2016)
Financial institutions	3252	5723
Specific non-financial businesses and professions and non-profit organizations	5	17
Governmental institutions	244	220
Individuals	33	42
Total	3534	6002

**Number of Outgoing and Incoming Requests to the GDFI from foreign
FIUs for 2010-2016:**

Year	Request Type	Number	Status
2010	Incoming Requests	80	Replied
	Outgoing Requests	54	Replies received from counterparts
2011	Incoming Requests	171	Replied
	Outgoing Requests	85	Replies received from counterparts
2012	Incoming Requests	107	Replied
	Outgoing Requests	84	Replies received from counterparts
2013	Incoming Requests	268	Replied
	Outgoing Requests	185	Replies received from counterparts
2014	Incoming Requests	388	Replied

	Outgoing Requests	88	Replies received from counterparts
2015	Incoming Requests	169	Replied
	Outgoing Requests	45	Replies received from counterparts
2016	Incoming Requests	135	Replied
	Outgoing Requests	38	Replies received from counterparts

(b) Observations on the implementation of the article

KSA has implemented this provision.

Article 59. Bilateral and multilateral agreements and arrangements

States Parties shall consider concluding bilateral or multilateral agreements or arrangements to enhance the effectiveness of international cooperation undertaken pursuant to this chapter of the Convention.

(a) Summary of information relevant to reviewing the implementation of the article

1. Is your country in compliance with this provision?

Yes

2. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related appropriate time frame) to ensure full compliance with this provision of the Convention.

The Kingdom has concluded numerous security bilateral and multilateral cooperation agreements in the areas of the fight against crime and the tracing of criminals and proceeds of crime, such as the Gulf Cooperation Council Security Agreement and agreements with Bahrain, Oman and Yemen. Saudi Arabia has concluded a number of agreements on mutual legal assistance, including bilateral agreements (such as those with Kazakhstan, Morocco and Yemen) and multilateral agreements (such as the GCC Protocol). Saudi Arabia also implements the provisions of the United Nations Convention against Corruption directly in cases where no relevant treaty on mutual legal assistance applies. Saudi Arabia has also concluded several treaties referred to under article 14, paragraph 5 above. In addition, many draft conventions are being pursued on the subject.

National authorities reported that the Kingdom has concluded more than one hundred agreements on international cooperation, including more than twenty agreements in the past two years.

List of MOUs signed by the GDFI for 2014-2017:

Year	No. of memoranda signed
2010	4
2011	10
2012	3
2013	6
2014	2
2015	0
2016	2
2017	1

3. Please provide examples of the implementation of those measures, including related court or other cases, statistics etc.

(b) Observations on the implementation of the article

KSA has implemented this provision.
