

Minister's Decision

The Minister of Social Affairs,

Based upon the powers delegated to him.

And after having reviewed National Associations and Establishments Law issued with Council of Ministers' Decision No. (61) dated 18/02/1437 H, ratified with Royal Decree No. (R/8) dated 29/2/1437 H.

And based upon Article (42) of National Associations and Establishments Law due what is required by work interest, the following is decided:

1. To approve the implementing regulation for National Associations and Establishments Law with the enclosed draft.
2. This decision shall come into force as of date of its issuance.
3. This decision shall be informed to whoever for enforcement.

Minister of Social Affairs

Dr. Maged bin Abdullah Al Qasabi



Human Resources and
Social Development

Kingdom of Saudi Arabia
Ministry of Social Affairs
Administrative Communications
Department /
Minister's Office
Inbound: 73739
Fax: 41224122

Implementing Regulation of National Associations and Establishments Law 1437 H.

Implementing Regulation of National Associations and Establishments

Law

Section (1)

Definitions and Supervising Authority

Article (1):

The following terms and phrases – wherever mentioned herein – shall have the meanings stated before each of them:

1. **Law:** National Associations and Establishments Law.
2. **Ministry:** Ministry of Social Affairs.
3. **Minister:** Minister of Social Affairs.
4. **Association:** national association.
5. **Board of directors:** association board of directors.
6. **Establishment:** national establishment.
7. **Board of trustees:** board of trustees of the establishment.
8. **Competent authority:** the authority specified by the council of Ministers.
9. **Supervising authority:** the government authority, which the establishment or association activity enters among its competencies.
10. **Regulation:** implementing regulation of National Associations and Establishments Law.
11. **Statute:** stature of the establishment or association.

Article (2):

The regulation of governing the relation between the Ministry and supervising authority determines the rules of supervision, administrative, financial and technical monitoring over national associations.

Section (2)
National Associations
Chapter (1)

Objectives and Activities of the Association

Article (3):

For the purposes of enforcing the provisions of the law and regulation, the association of every group with continuing regulation for a limited or unlimited period and consists of legal or natural persons or both, shall be deemed originally non-profit for the purpose of achieving one of charity or solidarity purposes or one of the activities stated in article (5) hereof.

Article (4):

While taking into account the objectives stated by the law, as well as the association specialty, the Statute determines the objectives, on which the association are based and determined for its activities, whereas these objectives may only be exceeded with the Minister approval or whoever acts on his behalf.

Article (5):

The association is established for the achievement of one of the following purposes or activities:

1. Charity, solidarity, public services or care.
2. Religious, social, cultural, health, environmental, developmental, raising awareness, technical or seasonal.
3. Educational, learning, scientific, research or training.
4. Professional, vocational, innovational, youthful, women, children, tourism or volunteering.
5. Consumer protection and family protection.
6. Disasters and crisis and realization of society safety.
7. Family and social development.
8. Any other national activity valued by the Ministry.



Human Resources and
Social Development

Kingdom of Saudi Arabia
Ministry of Social Affairs
Administrative Communications
Department /
Minister's Office
Inbound: 73739
Fax: 4783635

Chapter (2)

Establishment of the Association

Article (6):

The following is required in the applicant of establishment of association with natural personality:

1. He shall be a holder of Saudi nationality.
2. He shall be at least eighteen years old.
3. He shall possess full legal capacity.
4. No final judgement was issued against him in a dishonorable crime, unless he is exonerated.

Article (7):

The natural person who is willing to establish an association shall submit the following the Ministry:

1. An application submitted by ten persons at least in accordance with the form prepared for that from the Ministry and accompanied by a statement that indicates the following data for the establishment applicants:
 - a. Name in accordance with National ID.
 - b. National ID no.
 - c. Profession.
 - d. Place of residence.
 - e. Contact information, including email address and cellphone number.
2. A copy of National ID for establishment applicants.
3. Name and data of the person authorized from the establishment applicants and his contact information (email address and cellphone number).
4. A statute for the association in accordance with the form prepared by the Ministry and it shall be in line with the law and regulation.

5. Names of members of board of directors of the association for the first session.

Article (8):

If the establishment applicant was a government agency, a letter from the person in charge or his representative is sufficient and if the authority was non-governmental, it shall submit the following:

1. Commercial register, license, endowment title or what proves the legal status of the applicant in accordance with the law governing it and it shall be valid.
2. National address for the applicant and its branches, if any.
3. Social insurances certificate.
4. Zakat and income certificate.

Article (9):

The legal entity who is willing to establish an association shall submit the following to the Ministry:

1. The documents stated in article (3) in regard of legal entities.
2. A letter includes the approval on the establishment of an association issued from the person in charge in accordance with what is stated by article (10) hereof.
3. Name of the legal representative of the applicant, his address and contact information, including email address and cellphone number.
4. Application of association establishment in accordance with the form prepared for that.
5. Association Statute in accordance with the form prepared by the Ministry and it shall be in line with the law and regulation.
6. Names of members of board of directors of the association for the first session.

Article (10):

The competent officer in (legal entity) shall be:

1. If the legal entity was a government agency, the competent officer shall be the senior officer.
2. If the legal entity was an individual establishment, the competent officer therein shall be the establishment owner.
3. If the legal entity was a company, the competent officer therein shall be the partner, except for joint-stock companies.
4. If the legal entity was a joint-stock company, the competent officer therein shall be the general assembly.
5. If the legal entity was the endowment deed, the competent officer shall be the principle.

Article (11):

The establishment applicants with legal entity shall inform the Ministry with any change occurring on any of them during the progress of establishment procedures, whereas the Ministry looks into the occurring change and takes the appropriate actions, such as requesting the completion of documents, additional requirements or terminate the application under a justified decision.

Article (12):

The Ministry decided in the application of association establishment in accordance with the following procedures:

1. The Ministry studies the application to verify its fulfillment of the terms and data stated in the law, regulation, decisions and instructions issued thereby.
2. The application shall be granted a registration number and date and that after completing all documents stated in the regulation in accordance with the applicant status and then the applications shall be deemed complete in terms of its requirements.
3. The Ministry refers the application to the supervising authority to study it and then issue its decisions.
4. The Ministry – after it coordinates with the competent authority – issues its decision in the application with approval or rejection and that within sixty days from the date of completing its requirements.
5. The Ministry issues the association license as soon as it gains its legal entity in accordance with what is stated by article (3) of the regulation, while taking into account the following procedures:
 - a. The Ministry registers the association in its national association record and it grants it a registration number.
 - b. The Ministry shall notify the supervising authority and take the procedures of publishing the association statute on the Ministry's website.
 - c. The Ministry shall issue a license to the association from the national associations' register, in addition to an accredited copy of the statute and it shall be delivered to the approved representative for the establishment applicant.

Article (13):

The association gains the legal entity from the date of issuing the Ministry's decision with the approval on the application or expiry of sixty-day period from the date of completing the application requirements.

Article (14):

The association practices its activities and programs as soon as it receives the license in accordance with the provisions of the law, regulation and statute and it is prohibited to:

1. Practice any activity in violation of the objectives stated in its statute.
2. Practice any activity or establish any branches thereto outside the Kingdom, but only after the Ministry's approval.

Chapter (3)

National Associations Register

Article (15):

The Ministry prepares a special record for association, whereas it shall be updated whenever a change occurs on its data and the Ministry makes the register data available to the public, except for what is stated in paragraph (15) and paragraph (16) of this article and the register includes the following data:

1. Association name.
2. Number and date of the Minister's decision issued with the approval on the association establishment.
3. Number and date of the association license.
4. Date of publication of the Ministry's decision and the association statute.
5. The association statute.
6. Address of its headquarter and its branches' addresses, if any.
7. Administrative scope for the association services.

8. Objectives, for which the association was established.
9. The name of founding members of the association.
10. Names of the general assembly members.
11. Names of members of board of directors.
12. Name of chairman of board of directors.
13. Name of executive official.
14. Name of supervising authority over the association works, if any.
15. Name of the association employees.
16. Contact information with the founders, chairman and members of board of director and executive officer.

Chapter (4)

Establishment of a branch or an office for the association

Article (16):

The association may establish branches thereto in the Kingdom with the approval of the Minister or whoever he delegates and the supervising authority, whereas the association shall – when applying for establishment of a branch – submit the following requirements to the Ministry:

1. A prove for the general assembly approval on the branch establishment.
2. Determining the branch headquarter and administrative scope for its services.
3. Determination of the branch competencies and the administrative structure thereto, in addition to the names of candidate employees for its management.
4. What proves the association capability to operate the branch and ensures its sustainability.

Article (17):

The association may establish office(s) within its administrative scope and the objective therefrom shall be to introduce the association or execute the activity or more, which it is authorized to practice.

Chapter (5) General Assembly

Article (18):

While taking to account the supervisory provisions and powers of the Ministry and supervising authorities, the general assembly is deemed as the highest authority in the association and its decision is binding to all members and the remaining department of the association.

Article (19):

The association seeks to increase the members of its general assembly, whereas the membership therein can be limited to a certain category with specified conditions, whereas it may be open to public and the statute determines the categories, terms and provisions of the membership in the assembly and among which:

1. Whoever is entitled to vote and attend in the general assembly.
2. Determining the amount of membership subscription fees.
3. Members' rights in accordance with membership categories, whereas it shall include the following:
 - a. Receiving basic information about the association activities periodically (annual, semi-annual and quarterly).
 - b. Participating and voting in general assembly meetings.
 - c. Reviewing the reports and financial documents in the association headquarter.
 - d. The right to call the general assembly to convene for extraordinary meeting in partnership with 25% of the members who are entitled to attend the general assembly.
 - e. The right to delegate one of the members in writing to represent him in attending the general assembly in accordance with the provisions set forth by article (21) hereof.

Article (20):



Kingdom of Saudi Arabia
Ministry of Social Affairs
Administrative Communications
Department /
Minister's Office
Inbound: 73739
Fax: 4122 4122

While taking into account what is stated by the law of the extraordinary general assembly competencies, the decisions of extraordinary general assembly shall only come into force after the Minister's approval.

Article (21):

The representation in attending the meeting of general assembly subjects to the following provisions:

1. The member of general assembly may delegate one of the other members to represent him in attending the general assembly meeting and vote in accordance with the mechanism set forth by the statute, whereas the representation shall be approved by the chairman of board of directors or whoever authorize him before the meeting.
2. The member may only represent one member.
3. No representation shall be granted to the members of board of directors.

Article (22):

The legal entity practices his role in the association through a representative, whereas the representation shall be under an official document issued from the competent officer, whereas what is stated by the statute shall be taken into account.

Article (23):

The assembly shall provide the Ministry with a copy of the general assembly meetings' minutes with a vote counting report within fifteen days from the meeting date.

Chapter (6) Board of Directors

Article (24):

The number of members of board of directors shall not be less than five members and not exceeding thirteen members, whereas in all cases, the number of members of board of directors may not exceed 50% of the number of members of general assembly.

Article (25):

1. The founding members shall form the first board of directors among the incorporation procedures and in accordance with what is stated by article (7) and article (9) hereof.
2. The general assembly forms an election committee consists of two members therefrom at least – of non-candidate members – to manage the process of electing the members of board of directors for the second term and the one after, whereas the committee role ends with the announcement of the names of members of board of directors.
3. The board of director term shall be four years.

Article (26):

While taking into account the provisions of law and regulation, the statute states the procedures necessary for the progress of electing the members of board of directors, including the procedures of nomination, polling, vote counting and announcing the results, while taking the following provisions into consideration:

1. The board of directors shall address the invitation to all members of general assembly of whom the terms of nomination to the membership of new board of director apply before the end of board of directors' duration with one hundred and eighty days at least.

2. The nomination shall be closed before ninety days from the end of board of directors' term.
3. The board of directors shall submit the candidates' names to the Ministry in accordance with the prepared form or the method adopted by the Ministry for that purpose and that within a week from closing the nomination.
4. The election committee shall in coordination with the board of directors display the list of candidates' names sent from the Ministry in the association headquarter or its website before the end of the board of directors' term with fifteen days at least.
5. The general assembly elects the members of new board of directors in its ordinary meeting from the candidates' list, whereas the new board of directors shall provide the Ministry with the names of members who were elected within fifteen days at least from the election date.
6. Combining two positions in the assembly and membership of board of directors is only allowed by the approval of the Minister of whoever he delegates.
7. The Ministry assign one of its employees to attend the process of electing the members of board of directors to make sure that it proceeds in accordance with the Law, regulation and statute.
8. Upon the end of the board of directors' term, it shall continue to practice its administrative tasks without the financial tasks until the election of a new board of directors.

Article (27):

It is prohibited to combine two positions as a member of board of directors and also work in the administration competent to supervise over the association in the Ministry or the supervising authority, but only with the Minister's approval or whoever he delegates.

Article (28):

Nomination for the membership of board of directors of the association for two consecutive terms is only allowed with the Minister's approval or whoever he delegates.

Article (29):

While taking into account the law provisions, the Ministry may terminate the election results with a justified decision within sixty days from nomination, whereas the general assembly shall convene and reelect the candidates themselves and that within a period not less than fifteen days and not exceeding thirty days from the date of receiving the termination decision.

Article (30):

The statute specifies how to select the chairman of board of director, his vice-chairman and the financial supervisor and their competencies, whereas they shall be determined in the first meeting of the board.

Article (31):

The association board of directors holds regular periodic meetings not less than four meetings a year, whereas the suitability of the time period between every two meeting shall be taken into account in its convention and the meeting shall be held every three months at least.

Article (32):

The stature specifies the competencies of the board of directors, among which:

1. Establishment of general policies to achieve the association objectives and realize it success.
2. Establishment of the association action plan, among which the strategic plan, executive plan and other main action plans, follow-up on its execution and approval from the general assembly.

3. Approving the establishment and job structure in the association.
4. Establishment of regulations and rules for internal supervision, supervise over them and carry out a periodic review in order to make sure of achieving its effectiveness.
5. Establishment of principles and standards for the association governance, which shall be in line with the provisions of the law, regulation and statute and also supervise over and monitor its effectiveness and amend them, when necessary.
6. Opening bank accounts in Saudi banks, pay and collect checks, promissory notes, accounts records, as well as activating accounts, close and settle them, update data, object on rejected checks and other banking operations.
7. Registering real estates, accept its conveyance, accept wills, endowments and gifts, merger of deeds of association properties, divide and sort them, update deeds and entering them in the comprehensive system, converting agricultural lands to residential, making any actions other than the aforementioned, in which the association has elation and interest after the general assembly approval.
8. Development of the association financial resources and seeking to achieve sustainability thereto.
9. Management of the association properties and funds.
10. Preparation of investment rules for association surplus and active it after its approval by the general assembly and the Ministry.
11. Establishment of a written policy the governs the relation with the beneficiaries of the association services that ensures providing the necessary care and attention to them, in addition to announcing it.
12. Drafting clear and specific policies, conditions and procedures for the membership of board of director and place them as subject of enforcement after the association acknowledges them.

13. Providing the Ministry with the data and information about the association in accordance with the forms approved by the Ministry and update them in line with the occurring changes within a period not exceeding a month from the date of its occurrence.
14. Cooperating in the preparation of tracking and annual reports.
15. Providing the Ministry with the final account and the financial reports audited by the auditor after approving them from the general assembly and within four months from the end of the fiscal year.
16. Supervising over the preparation and approval of the association annual report.
17. Supervising over the preparation of the estimative balance for the new fiscal year and submit it to the general assembly for approval.
18. Appointment of a fulltime executive official for the association, determine his competencies and provide the Ministry with his name, appointment decision, a copy of his National ID and his contact information.
19. Appointment of leader employees in the association and determine their competencies and responsibilities.
20. Deciding in accepting the new general assembly member, reject him or terminate his membership under a justified decision.
21. Informing the Ministry with every change occurs on the status of the general assembly members, board of directors' members, executive officer and the financial manager within a month from the occurrence of change.
22. Establishment of policies and procedures that ensure the association compliance with the laws and regulation, in addition to the compliance with disclosure of fundamental information to the beneficiaries, the Ministry, supervising authority and other stakeholders and enable them to review the final account and the

financial and administrative reports and publish them on the association website.

23. Supervising over the execution of decision and instructions of general assembly, external auditor, the Ministry or the supervising authority.
24. Development of the association financial resources.
25. Calling the general assembly to convene.
26. Any other tasks assigned by the general assembly, the Ministry or the supervising authority, each in their respective areas.

Article (33):

1. The association statute determines the mechanism of forming permanent or temporary committees, its competencies and working method.
2. The board of director may form an executive committee therefrom and authorize it with some powers ensure the flow of association work.
3. Any permanent committee must have one of the members of board of directors.
4. The financial supervisor shall not head the committee of audit and internal review.

Chapter (7)

The Association's Financial Affairs

Article (34):

While taking into account the law provisions, the association shall deal with zakat money in a separate account and create a special record thereto, whereas it shall dispose Zakat money in line with Sharia rules.

Article (35):

While taking into account the law provisions, the association shall – when it receives donations – create a special record thereto and register therein the donation value and its conditions, if any and it shall take into account the donor condition when disposing the donations.

Article (36):

The association complies with the accounting standards issued from Saudi Establishment for Certified Public Accountants and accounting forms and reports issued by the Ministry.

Article (37):

1. The board of director is responsible for the association money and properties, for example without limitation; making sure that the association resources are documented and its revenues are spent in a manner compatible with its objectives, whereas it shall perform its tasks with responsibility and good intention, in addition to determining the powers, which it delegates, decision making procedures and delegation period. it also shall follow-up the practice of these powers, which it delegates to a third party via periodic reports.
2. The board of directors shall make sure of establishment of procedures to introduce the new members of board of directors to

the association work, particularly the financial and legal aspects. It also sure ensure the availability of sufficient information about the association affairs to the members of board of directors.

3. The board of directors may only act in what is stated by the statute and the conditions mentioned therein and if the statute was free from a provision, the board may only act with a permission from the general assembly.
4. The board of directors shall deposit the association cash with its name in local bank(s), whereas the transactions with the association bank accounts shall be with the signature of chairman or vice-chairman of board of directors and the financial supervisor, whereas the board of directors may authorize dealing with bank accounts to two of its members or senior management executives, whereas they shall be holders of Saudi nationality and after the approval of the Minister or whoever he delegates.
5. The board of directors shall make sure of the association compliance with the laws and regulations applicable in the Kingdom in a manner guarantee lack of the association committing a legal violation.

Article (38):

The association shall provide the Ministry with its final account for the ended year after its approval from the general assembly within four months from the end of fiscal year.

Article (39):

The Ministry may appoint auditor(s) to carry out the works, which it required.

Article (40):

The association shall take into account the provisions stated by the applicable laws in the Kingdom with a financial aspect, among which anti-money laundering law and it shall take the following in particular:

1. Maintaining in its headquarter the financial records and documents, accounts' files, financial correspondences, copies of National IDs for founders, members of general assembly, members of board of directors, employees therein and parties dealing therewith financially in a direct manner for a period not less than ten years from the date of dealing expiry.
2. If reasonable justifications were available thereto to suspect the inbound money or some thereof represents the returns of a criminal activity, associated with money launder operation, terrorism financing, or will be used in the aforementioned operations, it shall take the following procedures:
 - a. Informing the financial investigations unit at the Ministry of Interior immediately and directly.
 - b. Preparing a detailed report includes all data and information available therefor about the status and relative parties and provide the investigation unit therewith.
 - c. Not to warn those who deal therewith about the existence of suspicions about their activities.
3. The financial supervisor shall be responsible for auditing, review and compliance, in addition providing him with sufficient resources to detect any of the crimes stated in anti-money laundry law.

Chapter (8) Public Benefit Capacity

Article (41):

The Ministry may issue a decision to grant the capacity of public benefit to the association, if it fulfilled the following conditions:

1. Its objective shall be the achievement of public interest.
2. Its activity shall be directed to all society targeted by the association.
3. The membership of general assembly shall be open.
4. Lack of any financial, administrative or technical violations on the association.
5. The members of board of directors shall at least include two experts with competence in the field of national work provided that their experiences shall not be less than five years and they shall be a holder of Masters' Degree and higher ...

Article (42):

The capacity of public benefit may be withdrawn from the association under a justified decision from Minister and that if it lost one of public benefits conditions and the withdrawal decision shall not prevent its continuance in executing the conditions signed therewith.

Article (43):

Any government or private authority may contract with one of public benefit associations in order to manage an establishment affiliated thereto or execute some of its projects, programs or services, which fall among its competencies, whereas the relationship arising between the public benefit association and government authority is deemed as a contractual administrative relation arising in accordance with regulations of governmental competitions and procurements.

Chapter (9) Dissolution and Merger

Article (44):

The Ministry takes into account when it issues the decision of dissolving the association the Waqf decision and the donor desire and what is stated in the statute and except for that, the Ministry specifies the authority, to which the association money is transferred, whereas it shall be limited to the associations' support fund or one of the associations with an activity similar to the ones regally registered and the dissolution decision shall include the appointment of liquidator(s) to carry out the liquidation works, in addition to determining his work period and fees.

Article (45):

Those who are in charge of affair of the association, which a decision is issued with temporary suspension of its activity or its dissolution or merger in another association, may not dispose its money or documents, with an exception for necessity cases, such as; the assets desired to be disposed are perishable and the Minister approval is required.

Article (46):

In case the extraordinary general assembly issued a decision with an optional dissolution of the association, the provisions mentioned in the statute shall be applied and in case it lacked a provision or its execution was not possible, the Minister or whoever he delegates shall specify the mechanism of liquidating the association and disposing its assets, money, documents and costs resulted thereupon.

Article (47):

Those who are in charge of the association management, which a decision with its dissolution was issued, shall deliver its assets, money and documents to the liquidator as soon as requested.



Kingdom of Saudi Arabia
Ministry of Social Affairs
Administrative Communications
Department /
Minister's Office
Inbound: 73739
Fax: 412221127

Article (48):

The Ministry informs the supervising authority with the decision of association dissolution.

Section (2)
National Establishments
Chapter (1)
Establishment and Its Equivalent

Article (49):

For the purposes of applying the provisions of the law and regulation, any continuing establishment for a limited or unlimited period of time shall be deemed as a national establishment; provided that the following rules apply thereto:

1. To be founded by either natural person(s) or legal entity(s) or both.
2. It does not aim to achieve profit for the founder(s).
3. It achieves purpose(s) of public or private benefit purposes.
4. It relies on what the founder(s) allocate of money, endowments, donations, gifts, wills, investment revenues, zakat.

Article (50):

The national fund is established for solidarity, cooperative or social purpose and bring benefits to whoever is specified by the statute. National fund is deemed as a national establishment and the statute provisions are applicable thereto.

Article (51):

The family fund is deemed as a national establishment, upon which the rules issued by the Minister apply.

Chapter (2) Objectives

Article (52):

While taking into account the objectives stated by the law, the statute specifies the objectives, upon which the establishment are based and determined for its activities, whereas it may only exceed these objectives with the approval of the Minister or whoever he delegates.

Chapter (3) Establishment of the Establishment

Article (53):

The following is required in the applicant of establishment with natural personality:

1. He shall be a holder of Saudi nationality.
2. He shall be at least eighteen years old.
3. He shall possess full legal capacity.
4. No final judgement was issued against him in a dishonorable crime, unless he is exonerated.

Article (54):

The natural person who is willing to establish an establishment shall submit the following the Ministry:

1. An application submitted by establishment applicants in accordance with the form prepared for that from the Ministry and accompanied by a statement that indicates the following data for the establishment applicants:
 - a. Name in accordance with National ID.
 - b. National ID no.
 - c. Profession.
 - d. Place of residence.
 - e. Contact information, including email address and cellphone number.

2. A copy of National ID for establishment applicants.
3. Name and data of the person authorized from the establishment applicants and his contact information (email address and cellphone number).
4. A statute for the establishment in accordance with the form prepared by the Ministry and it shall be in line with the law and regulation.
5. Complying with deposition of an amount not less than five million Saudi riyal within the first year in the establishment account or registering assets with its names, which its annual revenues are not less than five hundred thousand riyals.

Article (55):

If the establishment applicant was a government agency, a letter from the person in charge or his representative is sufficient and if the authority was non-governmental, it shall submit the following:

1. Commercial register, license, endowment deed or what proves the legal status of the applicant in accordance with the law governing it and it shall be valid.
2. National address for the applicant and its branches, if any.
3. Social insurances certificate.
4. Zakat and income certificate.

Article (56):

The legal person who is willing to establish an establishment shall submit the following to the Ministry:

1. The documents stated in article (55) in regard of legal persons.
2. A letter includes the approval on the establishment of an association issued from the person in charge in accordance with what is stated by article (57) hereof.
3. Application of establishment in accordance with the form prepared for that.
4. The establishment Statute in accordance with the form prepared by the Ministry and it shall be in line with the law and regulation.
5. Complying with deposition of an amount not less than five million Saudi riyal in the establishment account or registering assets with its names, which its annual revenues are not less than five hundred thousand riyals.

Article (57):

The competent officer in (legal entity) shall be:

1. If the legal entity was a government agency, the competent officer shall be the senior officer.

2. If the legal person was an individual establishment, the competent officer therein shall be the establishment owner.
3. If the legal entity was a company, the competent officer therein shall be the partner, except for public joint-stock companies.
4. If the legal entity was a joint-stock company, the competent officer therein shall be the board of directors.
5. If the legal entity was the endowment deed, the competent officer shall be the principle.

Article (58):

The establishment applicants with legal entity shall inform the Ministry with any change occurring on any of them during the progress of establishment procedures, whereas the Ministry looks into the occurring changes and takes the appropriate actions, such as requesting the completion of documents, additional requirements or terminate the application under a justified decision.

Article (59):

The Ministry decided in the application of establishment in accordance with the following procedures:

1. The Ministry studies the application to verify its fulfillment of the terms and data stated in the law, regulation, decisions and instructions issued thereby.
2. The application shall be granted a registration number and date and that after completing all documents stated in the regulation in accordance with the applicant status and then the applications shall be deemed complete in terms of its requirements.
3. The Ministry refers the application to the supervising authority to study it and then issue its decisions.
4. The Ministry – after it coordinates with the competent authority – issues its decision in the application with approval or rejection and that within sixty days from the date of completing its requirements
5. The establishment applicant obliges to deposit an amount not less than five million Saudi riyal in the establishment account within the first year and register assets with its names, which its annual revenues are not less than five hundred Saudi riyals, in addition to delivering the bank certificate states the deposit process or a copy of the asset registration document to the Ministry.

6. The Ministry issues the establishment license as soon as it gains the legal entity in accordance with what is stated in article (60) hereof, while taking into account the following procedures:
 - a. The Ministry registers the establishment in its national establishments record and it grants it a registration number.
 - b. The Ministry shall notify the supervising authority and take the procedures of publishing the association statute on the Ministry's website.
 - c. The Ministry shall issue a license to the association from the national establishments' register, in addition to an accredited copy of the statute and it shall be delivered to the approved representative for the establishment applicant.

Article (60):

The establishment gains the legal entity from the date of issuing the Ministry's decision with the approval on the application or expiry of sixty-day period from the date of completing the application requirements.

Article (61):

The establishment practices its activities and programs as soon as it receives the license in accordance with the provisions of the law, regulation and statute and it is prohibited to:

1. Practice any activity in violation of the objectives stated in its statute.
2. Practice any activity or establish any branches thereto outside the Kingdom, but only after the Ministry's approval.

Chapter (3) National Associations Register

Article (62):

The Ministry prepares a special record for establishments, whereas it shall be updated whenever a change occurs on its data and the Ministry makes the register data available to the public, except for what is stated in paragraph (14) and paragraph (15) of this article and the register includes the following data:

1. Establishment name.
2. Number and date of the Minister's decision issued with the approval on the establishment.
3. Number and date of the establishment license.
4. Date of publication of the Ministry's decision and the association statute.
5. The association statute.
6. Address of its headquarter and its branches' addresses, if any.
7. Administrative scope for the establishment services.
8. Objectives, for which the establishment was established.
9. Names of the founder or names of the establishment founding members.
10. Names of members of board of trustees.
11. Name of chairman of board of trustees.
12. Name of executive official.
13. Name of supervising authority over the establishment works, if any.
14. Name of the establishment employees.
15. Contact information with the founders, chairman and board of trustees and executive officer.

Chapter (5)

Establishment of braches for the establishment

Article (63):

The establishment may establish branches thereto in the Kingdom with the approval of the Minister or whoever he delegates and the supervising authority, whereas the establishment shall – when applying for establishment of a branch – submit the following requirements to the Ministry:

1. A prove for the board of trustees' approval on the branch establishment.
2. Determining the branch headquarter and administrative scope for its services.
3. Determination of the branch competencies and the administrative structure thereto, in addition to the names of candidate employees for its management.
4. A prove for allocation of a minimum amount of two million riyals for the branch or registering assets thereto, which its revenues is not less than two hundred thousand riyals.

Chapter (6)

Board of Trustees

Article (64):

The establishment shall have a board of trustees, which its member shall not be less than three members appointed by the founder(s) or whoever he assigned with this task under the statute, whereas the establishment shall inform the Ministry with the names and data of board of trustees who were appointed, as well as any changes that occurs within fifteen days form the board formation.

Article (65):

The founder(s) determines the chairman of the board or shall be chosen by the trustees from among its member in the first meeting thereto, in case he was not determined.

Article (66):

The board of trustees shall hold periodic regular meetings and its number shall not be less than four meetings a year.

Article (67):

The statute determines the competencies of the board of trustees and among which:

1. Approving the strategic plan of the establishment and main action plans and follow-up on its execution.
2. Approving the establishment and job structure in the establishment.
3. Establishment of internal supervision regulations and rules and supervise thereon.
4. Establishment of the principle and standards for the institution governance in line with the provisions of the law, regulation and statute and supervise over its execution and monitor the extent of its effectiveness and amend it, when necessary.
5. Approving a written policy that governs the relation with beneficiaries of the establishment services and announcing them.
6. Annual review for the effectiveness of internal supervision procedures in the establishment.
7. Providing the Ministry with data and information about the establishment in accordance with the approved forms from the Ministry and cooperate in preparing the annual tracking reports and update the establishment data every year.

8. Providing the Ministry with the final account and financial reports audited from the auditor after acknowledging them and within four months from the end of the fiscal year.
9. Supervising over the preparation of the estimative balance for the new fiscal year and approve it.
10. Appointment of a fulltime executive official for the establishment, determine his competencies and provide the Ministry with his name, appointment decision, a copy of National ID and his contact information.
11. Informing the Ministry with every change occurring on the status of members of board of trustees, executive manager and financial manager and that within fifteen days from the date of change.
12. Establishment of policies and procedures that ensures the establishment compliance with the laws, regulations and disclosure of fundamental information for the beneficiaries, the Ministry, supervising authority and other stakeholders.
13. Supervising over the execution of the Ministry's decisions and instructions.
14. Supervising over the preparation and approval of the establishment annual report.
15. Development of the establishment human resources.
16. Appointment of external auditor for accounts.
17. Management of the establishment in accordance with the law, implementing regulation, regulation, rules and instructions issued thereby.
18. Representing the establishment before justice and other authorities and the chairman of the board may - with the board approval – delegate a third party in this regard.

19. Investment of the establishment surplus fund in activities with a financial return helps in achieving its objectives in accordance with the law, regulation and statute.

Article (68):

The board of trustees bears the reasonability of executing the decisions and overcoming the obstacles facing the executing and holding whoever responsible accountable for failure of execution or obstructing it.

Chapter (7)

The Establishment Financial Affairs

Article (69):

The establishment financial resources consist of the following:

1. What is allocated thereto by the founder(s) of money, gifts, endowments, wills or zakat.
2. The received donations after the approval of the Minister or whoever he delegates.
3. Establishment's investment revenues and endowment revenues in accordance with what is stated by the statute.

Article (70):

While taking into account the law provisions, the establishment shall deal with zakat money in an independent account and create a special register thereto and it shall dispose zakat money in line with Sharia Rules.

Article (71):

The establishment complies with the accounting standards issued from Saudi Establishment for Certified Public Accountants and accounting forms and reports issued by the Ministry.

Article (72):

1. The board of trustees is responsible for the establishment money and properties, for example without limitation; making sure that the establishment resources are documented and its revenues are

spent in a manner compatible with its objectives, whereas it shall perform its tasks with responsibility and good intention, in addition to determining the powers, which it delegates, decision making procedures and delegation period. it also shall follow-up the practice of these powers, which it delegates to a third party via periodic reports.

2. The board of directors shall make sure of establishing of procedures to introduce the new members of board to the establishment work, particularly the financial and legal aspects. It also sure ensure the availability of sufficient information about the establishment affairs to the members of board of directors.
3. The board of trustees may only act in what is stated by the statute and the conditions mentioned therein.
4. The board of trustees shall deposit the establishment cash with its name in local bank(s), whereas the transactions with the establishment bank accounts shall be with the signature of chairman or vice-chairman of board of trustees and the financial supervisor, whereas the board of trustees may authorize dealing with bank accounts to two of its members or senior management executives, whereas they shall be holders of Saudi nationality and after the approval of the Minister or whoever he delegates.
5. The board of trustees shall make sure of the establishment compliance with the laws and regulations applicable in the Kingdom in a manner guarantees lack of the association committing a legal violation.

Article (73):

The establishment shall contract with an external auditor licensed to practice this profession in the Kingdom and it shall provide the Ministry with its final account for the year ended after its approval

from the board of trustees within four months after the end of fiscal year.

Article (74):

The Ministry may appoint an auditor(s) to carry out the works, which it requires.

Article (75):

The establishment shall take into account the provisions stated by the applicable laws in the Kingdom with a financial aspect, among which anti-money laundry law and it shall take the following in particular:

1. Maintaining in its headquarter the financial records and documents, accounts' files, financial correspondences, copies of National IDs for founders, members of board of trustees, employees therein and parties dealing therewith financially in a direct manner for a period not less than ten years from the date of dealing expiry.
2. If reasonable justifications were available thereto to suspect the inbound money or some thereof represents the returns of a criminal activity, associated with money launder operation, terrorism financing, or will be used in the aforementioned operations, it shall take the following procedures:
 - a. Informing the financial investigations unit at the Ministry of Interior immediately and directly.
 - b. Preparing a detailed report includes all data and information available therefor about the status and relative parties and provide the investigation unit therewith.
 - c. Not to warn those who deal therewith about the existence of suspicions about their activities.

3. The financial supervisor shall be responsible for auditing, review and compliance, in addition providing him with sufficient resources to detect any of the crimes stated in anti-money laundry law.

Article (76):

The national establishments do not benefit from the assistances provided by the Ministry.

Chapter (8)

Dissolution and Merger

While taking into account what is mentioned in article (78) hereof, the Minister may dissolve the establishment in case the establishment was unable to meet its financial liabilities or impossibility of achieving its objectives, whereas the following provisions shall be taken into account in that regard:

1. Complying with the will of the founder(s) and their conditions, if any.
2. Expiry of the establishment legal entity and it shall be liquidated in accordance with the procedures stated in the law, regulation and statute.

Article (78):

The Ministry specifies - upon its issue of dissolution decision of the establishment – the authority, to which the its money is transferred and the dissolution decision includes the appointment of a liquidator(s) to carry out the liquidation works, in addition to specifying his work period and fees.

Article (79):

Those in charge of the establishment affairs, which a decision is issued with spending its activity, dissolving it or merging it in another establishment, may not dispose its money or documents, except for the necessity case, such as; the assets desired to be disposed are perishable and the Minister approval is a must.

Article (80):

In case the board of trustees issued a decision with the establishment dissolution optionally, the provisions mentioned in the establishment statute shall be applied and in case it was free of a provision or it existed without a possibility for execution, the Minister or whoever he authorizes may issue a decision determines the mechanism of establishment liquidation and disposing its assets, money, documents and costs resulted thereupon.

Article (81):

Those who are in charge of the managing the establishment, which a decision is issued with its dissolution, shall handover its assets, money and documents to the liquidator as soon as he requests.

Article (81):

The Ministry informs the supervising authority with the decision of dissolving the establishment.

Chapter (4) General Provisions

Article (83):

The Ministry may provide its services and apply the provisions of the law and regulation via modern electronic means.

Article (84):

The association or establishment may not practice one of its activities outside the administrative scope, but only with the approval of the Minister or whoever he delegates.

Article (85):

The association or establishment are prohibited to participate in an event or activity outside the Kingdom, submit any of its services or obtain a membership of an international authority, but only with a written consent from the Minister or supervising authority, whereas

the association or establishment, which is necessarily required to participate in any of the aforementioned shall submit a request to the Ministry indicates its willingness with a statement with its association aspects to its activities.

Article (86):

The Ministry and supervising authority may – based upon a request or on its own – visit the association or establishment or one of its branches and review its documents, correspondences and records in order to ensure its compliance with the liabilities stated in the law, regulation or statute and it is entitled to obtain a copy thereof or withdraw certain document origin with issuing a report thereby. The Ministry and supervising authority may attend the meetings of extraordinary and ordinary general assembly, meetings of board of directors and board of trustees and whoever attend under this article is not entitled to vote in any of these meetings and the association and establishment shall fully cooperate and respond to the questions and inquiries requested by the Ministry.

Article (87):

While taking into account what is mentioned in article (19), article (23), article (35) and article (36) of the law, the Ministry practices its activities in supervising over the association and establishment and in case the association or establishment violates any provisions of the law, regulation or statute, the Ministry is entitled to take the following actions:

1. Warning the association or establishment with the violation and give them a period not exceeding thirty days.
2. In case the period passed without the violation correction, the association or establishment shall be sent a final warning and granted a period of thirty days.

3. In case the final warning passed without the violation correction, the Minister may take any of the following action, while taking into consideration the graduation in accordance with the violation size and its repetition and lack thereof:
- a. Suspending one of the association or establishment employees from working in associations or establishment for a limited period.
 - b. Suspending one of the association or establishment employees from working in associations or establishment permanently.
 - c. Dismissal of the association board of directors or one of its members and appointing a temporary replacement.
 - d. Suspending the association or establishment activity temporarily.
 - e. Meting the association in another.
 - f. Dissolution of the establishment or association.

Article (88):

The Ministry may terminate the association or establishment license, which does not commence its works after passing of a year from the date of issuing the license. The Minister may extend for a similar period, if the founder provided a justification approved by the Minister or whoever he delegates.

Article (89):

The provisions of the regulation apply to national associations and establishment existing at the time of its issuance or will be established thereafter. The existing association and establishment oblige before the enforcement of the law to adjust their conditions in accordance with the regulation provisions within a year from its enforcement and if this period expired, without the association or establishment adjusts its conditions, what mentioned in article (87) of the regulation shall apply thereto.

Article (90):

The Ministry assumes the interpretation of the regulation and its interpretation is binding.

Article (91):

The regulation shall come into force as of date of its issue.