

# **The Implementing Regulations of the Commercial Courts Law**

\*This is an unofficial translation done by 'Center of Legal Studies and Research' provided for guidance. The governing text is the Arabic text.

## Judicial Circular

To all Departments of the Ministry

His Excellency ...

Dear Sir

With reference to the Ministry Circular no. 13/T/8088, dated 21/8/1441H, based on Royal Decree no. (M/93), dated 15/8/1441H, providing for approval of the Commercial Courts Law;

And whereas our Resolution no. 8344, dated 26/10/1441H, was issued to approve the Implementing Regulations of the Commercial Courts Law;

Therefore, I would recommend Your Excellency to peruse said Resolution and act accordingly. Please find enclosed herewith a copy of the Resolution and the Implementing Regulations referred to.

Please accept our most sincere regards.

Minister of Justice

Walid bin Mohammed Al-Samaani

**Classification:** Statute, Lawsuit.

CC:

- The Supreme Judicial Council	- The Supreme Court
- The Minister's Office	- Office of HE the Deputy Minister
- Office of HE the Deputy Minister for Judicial Affairs	- HE the Deputy Minister for Enforcement
- HE the Deputy Minister for Notarization and Property Registration	- HE the Deputy Minister for Laws and International Cooperation
- HE the Deputy Minister for Planning, Development and Information	- HE the Deputy Minister for Joint Services
- The Minister's Office Secretariat	- General Directorate of Information and Communication
- Ministry Branches	- The Documents and Archives Center
- Circulars Department (original)	

**Resolution no. 8344, dated 26/10/1441H**

The Minister of Justice:

Pursuant to the powers vested in him by law, and upon perusal of Article 95 of the Commercial Courts Law promulgated by Royal Decree no. (M/93), dated 15/8/1441H, which stipulates: “The Minister shall – in coordination with the Council – issue the regulations and the resolutions required to enforce the law. These regulations shall be published in the Official Gazette and shall enter into force after the publication thereof”; and upon perusal of the draft Implementing Regulations of the Commercial Courts Law submitted to us by HE the Chairman of the Committee formed by Resolution no. 7136, dated 2/6/1441H; and upon perusal of the Resolutions made by the Supreme Judicial Council and recorded in the minutes of its meeting no. 19 with regard to the provisions related to the competencies of the Council contained in the Commercial Courts Law; and after coordination with the Supreme Judicial Council;

Has hereby decided as follows:

- I. To approve the Implementing Regulations of the Commercial Courts Law, in the form enclosed with this Resolution;
- II. This Resolution shall be communicated to the competent agencies and to any required person, for approval and for acting accordingly as of the date thereof.

Minister of Justice

Walid bin Mohammed Al-Samaani

# **The Implementing Regulations of the Commercial Courts Law**

## **Part I: General Provisions**

### **Definitions**

#### **Article 1**

In these Regulations, the following terms shall have the meanings assigned thereto, unless the context requires otherwise:

- **Law:** The Commercial Courts Law.
- **Regulations:** The Implementing Regulations of the Law.
- **Council:** The Supreme Judicial Council.
- **Court:** The Commercial Court.
- **Ministry:** The Ministry of Justice.
- **Minister:** The Minister of Justice.
- **Party/Parties:** The party or parties to a lawsuit or claim.
- **Competent Department:** The department concerned with a certain procedure, as the case may be.

### **Chapter One: Common Provisions**

#### **Effectiveness**

#### **Article 2**

The provisions of Article 2 of the Law shall be implemented in the following order:

- a. The provision contained in an international agreement to which the Kingdom is party;
- b. The special procedural provision contained in the commercial laws and the regulations and rules associated therewith; and
- c. The provision contained in the Law and Regulations.

### **Calculation of Time Limits**

#### **Article 3**

Unless the court specifies a date for the expiration of the time limit, in cases where it may do so, the time limit shall expire on the evening of the day specified for the expiration thereof, pursuant to the following:

- a. In electronic procedures: at 11:59 pm;
- b. In non-electronic procedures: With the end of the official working hours.

## **Language**

### **Article 4**

The court may accept the translation provided by a party if not challenged by the other party.

### **Article 5**

The parties may agree to conduct the preparation procedures stipulated in Paragraph (2) of Article 19 of the Law in a foreign language, provided that a certified Arabic language translation of all contents be submitted to the court.

## **Criterion for Determining Original Claim**

### **Article 6**

The amount of the original claim stipulated in the Law and Regulations shall be determined on the basis of the original claimed amount stated in the statement of claim, with the exception of claims for court or attorney fees. In the event that the claim does not entail a financial amount, such as claims for annulment or return of sold item and the like, the claimed amount in respect of which the claim is filed shall be considered.

## **Security**

### **Article 7**

1. In cases where no special provision is made, the security stipulated in the Law and Regulations shall be a cash deposit, bank guarantee, mortgage, or solvent guarantor.
2. The circuit shall include in its judgement in the lawsuit compensation or release of security, as the case may be.

## **Special Agreement between the Parties**

### **Article 8**

In cases where the Law or Regulations refers to the agreement of the parties, said agreement shall only be taken into consideration if made in writing.

### **Article 9**

In addition to any agreement stipulated in the Law and Regulations, the parties may agree on specific procedures for litigation and any issues related thereto, in

accordance with the provisions of Article 6 of the Law; this shall include agreement on any of the following:

- a. Number of memorandums;
- b. Service of process procedures;
- c. Time limits for submitting documents;
- d. Determining a specific expert or certain expertise procedures, including agreement to approve an expert's opinion regarding the technical issue subject of the expert's assistance;
- e. Lawsuit hearing schedule;
- f. Shortening of any procedural periods stipulated in the Law or the Regulations, except for the periods related to the court. In cases where no special provision is made, the parties may not agree on a period exceeding the periods stipulated in the Law and Regulations.

#### **Article 10**

1. The agreement on specific procedures for litigation and any issues related thereto shall be invoked prior to the end of the first hearing, or else the right to adhere thereto shall be forfeited.
2. The court shall enforce the agreement if it meets the conditions stipulated in the Law and Regulations.

### **Chapter Two: Court Composition**

#### **First-Instance Circuits Consisting of a Single Judge**

#### **Article 11**

First-instance circuits in the court shall be composed of a single judge, pursuant to the following:

1. Circuits that shall hear the following lawsuits:
  - a. The lawsuits stipulated in Paragraphs (1) and (2) of Article 16 of the Law if the original claimed amount does not exceed 1,000,000 riyals; and
  - b. The lawsuits filed pursuant to Paragraphs (8) and (9) of Article 16 of the law, regardless of the claimed amount therein, whenever they relate to one of the lawsuits stipulated in Paragraph 1 (a) of this Article.
2. Circuits that shall consider the following petitions:
  - a. Summary petitions pursuant to the provisions of Part VI of the Law; and

- b. Petition for issuance of payment orders in accordance with the provisions of Part IX of the Law.

### **Appellate Circuits Consisting of a Single Judge**

#### **Article 12**

In addition to considering the objections stipulated in Article 80 of the Law, an appellate circuit of the court composed of a single judge shall hear the following:

- a. Objection to judgments, decisions and orders related to a petition to review or recover documents or a petition to prove the expiry of the purpose thereof; and
- b. Objection to the judgments rendered considering a lawsuit to have not been filed.

### **Judicial Assistants**

#### **Article 13**

Judicial assistants shall, in addition to the duties assigned to them in the Law and Regulations, undertake the following tasks:

- a. Tasks related to registration, referral, and delivery of judgments;
- b. Service of process procedures;
- c. Supporting actions for hearing management;
- d. Procedures for exchanging memorandums;
- e. Management of hearing rooms;
- f. Management of specialized units;
- g. Management of the lawsuit and the case file;
- h. Drafting and preparation of all legal and technical documents related to court work;
- i. Preparation of reports required by the court;
- j. All tasks related to preparing the lawsuit; and
- k. Tasks related to integration with the competent agencies.

## **Chapter Three: Enablers of Court Work**

### **Private Sector's Assistance**

#### **Article 14**

Seeking the assistance of the private sector, in accordance with the provisions of Article 5 of the Law, shall be carried out by a decision issued by the Minister, provided that the following rules are observed:

- a. Meeting the statutory requirements for exercising the activity;
- b. Disclosure of any interests, even if they are potential;
- c. Availability of technical expertise and financial capabilities necessary to perform the work;
- d. Undertaking not to disclose any information to which access is made, even after work completion; and
- e. Compliance with the special technical conditions.

#### **Article 15**

Seeking the assistance of the private sector shall include the preparation phase prior to filing lawsuits.

### **Specialized Departments and Units**

#### **Article 16**

The competent department, including central departments, may be assigned to carry out any of the procedures stated in Article 5 of the Law, and any other procedure stipulated in the Law or Regulations.

#### **Article 17**

Specialized units may be established to prepare for the consideration of disputes in accordance with the provisions of the Law and Regulations.

### **Seeking the Opinion of Merchants by the Court**

#### **Article 18**

The court may seek out the opinion of merchants for guidance pursuant to the following controls:

- a. The dispute has arisen between two merchants;
- b. The person whose opinion is sought for guidance exercises or practices the business activity subject of the dispute.
- c.



**Article 19**

Unless the parties agree on the person whose opinion is to be sought for guidance, such person shall be selected pursuant to the order in the list prepared by the Ministry in coordination with the Council of Chambers of Commerce and Industry or the competent agencies related to commercial or investment activities.

**Article 20**

Whenever necessary, the person whose opinion is sought shall have access to case papers and documents.

**Article 21**

The person whose opinion is sought for guidance shall be subject to the obligations contained in Articles 148 and 149 of the Regulations.

**Technical Consultative Opinions****Article 22**

The court may seek the opinion of specialists to clarify technical issues in laws, international trade or investment agreements, and activities associated therewith.

**Chapter Four: Electronic Litigation  
General Provisions****Article 23**

Electronic litigation procedures shall be carried out through the electronic systems approved by the Ministry.

**Article 24**

Artificial intelligence (AI) technologies may be used in electronic procedures; any procedure whose purpose was achieved by using such technology shall be excluded.

**Article 25**

A litigant's denial of documents filed by his adversary merely on grounds that they have been electronically submitted shall not be taken into account.

**Article 26**

The procedures for payment of the amounts stipulated in the Law and Regulations shall be carried out by electronic means.

**Article 27**

1. In cases where no special provision is made, an electronic procedure shall be taken within the official working hours with regard to hearings and any procedure that requires hearing the statements of a party or persons required by the court. Hearings may be held outside the official working hours upon the approval of the Council.
2. In all cases, the local time of the Kingdom shall be taken into consideration.

#### **Article 28**

The signature stipulated in the Law and Regulations shall be fulfilled via the electronic verification means approved by the Ministry.

### **Remote Pleading**

#### **Article 29**

Remote pleading means the use of electronic communication means between two or more parties to satisfy the appearance requirement.

#### **Article 30**

Remote pleading may be conducted in all cases and petitions that the court has the jurisdiction to consider by using remote communication means approved by the Ministry, without prejudice to the publicity of the hearings.

### **Chapter Five: Jurisdiction Subject-Matter Jurisdiction**

#### **Article 31**

Commercial courts shall have the jurisdiction to consider the lawsuits instituted against a merchant in commercial contract disputes if the original claimed amount in the lawsuit exceeds 500,000 riyals.

### **Territorial Jurisdiction**

#### **Article 32**

The Council may assign one or more commercial courts to have the jurisdiction to consider a specific type of case.

## **Deciding Jurisdiction-Related Defenses**

### **Article 33**

A motion for lack of territorial jurisdiction shall be forfeited if the party submits any petition, defense, or motion for dismissal at any stage of the proceedings, including during the preparation of the case.

### **Article 34**

A judgement rendered in accordance with the provisions of Article 18 of the Law shall be referred to the competent department within a maximum period of three days from the date of pronouncement thereof; an objection to same shall be filed with the appellate circuit within a period not exceeding the day following the filing date thereof.

### **Article 35**

The provisions of Article 18 of the Law and Article 34 of the Regulations shall apply to deciding on motions for lack of subject-matter or territorial jurisdiction.

## **Chapter Six: Non-hearing of a Lawsuit due to the Lapse of the Statutory Period**

### **Article 36**

If the claimed right arose prior to the entry into force of the Law, the period stipulated in Article 24 of the Law shall be calculated as of the date on which the Law enters into force.

### **Article 37**

In cases where no special provision is made, the period stipulated in Article 24 of the Law shall take effect from the day on which the debt becomes due for payment.

## **Chapter Seven: Procedural Time Limits**

### **Article 38**

In cases where no special provision is made, the maximum period for deciding a case shall be as follows:

- a. 180 days in lawsuits brought before first-instance courts, except for small lawsuits;
- b. 20 days in objections to judgments for which appeal shall suffice without a hearing;

- c. 90 days in objections to judgments for which appeal is not covered by Paragraph (b) of this Article.

## **Chapter Eight: Service of Process**

### **Service Address**

#### **Article 39**

The address shall, pursuant to the provisions of Article 9 of the Law, be selected in writing.

#### **Article 40**

A legal person shall be deemed to have been notified by serving a notice to the person delegated to receive notices at the commercial register.

#### **Article 41**

The provisions of Paragraph 1 (e) of Article 9 of the Law shall not apply in the two following cases:

- a. Discontinuance of the litigation; and
- b. Objection by a motion for reconsideration.

#### **Article 42**

The provisions of Paragraph 1 (f) of Article 9 of the Law shall not apply upon the lapse of five years from the date of the contract unless the parties agree otherwise.

### **Service of Process Procedures**

#### **Article 43**

The notice evidencing that notification has been delivered shall include an indication of the capacity of the person to be served.

#### **Article 44**

In order to implement the provisions of Article 12 of the Law, the address of the person to be served shall be recorded in a document concluded between the two parties.

#### **Article 45**

A natural person shall be deemed to have not been notified in person if the notice is served to a person residing with him in the place of residence of the person to be served.

## **Chapter Nine: Right of Access**

### **Request for Obtaining or Reviewing a Document**

#### **Article 46**

An application submitted pursuant to Article 46 of the Law shall include defining documents either per se or by their types, and their relationship to the commercial transaction or the lawsuit. If said application is related to a group of documents, the applicant shall classify same pursuant to their type.

#### **Article 47**

1. A person who maintains the confidentiality of a document in accordance with the provisions of Paragraph 1 (c) of Article 46 of the Law shall indicate the grounds for confidentiality.
2. The confidentiality of a document shall – in the event of adherence thereto – be estimated by the court; the court shall observe the following in this regard:
  - a. Whether confidentiality is established pursuant to a law or to a decision by the competent agency;
  - b. Whether the agreement between the two parties provides for the confidentiality or non-confidentiality of the document; and
  - c. Whether reviewing the document violates any right to the trade secret or any rights related thereto.

## **Providing Public Access to Commercial Lawsuit Data**

#### **Article 48**

The request for access pursuant to the provisions of Paragraph (2) of Article 13 of the Law shall be made via electronic means. No lawsuit data or documents may be published or circulated except in accordance with the provisions stipulated in the relevant laws and decisions.

#### **Article 49**

Access to the case papers shall include reviewing copies of the judgments and decisions issued therein.

#### **Article 50**

1. Certain papers or documents of a commercial lawsuit shall, in accordance with the provisions of Paragraph (2) of Article 13 of the Law, be kept inaccessible pursuant to a request submitted by any of the parties or by a concerned party including grounds for the request. The court may – when necessary – decide on the

confidentiality of the papers or documents on a temporary basis until the request is decided.

2. The court shall decide the request for confidentiality by an unappealable decision; it may carry out the following in this regard:

- a. Decide that papers or documents be kept inaccessible to other than the court and the parties;
- b. Decide that papers or documents be accessed without circulation thereof; and
- c. Decide that papers or documents be kept inaccessible on a temporary basis.

## **Chapter Ten: Representation in Commercial Lawsuits**

### **Lawsuits and Petitions Filed by a Lawyer**

#### **Article 51**

All lawsuits under the jurisdiction of the court and all petitions for appeal shall be filed by a lawyer, with the following exceptions:

- a. Lawsuits set out in Paragraphs (2), (8) and (9) of Article 16 of the Law;
- b. Small lawsuits stated in Paragraph (1) of Article 78 of the Law;
- c. Petitions for appeal of judgments, decisions and orders issued in the lawsuits set out in Paragraphs (a) and (b) of this Article.

#### **Article 52**

A petition for reversal of judgement or motion for reconsideration shall be filed by a lawyer.

### **Pleadings Made by a Lawyer**

#### **Article 53**

Pleadings before first-instance and appellate circuits shall be made by a lawyer, in the following lawsuits:

- a. Lawsuits stipulated in Paragraphs (1), (2), (8) and (9) of Article 16 of the Law in the event that the original claimed amount exceeds 10,000,000 riyals;
- b. Lawsuits stipulated in Paragraphs (3), (4), (6) and (7) of Article 16 of the Law in the event that the original claimed amount exceeds 2,000,000 riyals; and

- c. Lawsuits stipulated in Paragraph (5) of Article 16 of the Law in the event that the lawsuit relates to a petition for initiating a financial reorganization procedure.

#### **Article 54**

In all cases, pleadings and submission of any memorandums to the commercial circuit of the Supreme Court shall be made by a lawyer.

### **Representation of a Legal Person**

#### **Article 55**

As an exception to the provisions of Articles 51, 52, 53, and 54 of the Regulations, lawsuits, objections and pleadings may be filed by representatives of administrative agencies and by employees of the legal departments of a private legal person if they are licensed by the Ministry.

### **Effect of Breach of Representation**

#### **Article 56**

No lawsuits or petitions filed in violation of the provisions of Articles 51 and 52 of the Regulations shall be accepted.

### **Chapter Eleven: Reconciliation and Mediation**

#### **Article 57**

In cases where no special provision is made in the Law and Regulations, and unless the parties agree on special procedures, any reconciliation and mediation in a commercial dispute shall be subject to the relevant provisions stipulated in the working rules and procedures for reconciliation offices.

### **Lawsuits wherein Recourse to Reconciliation and Mediation before Consideration is Required**

#### **Article 58**

Recourse to reconciliation and mediation shall be required before filing any of the following lawsuits:

- a. The lawsuits stipulated in Paragraph (3) of Article 16 of the Law;
- b. The lawsuits stipulated in Paragraph (1) of Article 11 of the Regulations;

- c. The lawsuits in which the parties thereto are spouses, or are relatives up to the fourth degree; and
- d. The lawsuits related to contracts, which entail agreement – in writing – to have recourse to reconciliation, mediation and amicable settlement prior to filing the lawsuit to the court.

#### **Article 59**

1. Recourse to reconciliation shall be made by submitting a document indicating that no settlement was reached on the dispute or that the parties agreed to reconcile only partially, or by providing evidence that the parties to the dispute have already initiated the reconciliation procedures and the lapse of the period specified in Paragraph (1) of Article 8 of the Law. Filing the lawsuit shall not prevent the continuance of the reconciliation and mediation procedures.
2. The provisions of Article 21 of the Law shall apply in the event that the plaintiff fails to submit the documents stipulated in Paragraph (1) of this Article.

#### **Reconciliation after Filing the Lawsuit**

#### **Article 60**

The court may, at any stage, refer the parties – subject to their consent – to reconciliation and mediation; this procedure shall be entered in the case record. The period of reconciliation and mediation procedures shall be taken into consideration upon deciding on the next date for the hearing.

#### **Article 61**

If the parties to a dispute reach a reconciliation or settlement after the case is filed, their agreement shall be recorded in a conciliation report; said report shall be signed by the litigants and the competent employee, and shall be appended with the execution statement.

#### **Article 62**

In cases ending with reconciliation pursuant to a writ of execution in accordance with the provisions of the Enforcement Law, the court shall be provided with a copy thereof, and the lawsuit shall thereby be deemed terminated.

#### **Article 63**

The provisions of Paragraph (2) of Article 29 of the Law shall apply at any stage wherein an agreement is reached, even after the closing of the arguments or before the court with which the objection has been filed.



## **Article 64**

Either party may offer to the other party a settlement limited or non-limited with a fixed term; however, this party may withdraw his offer at any time. If the other party accepts the settlement offer before withdrawal thereof, the provisions of Paragraph (2) of Article 29 of the Law shall apply thereto.

## **Chapter Twelve: Case Proceedings**

### **Article 65**

The court order stipulated in Paragraph (1) of Article 3 of the Law shall be entered in the case record. This record shall comprise an account of the incident subject of the violation, the amount of the fine, and an identification of the person or persons against whom the order was issued, and a copy thereof shall, upon its issuance, be furnished to the chief judge.

### **Article 66**

If the order stipulated in Paragraph (1) of Article 13 of the Law is issued against a lawyer or a person licensed to perform any task related to the case, the court shall notify and provide the competent agency with a copy of the order.

### **Article 67**

The provisions of Paragraph (1) of Article 26 of the Law shall apply to the failure of any of the parties to submit any documents required from him under the provisions of the Law and Regulations, or any other requirements during the preparation of the lawsuit.

### **Article 68**

The decision stipulated in Paragraph (2) of Article 26 of the Law may be subject to objection, in conjunction with the objection to the judgement rendered on the merits.

## **Part II: Procedures for Consideration of the Lawsuit**

### **Chapter One: Pre-Filing Procedures**

### **Article 69**

The plaintiff shall, in accordance with the provisions of Paragraph (1) of Article 19 of the Law, notify the defendant of all lawsuits subject to the jurisdiction of the court, except for the following:

1. Lawsuits related to the penalties stipulated in commercial laws;
2. Lawsuits to which the administrative agency is a party;

3. Lawsuits the filing procedures of which are subject to special legal provisions;
4. Small lawsuits;
5. Summary petitions.

#### **Article 70**

Notification shall comprise the data of the parties, the subject of the dispute, the petitions, and the claim document.

#### **Article 71**

1. The notification shall be deemed to have been delivered if the plaintiff sends the data stated in Article 70 of the Regulations to any of the defendant's addresses by any possible means.
2. Any proof of an amicable settlement, reconciliation, or mediation submitted before filing a lawsuit shall be deemed to serve as a notification, provided that the period stipulated in Paragraph (1) of Article 19 of the Law has elapsed.

#### **Article 72**

The statement of the lawsuit shall be accompanied by proof of notification, failing which the provisions of Article 21 of the Law shall be implemented.

#### **Article 73**

1. In the event that the parties to a commercial transaction carry out any of the procedures stipulated in Paragraph (2) of Article 19 of the Law prior to filing the lawsuit, these parties shall notify the court of the action they have initiated.
2. The private sector may be assigned to supervise the procedures stipulated in Paragraph 2 of Article 19 of the Law.

#### **Article 74**

The actions taken pursuant to Paragraph (2) of Article 19 of the Law shall be recorded via any electronic system approved by the Ministry, by a certified notary, or by a service provider licensed by the Ministry.

#### **Article 75**

The plaintiff shall, upon filing the lawsuit, submit to the competent department the results, if any, of carrying out any of the procedures stipulated in Paragraph (2) of Article 19 of the Law.

## **Chapter Two: Filing a Lawsuit**

### **Statement of claim Data**

#### **Article 76**

The statement of claim shall – in addition to the particulars stipulated in the Law and in the Law of Civil Procedure – comprise the following data:

- a. Full name of the natural person for the plaintiff and the defendant;
- b. ID number for the natural person, commercial register number for the legal person, or investment license number for the foreign investor – as the case may be – for the plaintiff and the defendant;
- c. Mobile phone number of the plaintiff and his agent, and the representative of the legal person;
- d. Date of notification in lawsuits where notification is required;
- e. Available information on the business activity of the party if a merchant;
- f. Law practice license number if the lawsuit is required to be filed by a lawyer; and
- g. Particulars of related lawsuits, if any.

#### **Article 77**

1. The statement of claim shall, in the event of multiple petitions, include an indication of the relation therebetween.
2. Without prejudice to the provisions of Article 21 of the Law, the court shall dismiss the lawsuit in the event that it includes unrelated petitions, unless the plaintiff confines his lawsuit to one thereof.

### **Filing Procedures**

#### **Article 78**

The competent department shall verify the requirements for filing the case, and any other requirements stipulated in commercial laws. Attachments may be verified electronically via connection with the competent agencies.

#### **Article 79**

1. The competent department shall record the statement of claim on the day of submission thereof if it meets the requirements, and it shall, upon entry thereof, be referred to the competent department.

2. The date of the preparatory hearing shall be scheduled not to exceed 20 days from the date of filing thereof; the parties shall be notified not later than the day following the filing of the lawsuit.

#### **Article 80**

Cases shall be automatically referred to the circuits on an equal basis pursuant to the types thereof via the electronic system.

#### **Article 81**

A defendant, except in summary petitions, shall file with the court a memorandum of his defense that includes his clear response to the claim and all his defenses, as well as his petitions and all his grounds, at least one day prior to the scheduled hearing.

#### **Article 82**

The first hearing before the court shall be scheduled at least four days after the date of notification of the lawsuit. Said period may, when necessary, and in summary petitions, be shortened to 24 hours, in which case the litigant himself shall be notified, and the possibility of his arrival to the court in a timely manner shall be observed.

### **Chapter Three: Lawsuit Preparation and Management**

#### **Preparing the Lawsuit**

#### **Article 83**

The competent department shall prepare the lawsuit, including the following procedures:

1. Prepare an initial report on the lawsuit, including study of preliminary matters and determination of the subject of dispute between the two parties, and the scope of evidence;
2. Explain the procedures taken prior to the filing in accordance with the provisions of Paragraph (2) of Article 19 of the Law; and
3. Request completion of any requirements for preparation, including the following:
  - a. Request completion of any documents related to the data and business activities of the parties or referred to in the statement of claim or in the memorandums; and
  - b. Request any documents stipulated in commercial laws, the Law, Regulations, or working forms and procedures.

## **Lawsuit Management Schedule**

### **Article 84**

Taking into consideration the periods stipulated in Article 38 of the Regulations, the competent department shall, upon filing the lawsuit, prepare the draft Lawsuit Management Schedule, provided that it includes the following:

- a. Classification of the lawsuit;
- b. A brief description of the lawsuit and petition;
- c. Proposed time for hearing the lawsuit;
- d. Schedule of procedures, including the proposed number, dates, and durations of hearings; and
- e. Any proposed procedure required for hearing the lawsuit and the mechanism for implementation thereof.

## **Implementation of Lawsuit Management Schedule**

### **Article 85**

The circuit chief shall approve and refer the lawsuit management schedule to the competent department for implementation, and the parties shall have access thereto.

### **Article 86**

The Competent department shall undertake the following:

1. Manage the lawsuit pursuant to the approved schedule;
2. Undertake the procedures for exchanging memorandums if included in the lawsuit management schedule, or if the circuit or the preparation judge decides to conduct the exchange of memorandums procedure.

The competent department may, if the need arises, refer to the circuit any difficulties it encounters in order for the circuit to decide what it deems appropriate.

### **Article 87**

The competent department shall prepare a final report, comprising the following:

- a. A summary of the case procedures that have been carried out, and a comprehensive summary of the petitions, evidence and defenses;
- b. A comprehensive legal study of the case, including the relevant judicial principles and precedents; and
- c. The proposed draft judgment.

## **Chapter Four: Consideration of the Lawsuit Written Pleading**

### **Article 88**

Written pleadings shall include submitting memorandums and directing court questions via the electronic system. In all cases, the other party shall be furnished with everything presented in the case.

## **Conducting and Managing Hearings**

### **Article 89**

Every circuit shall conduct its hearings for no more than two days per week, provided that the number of considered lawsuits be not less than seventy lawsuits per week, or a quarter of the number of lawsuits under consideration by the circuit, whichever is less.

### **Article 90**

The court shall hold a preparatory hearing prior to the pleading, provided that it comprises the following procedures:

- a. Verify the jurisdiction and the conditions for acceptance of the lawsuit;
- b. Offer reconciliation to the parties;
- c. Determine the petitions and defenses, the subject of dispute between the two parties, and the level of complexity of the case;
- d. Determine the scope of evidence and the list of witnesses; and
- e. Approve the lawsuit management schedule.

### **Article 91**

The preparatory hearing shall be held in the presence of the parties to the lawsuit; a report comprising the outcome of the hearing shall be prepared and shall be approved by the circuit chief.

### **Article 92**

The circuit may assign the management of the preparatory hearing to the judge examining the case, and it may seek the assistance of the competent department therein.

### **Article 93**

1. The court may, upon verifying the preliminary matters in the preparatory hearing, postpone the hearing for a period not exceeding 60 days. If it becomes necessary to

postpone the hearing for a second time, such postponement shall not exceed 30 days, and the court shall indicate the reason therefor in the case record.

2. A maximum of two hearings shall be conducted upon notifying the defendant. No more hearings may be adjourned except in emergency cases and circumstances, including, for example, if the court finds that reasons beyond the control of the litigant precluded the required action, such as the emergency illness of one of the parties to the lawsuit or their representatives or the inability of a witness to attend the hearing for an emergency.

## **Case Record**

### **Article 94**

The case record shall comprise the data of the court, the names of judges, the case and hearing data, the parties, their representatives, and the attendees whose appearance was required by the court.

## **Chapter Five: Appearance and Absence**

### **Article 95**

The ruling considering the lawsuit to have not been filed in accordance with the provisions of Paragraph (1) of Article 31 of the Law shall apply in the event that the plaintiff fails to appear in any hearing after proceeding therewith.

### **Article 96**

The court ruling considering the lawsuit to have not been filed shall be appealable in accordance with the provisions of the Law.

### **Article 97**

If a lawsuit is ruled to have not been filed, and the plaintiff has filed the same lawsuit, it shall be referred to the circuit that rendered the judgment.

### **Article 98**

The ruling considering the lawsuit to have not been filed shall not preclude taking the evidence or procedures contained in the case into account.

### **Article 99**

If the defendant is notified in person, pursuant to the provisions of the Law, and he fails to appear, he shall forfeit his right to make any temporary defenses.

### **Article 100**

No party may file new petitions in a hearing which his adversary fails to attend; nor may he amend the petitions of which his adversary was notified unless the amendment of the petition is in the interest of the other party and does not affect any of his rights.

## **Chapter Six: Summary Petitions**

### **Article 101**

The circuits set out in Paragraph (2) of Article 11 of the Regulations shall decide summary petitions whether the petition is filed prior to or after filing the lawsuit related to subject-matter. The party may submit the petition to the first-instance or appellate circuit that considers the lawsuit related to subject-matter.

## **Filing and Recording a Summary Petition**

### **Article 102**

In addition to the data stipulated in Article 76 of the Regulations, a summary petition shall include the following:

- a. A summary of the subject-matter of the claim and the basic data;
- b. Determination of the summary petition and grounds thereof; and
- c. Justifications for the state of urgency.

### **Article 103**

The competent department shall record the petition and shall immediately refer same to the circuit upon setting a date for the consideration thereof.

## **Deciding a Summary Petition**

### **Article 104**

If the plaintiff or his representative fails to appear at the specified time for considering the summary petition, the court shall decide to reject said petition.

### **Article 105**

The circuit may decide a summary petition without notifying the defendant whenever the nature of the petition so requires, provided that the party against whom a judgement is rendered be furnished with a copy of the petition immediately upon the issuance thereof.

### **Article 106**



The circuit shall decide the petition in the first hearing, and may, when necessary, adjourn deciding thereon. In all cases, the petition shall be decided within a period not exceeding three working days as of the date of referral.

#### **Article 107**

A summary petition may, when necessary, be decided at times other than the official working hours or within official holidays.

#### **Article 108**

The court shall limit its consideration of a summary petition to the availability of the conditions of the petition, without verifying the establishment of the substantive right.

#### **Article 109**

The circuit shall refer to the competent department the judgement issued with regard to a summary petition within a period not exceeding the day following the date of pronouncement thereof.

### **Expiration of Judgement in a Summary Petition**

#### **Article 110**

1. The expiration of a judgement means the termination of effects thereof.
2. Any concerned party may apply to the court to obtain proof of any reason requiring the expiration of a judgement rendered in a summary petition.

#### **Article 111**

The provisions of Paragraph (2) of Article 35 of the Law shall apply to a petition for revocation or amendment of a judgement rendered in a summary petition in the event that a new incident affecting the case arises.

#### **Article 112**

The judgement rendered in summary petitions under the provisions of Paragraph 1 (c) of Article 35 of the Law shall not expire with the issuance of a first-instance ruling on the original petitions.

## **Special Provisions for Certain Summary Petitions**

### **Article 113**

A petition for travel ban shall be accompanied by a cash security of at least 2% of the original claimed amount; the court may, when necessary, require presenting an additional security.

### **Article 114**

A person banned from travel pursuant to a ruling rendered in a summary petition may submit to the court a security equivalent to the claimed amount; the court shall authorize said person to travel upon presenting such security.

## **Part III: Evidence**

### **Article 115**

Should the court decide to abandon the evidentiary procedures it has ordered, or to disregard the results of same, it shall explain the grounds for such decision in the case record or the judgment.

## **Chapter One: Admission**

### **Article 116**

Unless the reconciliation and mediation parties agree otherwise, and with the exception of evidences and documents available by means other than reconciliation and mediation and the requirements for the implementation of same, no admission made during the reconciliation and mediation procedures, or concluded from the offers and documents presented therein, or resulting therefrom shall be invoked.

## **Chapter Two: Writing**

### **Article 117**

A person against whom an ordinary paper is invoked and he has discussed its subject-matter, may not thereafter deny that the handwriting, signature, seal, or fingerprint therein belongs to him.

### **Article 118**

The provisions of Article 44 of the Law shall apply to any correspondence issued by an affiliate to the person against whom the correspondence is invoked in the event that the sender manages to use the means of correspondence in the name of the superior.

### **Article 119**

An endorsement made by a creditor on a deed of debt shall be deemed as proof, even if it is not in the creditor's handwriting nor signed by him, as long as the deed remains in his possession.

### **Chapter Three: Petition for Documents**

#### **Article 120**

If any party repeatedly fails to provide the other party with whatever items the court ordered, in accordance with the provisions of Paragraph (2) of Article 46 of the Law, he shall be deemed to have declined.

#### **Article 121**

A litigant may not make use of a document that he declined to provide after the court ordered him to do so.

#### **Article 122**

To accept a petition to recover a document or establish the expiry of the purpose thereof, in accordance with Article 47 of the Law, the following requirements shall be met:

- a. The document required to be recovered or established as expired shall be related to a commercial transaction that is being considered by the court.
- b. The other party shall not contest the substantive right related to the document, unless such right is established by a final judgment.

### **Chapter Four: Testimony**

#### **Article 123**

Testimony evidence that is inappropriate for a certain condition shall not be accepted, such as testimony that is contrary to written evidence or established commercial custom, or testimony in cases where the Law requires a written document for validation thereof.

#### **Article 124**

A written testimony shall not prejudice the right of the other party to request appearance and questioning of a witness in accordance with the provisions of the Law.

#### **Article 125**

The court may not prevent a party from questioning a witness directly. To question a witness, no prior approval from the court shall be obtained regarding the questions to be directed.

#### **Article 126**

A party may not interrupt a witness upon giving his testimony or response.

#### **Article 127**

A party may object to a question directed to a witness, and he shall indicate the grounds for such objection. The objection and the court decision thereon shall be entered in the case record.

#### **Article 128**

Without prejudice to the provisions relating to testimonies and questioning of witnesses, the provisions of remote pleading stated in the Law and Regulations shall apply to the giving of testimony via modern means.

#### **Article 129**

The procedures for attestation of testimony prior to initiating legal action shall be carried out in accordance with the following controls:

- a. It shall be attested by a licensed notary.
- b. Said notary shall have no potential interest in attesting the testimony.
- c. Attestation shall take into account the procedures for hearing and recording the testimony, including disclosure of any potential interest of the witness.
- d. Attestation of testimony shall include the witness's particulars and the reason for attestation thereof prior to filing the lawsuit.

### **Chapter Five: Oath**

#### **Article 130**

The court shall deny a party's petition requiring the other party to take oath in any of the following conditions:

- a. If there is no interaction or relationship between the two parties that may give credit to the incident with regard to which the oath is to be taken;
- b. If the incident subject of the oath is related to establishment of an obligation that the Law requires to be in writing for the validation thereof;
- c. If the incident subject of the oath is established by official papers; and

d. If the incident subject of the oath is contrary to a commercial custom.

#### **Article 131**

For the court to require a party to take oath, the lawsuit shall not comprise full evidence; nor shall it be devoid of any evidence.

#### **Article 132**

If the court informs a party that he is entitled to require his adversary to take an oath and he declines to direct to direct same, he shall not, upon closing the pleading, be permitted to request directing such oath.

#### **Article 133**

In all cases, no oath shall be directed to a legal person.

### **Chapter Six: Questioning**

#### **Article 134**

The court may not prevent a party from questioning his adversary directly. To question an adversary, no prior approval from the court shall be obtained regarding the questions to be directed.

#### **Article 135**

A party may not interrupt an adversary upon giving his response during questioning.

#### **Article 136**

A litigant may object to a question directed to him, and he shall indicate the grounds for his objection. The objection and the court decision thereon shall be entered in the case record.

#### **Article 137**

In the event that a litigant fails to appear for questioning without an acceptable excuse, or that he appears and declines to answer questions without justification, the court may draw a presumption therefrom or deny the incident subject of the questioning.

### **Chapter Seven: Electronic Evidence**

#### **Article 138**

For the substantiation of an electronic evidence, the electronic means used therein shall be created by the other party or with his consent or knowledge.

#### **Article 139**

An electronic evidence shall be deemed as a proof in the substantiation of facts in any of the following cases:

- a. If it is issued pursuant to the Electronic Transactions Law;
- b. If it is carried out via an electronic means that belongs to or is approved by a government agency;
- c. If the electronic means used in the electronic evidence is stipulated in the contract subject of the dispute;
- d. If the litigant questions the subject of the electronic evidence prior to denying the authenticity thereof;
- e. If the electronic evidence is utilized via an electronic means for business performance by a party, whether it is certified or publicly accessible.

In all cases, a litigant may file whatever items that support the electronic evidence.

#### **Article 140**

The court may seek the assistance of an expert to verify the electronic evidence in the event that it deems that such evidence can affect the settlement of the dispute.

#### **Article 141**

The court may request a party to provide the contents of his electronic evidence in writing, or by any electronic means.

### **Chapter Eight: Expertise**

#### **Procedures for Seeking Assistance from an Expert**

#### **Article 142**

If a party requests permission to seek the assistance of an expert, he shall include in his request the following information:

- a. The area in which an expert's assistance is required;
- b. Issues with regard to which an expert's assistance is required;
- c. Justifications for requesting an expert's assistance;
- d. Estimate of the costs of seeking an expert's assistance;
- e. Proposal of the name of the expert, if possible.

If the court permits the party to seek the assistance of an expert, it may set a specific maximum for the fees that a party can, when necessary, recover from the other party.

### **Article 143**

In the event that the parties agree on the need to seek the assistance of an expert on a specific issue, each of them may submit a request in accordance with the provisions of Article 142 of the Regulations. The court may, if the need arises, decide to seek the assistance of one common expert agreed upon by the parties. In all cases, the court shall determine the issues wherein an expert's assistance is required.

### **Article 144**

When deciding whether or not to seek the assistance of one common expert, the court shall take into account the following:

- a. The extent to which it is appropriate to have an independent expert for each party, given the disputed amount, the importance of the issue to the parties, or the complexity thereof;
- b. Whether seeking assistance from one common expert shall help the parties and the court to terminate the dispute with more speed and less cost;
- c. Whether the issue for which an expert's assistance is sought relates to a stable field in which it is unlikely to be disputed or entails a multiplicity of expert opinions thereon.

### **Article 145**

As an exception to the regular expertise procedures, the court may, when necessary, assign an expert to present his opinion on a technical issue or to inspect a disputed item within a period not exceeding five days from the date of his assignment.

### **Article 146**

If the expert is a legal person, its representative shall indicate to the court the name of the natural person/persons who are carrying out the task in its name.

## **Management of Expertise Procedures**

### **Article 147**

1. The competent department shall manage the expertise procedures, including the procedures for appointing an expert, determining the amount to be deposited to the account of expert expenses and fees, instructing some or all of the relevant parties to deposit the amount, setting a time limit for the deposit, and following up the expertise procedures up to the delivery of the final report.

2. If the amount stipulated in Paragraph (1) of this Article is not deposited, the expert shall not be bound to perform the task, and the competent department shall notify the court. The court may, in this case, decide that the litigant tasked with the deposit has forfeited his right to seek the assistance of an expert.

### **Obligations and Powers of an Expert**

#### **Article 148**

An expert shall, prior to his appointment, disclose any relationship that he has with the parties to the lawsuit, or any interest therein.

#### **Article 149**

An expert shall perform his duties accurately, honestly and without bias to any party, and shall observe technical principles. He shall not disclose to any party other than the court and the parties to the lawsuit the data and information that he is privy to because of his task or during the implementation thereof, and this obligation shall extend even after the end of his duties.

#### **Article 150**

An expert shall state any question or issue directed to him beyond the scope of his expertise, or when he is not able to reach a specific opinion for any reason, such as lack of sufficient information.

#### **Article 151**

An expert may – in order to perform his duties – request the parties or others to deliver to him the documents he deems necessary to carry out his task. The court may – when necessary – order that a litigant submit documents upon the expert's request.

#### **Article 152**

An expert may file to the court a request for guidance regarding any issue that would assist him to perform his task.

### **Expert's Report**

#### **Article 153**

1. An expert shall submit his report in writing to the court unless the court decides otherwise in small or summary claims.
2. An expert shall provide the parties with a copy of the report.

#### **Article 154**



An expert shall file his report within a period not exceeding 45 days from the date set for the start of the expert's work. If the expert fails to file his report at the specified date, the court may grant him another time limit not exceeding 15 days. It may also replace the expert with another one and order him to refund the fees he has received.

#### **Article 155**

The report shall, in addition to any order decided by the court, include the following:

- a. Statement of the expert's qualifications;
- b. Indication of the sources and materials that the expert has used in preparing the report;
- c. An account of every person whose assistance has been sought to perform any examination, measurement, test, or experiment used by the expert in the report, an indication of that person's qualifications, and whether such assistance was sought under the expert's supervision.
- d. In the event of a multiplicity of opinions regarding the issue, the report shall state a summary thereof, together with the reasons for the expert's preference for the opinion he has selected.
- e. A summary of the expert's conclusions.
- f.

### **Discussion of Expert's Report**

#### **Article 156**

1. Every party may submit written questions to the expert; said questions shall be submitted in one bulk within the period specified by the court, provided that it does not exceed 15 days from the date on which the parties have received the report.

2. Any party may submit its observations on the report; the court may request the expert to provide his opinions regarding such remarks.

In all cases, the expert's answers to said questions shall be deemed as part of the report.

#### **Article 157**

The court may, at any stage of the case, request the expert to complete or clarify the contents of the report.

#### **Article 158**

The court may, if it decides to disregard the expert's report in whole or in part due to the expert's negligence or error, order him to refund the fees he has received.

### **Authenticity of Expertise**

#### **Article 159**

Challenge to the actions carried out by an expert appointed by the court or the instructions he has received from concerned parties within the limits of what he is permitted to record may not be allowed except by claiming forgery.

#### **Article 160**

In the event that a party relies on an expert's report, the other party may rely on that report as a means of proof.

### **Chapter Nine: Commercial Custom**

#### **Article 161**

The court shall rely on an established commercial custom, and may, upon challenging same, seek assistance from any person it deems necessary to prove whether or not such custom exists.

## **Part IV: Issuance of Judgments and Payment Orders**

### **Chapter One: Judgments**

#### **Closing of Arguments**

#### **Article 162**

Arguments shall be closed by authorization, adjourning the hearing for deliberation, or by fixing the case for pronouncement of judgment.

#### **Article 163**

If the court permits the parties to a lawsuit, upon the closing of arguments, to submit complementary memorandums, this shall be entered in the case record. The court shall fix a deadline for submitting same that does not exceed 10 days, during which each party shall submit one memorandum. Complementary memorandums may not include new petitions or evidences; nor shall they be accompanied by any new documents.

## **Rendering a Judgement for Compensation for Material and Moral Harms**

### **Article 164**

The court shall include in its judgement on the merits deciding on a petition for compensation for material and moral harms, including litigation expenses. The court shall, in estimating the compensation, observe the following:

- a. Severity of the damage;
- b. Adjudged amount;
- c. Repeated default of the person against whom the judgement is rendered;
- d. Established custom or regular practice;
- e. Expert's opinion, when necessary.

## **Deliberation**

### **Article 165**

1. In cases where the judgement is rendered by the majority of judges, the viewpoint of a dissenting judge and the grounds therefor shall be recorded and shall be deposited in the case file.
2. The response of the majority of judges to the viewpoint of the dissenting judge shall be recorded, or else they may be satisfied with the reasons stated for the judgment.

### **Article 166**

The judge examining the case shall prepare the draft judgement pursuant to the opinion of the majority, even if he had a different viewpoint.

## **Draft Judgment**

### **Article 167**

The court may pronounce a judgement without depositing a draft thereof in the following cases:

- a. If the defendant admitted the validity of the lawsuit in the hearing;
- b. Judgments rendered in summary petitions;
- c. Judgments wherein it would be sufficient to enter the results of the deliberations in the case record;
- d. Judgments issued in preliminary matters.

The judgement decree or the extract, as the case may be, shall be deposited on the day following the date of pronouncement thereof.

#### **Article 168**

The draft judgement may be amended until the pronouncement thereof. The draft deposited in the case file shall be approved by all the judges who participated in the deliberations.

### **Pronouncement of the Judgment**

#### **Article 169**

The judgement shall be pronounced by reading its wording in an open hearing and entering same in the case record.

### **Judgement Copy**

#### **Article 170**

In cases where no special provision is made, a judgement copy shall be delivered within a maximum period of 10 days as of the date of pronouncement thereof.

#### **Article 171**

The court may, in explaining the case facts in a judgement copy, refer to the case file, pursuant to the following controls:

- a. The referral shall be based on a report prepared by the competent department.
- b. It shall observe the other major elements of the judgment.
- c. This shall apply to major cases whose facts are difficult to explain in their entirety.
- d. The case file shall be accessible via any electronic means.
- e. The judgement copy shall provide for referral to the case file in explaining the case facts and the means of access thereto.

#### **Article 172**

The judgement shall comprise sufficient grounds for its wording to be based on.

#### **Article 173**

The circuit shall, upon signing the judgement copy, send the case file to the competent department to complete the procedures for handing over a copy of the judgment, objection thereto, and appending same with the execution statement.

## **Judgments Wherein it is Sufficient to Enter the Results of the Deliberations in the Case Record**

### **Article 174**

The court may find it sufficient to enter the results of the deliberations in the case record without issuing a judgement copy in the following cases:

- a. Decisions and orders that are not subject to objection;
- b. Decisions entailing the expert's assignment and his fees; and
- c. Judgments rendered to establish waiver or abandonment of a claim, dropping of litigation, or considering a lawsuit to have not been filed.

### **Article 175**

Judgments wherein it is sufficient to enter the results of the deliberations in the case record shall be reasoned; an extract of the record in which these results are entered shall be subject to the same provisions applying to the handover of the judgement copy.

## **Handover of a Judgement Copy**

### **Article 176**

The order to execute a judgement by its draft shall be entered in the case record; the draft judgement copy shall be appended with the execution statement.

## **Expeditious Execution**

### **Article 177**

The judgement stated in Paragraph (1) of Article 65 of the Law shall be subject to expeditious execution, even in cases where no such remark is made by the court.

### **Article 178**

The court may, if it deems it necessary to decide the judgment to be subject to expeditious execution, order the person against whom the judgement has been rendered to provide a security.

### **Article 179**

The court shall enter its decision that the judgement be subject to expeditious execution, in accordance with the provisions of Paragraph (2) of Article 65 of the Law, in the case record, together with a brief account of the grounds therefor.

## **Correction and Interpretation of Judgement**

### **Article 180**

The circuit that affirmed the judgement or order shall decide any petition for the correction or interpretation thereof.

### **Article 181**

The court shall, upon its own motion or pursuant to a petition by a party, correct any material errors whether written or mathematical in the judgment decree or order. It shall make a separate decision in this regard that includes the petition for correction, its place in the judgement or order, and the correction that it has decided. The correction decision shall by itself be deemed to have corrected the judgement or order, and the parties shall be furnished with a copy thereof. Said decision shall be subject to the procedures of objection.

### **Article 182**

Litigants may request the court to explain any vagueness or confusion in the wording of the judgement. The court shall decide the request in an open hearing. The interpretation decision shall be deemed to be complementary to the original judgement, and shall be subject to the procedures of objection.

## **Chapter Two: Payment Orders**

### **Conditions for Petition to Issue a Payment Order**

### **Article 183**

The debt shall be deemed fixed pursuant to the provisions of Paragraph (3) of Article 67 of the Law if its amount can be determined on the basis of fixed principles that the court shall have no authority to estimate.

### **Article 184**

A payment order shall not be accepted if the debtor's place of residence is located outside the Kingdom.

### **Article 185**

A payment order shall not be accepted if it comprises reciprocal obligations unless the creditor attaches to the request a written evidence that he has fulfilled his obligations.

## **Submission of Petition for Payment Order**

### **Article 186**

The court within whose jurisdiction the debtor's place of residence falls shall have the territorial jurisdiction to issue the payment order and consider objections thereto.

### **Article 187**

The petition to issue a payment order shall not preclude a request to take any precautionary measure.

### **Article 188**

The petition to issue a payment order shall include the particulars of the statement of claim stipulated in the Law and Regulations, and shall be governed by the provisions contained in Article 21 of the Law.

### **Article 189**

The debtor shall be deemed to have been notified of the requirement of payment via a postal service provider or an electronic service provider licensed to deliver notification and process services.

### **Article 190**

The claimed right contained in the notification of the requirement of payment may not be less than the required amount in the petition to issue a payment order.

## **Deciding a Petition to Issue a Payment Order**

### **Article 191**

The circuit shall decide the petition to issue a payment order against any party other than the litigants.

### **Article 192**

If the circuit decides to reject the petition, same shall be entered in the record, together with a brief account of the grounds therefor.

### **Article 193**

An order shall be made in the relevant form, and shall contain the following data:

- a. The data included in the petition to issue the order;
- b. The issuing date of the order, the court that issued same, the circuit, and the name of the judge.

## **Procedures for Appeal and Objection to a Payment Order**

### **Article 194**

The debtor against whom the order has been issued shall be entitled to the following procedures:

- a. Object to the payment order by appeal pursuant to a formal defect, e.g. invalidity of the notification, lack of jurisdiction, or absence of one of the conditions stipulated in Article 67 of the Law, the court may reject the appeal and confirm the order, or cancel the order without deciding on the merits; and
- b. File a complaint with the competent first-instance circuit in accordance with the provisions of Article 71 of the Law.

### **Article 195**

The complaint shall entail bringing the matter to the court and issuing a judgement to settle the original right within the limits of the requirements of the complaint. If the court finds that one of the conditions stipulated in Article 67 of the Law is not fulfilled, it shall rule to reject the order and shall decide on the merits.

### **Article 196**

If the complainant fails to appear at any hearing for considering his complaint, the provisions of Article 31 of the Law shall apply.

### **Article 197**

The judgement rendered in the complaint may be objected to pursuant to the procedures for objection stipulated in Part X of the Law.

### **Article 198**

If the complaint is ruled as rejected, and the debtor appeals same, and the appellate circuit decides to revoke the decision, it shall decide on the merits.

### **Article 199**

The court considering the complaint or objection may stay the expeditious execution of the payment order if so requested and if the execution of the judgment is feared to lead to grave harm.



**Part V: Objection to Judgments**  
**Chapter One: General Provisions**  
**Time Limits for Objection**

**Article 200**

In the event that the judgement includes deciding several petitions with varying time limits for objection, the petition with the longest time limit shall be taken into account.

**Agreement on Finality of Judgment**

**Article 201**

It may not be agreed that the judgment issued by the first-instance circuit shall be deemed final with respect to one party but not the other.

**Article 202**

The agreement stipulated in Paragraph (2) of Article 74 of the Law shall be invoked prior to submitting any petition, defense, or motion for dismissal before the appellate circuit or through a written memorandum in the event that the appeal is without pleading.

**Article 203**

Any person who has the right of objection may waive such right, during the objection period, by a memorandum he submits to the court.

**Judgement Rendered on the Objection**

**Article 204**

If the court deems that the contested judgement has included a response to the substantial defenses in the petition for objection, it shall state the substantial defenses in the grounds for judgement, with an indication of the content of the response from the contested judgment.

**Article 205**

If the contested judgement fails to provide a response to certain substantial defenses, the court shall provide such response in the grounds for judgement.

**Article 206**

In cases where the court decides to affirm the judgment, the wording shall include the wording of the judgement that it has affirmed.

## **Chapter Two: Appeal General Provisions**

### **Article 207**

The provisions of Paragraph (1) of Article 78 of the Law shall not apply to a judgement of lack of jurisdiction, dismissal of a lawsuit in form, non-hearing of a lawsuit due to the lapse of the statutory period, or consideration of a lawsuit to have not been filed.

### **Article 208**

If the court decides to reject the appeal, or to consider same to have not been filed, the appealed judgement shall be deemed final.

## **Devolutive Effect**

### **Article 209**

If the circuit decides to reject a new petition, the person who filed said petition may submit same to the first-instance circuits, pursuant to the lawsuit filing procedures.

### **Article 210**

If the circuit decides to reject a motion related to subject matter that neglected by a first-instance circuit, the person whose motion has been rejected may submit a petition for completing the consideration thereof and deciding thereon in accordance with the usual lawsuit filing procedures; said petition shall be referred to the same first-instance circuit.

### **Article 211**

Upon consideration of an appeal, a person not involved in the lawsuit under appeal may not be joined except by the court for purposes of serving the interest of justice or truth-finding. Nor may anyone intervene in an appeal, except for a person requesting to join a litigant without making a petition to decide in his favor.

## **Filing an Appeal**

### **Article 212**

A petition for appeal shall, in addition to the data stated in Paragraph (1) of Article 81 of the Law, shall comprise the following:

- a. The name of the appellant and his ID number, or commercial register number – as the case may be – his address, his representative, and the law practice license number if the objection is required to be filed by a lawyer;

- b. The name of the appellee and his ID number, or commercial register number – as the case may be – and his address.

### **Article 213**

If the petition for appeal does not include information of the judgment under appeal, the reasons for appeal, and the petitions of the appellant, the court shall decide to reject same.

### **Article 214**

In all cases, a subsidiary appeal shall be filed in a separate memorandum that includes the data stipulated in Article 212 of the Regulations.

## **Appeal Procedures without a Hearing**

### **Article 215**

An appeal shall be considered without a hearing in objecting to the following judgements and decisions:

- a. Judgments and decisions rendered in the lawsuits stipulated in Paragraphs (1), (2) and (3) of Article 16 of the Law if the original claimed amount does not exceed 2,000,000 riyals;
- b. Judgments and decisions rendered in the lawsuits instituted pursuant to Paragraphs (8) and (9) of Article 16 of the Law, regardless of the claimed amount therein; and
- c. Judgments, decisions, and orders the objections to which are considered by an appellate circuit composed of a single judge.

### **Article 216**

In cases where an appeal is considered without a hearing, the circuit shall verify the preliminary matters related to jurisdiction and the conditions for the acceptance of the petition within 10 days from the date on which the case is referred thereto.

### **Article 217**

If the appeal is without a hearing, and the time limit for objection has elapsed, no memorandums shall be accepted in the case thereafter; nor shall any of the litigants be heard unless the circuit decides to consider the case by means of a hearing.

### **Article 218**

In cases where no special provision is made, if the court deems it necessary to revoke a judgement in whole or in part, its judgement of revocation, together with the judgement in the case upon the consideration thereof, shall be by means of a hearing.

#### **Article 219**

If the court decides to consider the appeal by means of a hearing, it shall fix a date for the hearing and shall notify the parties thereof. If the appellant is notified and he fails to appear at the specified hearing, the petition for appeal shall be subject to the provisions of Article 84 of the Law.

### **Procedures for Appeal by a Hearing**

#### **Article 220**

1. Subject to the provisions of Paragraph (3) of Article 79 of the Law, if an appeal is considered by means of a hearing, the date of the first hearing shall be fixed within a period not exceeding 20 days from the date of filing the appeal. The appellee shall be notified of the date of the hearing, together with a copy of the petition for appeal. The appellee shall file the memorandum of response to the objection three days prior to the date of the hearing.
2. The appellant shall follow up the case dates with the court of appeal immediately after the entry thereof.

#### **Article 221**

In cases where the appeal is considered by means of a hearing, the circuit shall, prior to the first hearing, verify the preliminary matters related to jurisdiction and the conditions for the acceptance of the petition for appeal.

#### **Article 222**

If the appellant fails to appear at any hearing, and he was absent from a previous hearing, the circuit shall decide the case if it is ripe for judgment; otherwise, it shall issue a ruling considering the appeal to have not been filed.

#### **Article 223**

If the circuit decides to postpone the hearing in accordance with the provisions of Paragraph (2) of Article 84 of the Law, the appellant shall not be notified of the specified hearing if he has been previously notified.

#### **Article 224**

The circuit may issue the judgement of revocation stipulated in Paragraph (2) of Article 85 of the Law without scheduling a hearing to pronounce same, and its judgement shall be binding on the first-instance circuit that rendered the judgement.

### **Chapter Three: Motion for Reconsideration**

#### **Article 225**

The appellate circuit shall have the jurisdiction to consider the motion for reconsideration of a judgement which it affirmed.

#### **Article 226**

The court shall first decide on the admissibility of the motion for reconsideration and the conditions necessary for the acceptance thereof in a hearing of which the parties shall be notified. The court may, if it accepts the motion in form, decide the acceptance of the motion and the merits in a single judgment. The court shall only reconsider the petitions contained in the motion.

#### **Article 227**

1. Filing a motion for reconsideration shall not entail stay execution of judgment. Nonetheless, the circuit considering said motion may order stay of execution of judgment if so requested and if execution is feared to result in grave and irreparable harm. The circuit may upon ordering stay of execution require a security to be presented.
2. If the court accepts the motion, it shall order stay of execution of judgment if so requested.

### **Chapter Four: Cassation** **Preparation of Petition for Cassation**

#### **Article 228**

A unit shall be established at the Supreme Court for the purpose of preparing the hearing of petitions for cassation in commercial lawsuits; it shall be composed of a number of judges and researchers, and shall undertake the following:

- a. Examine objections to judgements rendered in commercial lawsuits in terms of formal conditions and fulfillment of basic data;
- b. Conduct studies and research on matters requested by the commercial circuit of the Supreme Court; and
- c. Prepare and draft judgements and decisions.

## **Article 229**

The competent department of the Supreme Court shall carry out the procedures required for preparing the petition for reversal of judgment.

### **Filing a Petition for Reversal of Judgment**

## **Article 230**

A petition for reversal of judgment shall include the particulars of the appealed judgement, a summary thereof, the grounds for objection, and the appellant's requests.

## **Article 231**

The petition for reversal of judgment shall be accompanied by the following:

1. A copy of the document proving the capacity of the appellant's representative;
2. A copy of the appealed judgement, and a copy of the judgement rendered by the first-instance circuit if the appealed judgement has referred to in the grounds thereof; and
3. Documents supporting the objection.

## **Article 232**

The objection shall comprise the grounds indicating the reason for objection attributed to the judgment by the appellant, its place in the judgement, and its effect thereon.

### **Petition for Stay of Execution of Judgement**

## **Article 233**

1. The petition for stay of execution of judgement stipulated in Article 89 of the Law shall include the grounds for the stay of execution, and the consequences thereof.
2. If the petition for reversal of judgment includes a request for stay of execution of judgment, the petition shall be referred to the competent department to decide thereon; it shall be sufficient – if the request is rejected – to enter same in the record.
3. If the court deems it appropriate to order the stay of execution of judgement, in accordance with the provisions of Article 89 of the Law, it may require the appellant to provide a security.

## **Procedures for Deciding a Petition for Reversal of Judgment**

### **Article 234**

A petition for reversal of judgment in accordance with Paragraph (4) of Article 88 of the Law shall only be accepted if the previous judgement was final.

### **Article 235**

No reasons may be stated in the petition for reversal of judgment other than the ones previously stated in the petition for appeal, and it was possible to state therein.

### **Article 236**

In all cases, if the court decides to revoke the appealed judgement for the second time, it shall issue a ruling thereon.

## **Part VI: Special Provisions for Certain Lawsuits**

### **Chapter One: Small Lawsuits**

### **Article 237**

Small claims – stipulated in Paragraph (3) of Article 8 of the Law – shall mean the following:

- a. Lawsuits stated in Paragraphs (1) and (2) of Article 16 of the Law if the original claimed amount does not exceed 1,000,000 riyals, with the exception of lawsuits arising from construction contracts; and
- c. Lawsuits instituted pursuant to Paragraphs (8) and (9) of Article 16 of the law, regardless of the claimed amount therein, whenever they relate to one of the lawsuits stipulated in Paragraph 1 (a) of this Article.

### **Article 238**

In cases where no special provision is made in this Chapter, the provisions stipulated in the Law and Regulations shall apply to small claims.

## **Time Limit for Consideration of Small Claims**

### **Article 239**

The period for consideration of small claims shall not exceed 90 days from the filing date thereof; in cases where the filing of the lawsuit is preceded by exchanging memorandums or holding a meeting between the parties, in accordance

with the provisions of Paragraph (2) of Article 19 of the Law, the period of consideration shall not exceed 30 days.

### **Procedures for Hearing Small Claims**

#### **Article 240**

The hearing of small claims shall be preceded by recourse to reconciliation and mediation, provided that these procedures do not exceed 15 days.

#### **Article 241**

The competent department shall verify the requirements for filing the case, including determination of requests, attachment of documents and completion of case papers.

#### **Article 242**

The lawsuit shall be filed if it is complete, and shall be referred to the competent circuit. The defendant shall be notified of the lawsuit on the filing day thereof, provided that the notification includes scheduling the date for the preparatory hearing, within a period not exceeding 15 days from the filing date.

#### **Article 243**

The defendant in small lawsuits shall file a memorandum of his defense, including his response to the lawsuit and all his defenses, and shall specify his requests and all his evidences, at least one day before the scheduled date of the preparatory hearing. The competent department shall verify the completion of such documents and of the lawsuit papers, and shall study same.

#### **Article 244**

The court shall hold the preparatory hearing stipulated in Article 90 of the Regulations. If the circuit ascertains the jurisdiction and preliminary matters, it shall decide the lawsuit unless it deems it necessary to exchange memorandums, provided that the period of exchanging memorandums does not exceed 15 days.

#### **Article 245**

In all cases, the parties may not submit any requests, evidences or defenses that were not provided before the end of the preparatory hearing.

#### **Article 246**

In cases wherein the hearing of the lawsuit requires referral to an expert, the date for filing the expert report shall be set within a period not exceeding 20 days, which period may be extended for another 10 days, if necessary.

#### **Article 247**



1. The court may, upon verifying the preliminary matters in the preparatory hearing, postpone the hearing for a period not exceeding 15 days; the court shall state the reasons for postponement in the case record.
2. A maximum of one hearing shall be conducted upon notifying the defendant. No more hearings may be adjourned except in exceptional cases and circumstances, including, for example, if the court finds that reasons beyond the control of the litigant precluded the required action, such as the emergency illness of one of the parties to the lawsuit or their representatives or the inability of a witness to attend the hearing for an emergency.

### **Judgement in Small Claims**

#### **Article 248**

The hearing wherein the judgement is to be pronounced shall, when necessary, be fixed within a period not exceeding five days after closing the arguments. No memorandums may be submitted by the parties after closing the arguments.

#### **Article 249**

The judgement copy rendered in a small claim may only state the plaintiff's requests, a brief summary of the litigants' defense – if any –, and the grounds for and wording of the judgment.

#### **Article 250**

A judgement copy shall be delivered upon the issuance thereof. A date may be fixed, when necessary, for the delivery of the judgement copy provided it does not exceed five working days from the date of pronouncement thereof.

#### **Article 251**

The period of appeal of judgments rendered in small claims shall be 15 days from the date of referral thereof to the circuit, unless the circuit decides to consider same by means of a hearing.

## **Chapter Two: Class Action Lawsuits**

### **Conditions of Class Action Lawsuits**

#### **Article 252**

1. To file a class action lawsuit, the following requirements shall be fulfilled:
  - a. The claim shall have the same subject-matter, grounds, and defendant.
  - b. The claims shall have the same subject-matter affecting the plaintiffs in both its presence and absence;
  - c. The number of plaintiffs shall not be less than ten.
2. Class actions lawsuits shall be filed and argued by a representative of the plaintiffs, who shall be a lawyer.

### **Request for Filing a Class Action Lawsuit**

#### **Article 253**

The representative of the plaintiffs shall submit to the court a request for approval to file a class action lawsuit, including the following:

- a. Names of plaintiffs, and number of persons likely to join them;
- b. A summary of the subject-matter of the lawsuit, requests, and main evidence in the lawsuit; and
- c. A statement of the common substantive basis for the requests.

#### **Article 254**

The competent department shall prepare a report on the request, including verification of the fulfillment of the data and conditions, and an inventory of similar filed lawsuits, if any.

#### **Article 255**

1. The chief judge shall decide on the request to file a class action lawsuit within a period not exceeding 10 days, pursuant to the following:
  - a. accept the request if it meets the requirements stipulated in Article 252 of the Regulations;
  - b. Rejecting the request if it fails to meet the requirements stipulated in Article 252 of the Regulations.
2. As an exception to Paragraph 1 (b) of this Article, in cases where the applicant meets the requirements stipulated in Article 252 of the Regulations, save the condition stipulated in Paragraph 1 (c) of the same Article, the chief judge may

decide to give the representative of the plaintiffs a time limit not exceeding 60 days to fulfill the requirements, failing which, the chief judge shall decide to reject the request.

#### **Article 256**

In all cases, the decision made with regard to the acceptance or rejection of the request to file a class action lawsuit shall be deemed final and unappealable in any possible way. This shall not preclude the re-submittal of a new request whenever it meets the requirements.

### **Filing a Class Action Lawsuit**

#### **Article 257**

The representative of the plaintiffs shall file the class action lawsuit in one statement of claim pursuant to the provisions of the Law and Regulations within a period not exceeding 10 days from the date of acceptance of the request in accordance with the provisions of Paragraph 1 (a) of Article 255 of the Regulations. This statement of claim shall be accompanied by a detailed list of the plaintiffs' claims in the class action lawsuit and shall comprise an indication of the applicability of the common substantive basis to each of them, and their division into classes when necessary.

#### **Article 258**

The plaintiffs in a class action lawsuit shall have the right of access to all papers and documents in the case file.

#### **Article 259**

A special register shall be created for class action lawsuits, wherein the data and details of the lawsuits shall be recorded. Said register shall be accessible to the public, and notices may be made by means thereof.

### **Court Enablers and Powers in Class Action Lawsuits**

#### **Article 260**

The court may, when necessary, decide whatever it deems necessary to enable it to manage a class action lawsuit and expedite deciding thereon, including the following:

- a. Seek assistance from the private sector in class action lawsuit procedures;
- b. Appoint an advisor for the purposes of managing class action lawsuits;

- c. Divide the parties into classes pursuant to the nature of the lawsuit; and
- d. Approve the appointment of more than one representative.

### **Article 261**

If it appears to the court that the conditions of a class action lawsuit are fulfilled in cases under its consideration, all such cases shall be referred to the circuit with which the first lawsuit was filed. The circuit may offer the parties to have recourse to the procedures for class action lawsuits, and the competent department shall finalize the procedures.

### **Joinder to a Class Action Lawsuit**

#### **Article 262**

A person whose claim meets the conditions of a class action lawsuit may request to join same through the representative of the plaintiffs. The court shall record its decision of the request for joinder in the case record; said decision shall be deemed final and unappealable.

### **Representative in a Class Action Lawsuit**

#### **Article 263**

The representative of the plaintiffs shall notify potential plaintiffs of filing the class action lawsuit, and shall announce same in a publicly available medium.

#### **Article 264**

The representative of the plaintiffs shall exercise due diligence to protect the interests of all plaintiffs, and shall appear at the scheduled hearings.

#### **Article 265**

The representative of the plaintiffs shall inform the plaintiffs of any substantial events or incidents that might affect their rights, request their opinions thereon, notify them of the judgments and decisions issued in the lawsuit, and enable them to have access to all the lawsuit papers and documents.

#### **Article 266**

The representative of the plaintiffs shall be authorized before the court to submit requests, defenses and memorandums. No request, defense or memorandum that is related to the class action lawsuit shall be accepted save through said representative.

## **Article 267**

The representative of the plaintiffs may not resign from representation in the class action lawsuit unless upon the approval by the court. If the court approves the resignation request, it shall enable the plaintiffs to select another representative within 30 days. In the event of non-agreement on a representative, the court shall appoint the plaintiff with the most votes as a representative.

## **Article 268**

In cases where no special provision is made, the representative of the plaintiffs may not be dismissed except upon the request of the majority of the plaintiffs. In the event of his dismissal, a representative of the plaintiffs shall be appointed in accordance with the provisions for appointing a representative of the plaintiffs stated in Article 267 of the Regulations.

## **Article 269**

The representative of the plaintiffs shall, in determining his fees, observe that they be fairly divided among the plaintiffs.

## **Proposed Settlement in a Class Action Lawsuit**

## **Article 270**

Prior to considering a class action lawsuit, a settlement shall be proposed to the parties. In the event that the representative of the plaintiffs reaches a settlement with the defendant, said representative shall notify the plaintiffs thereof by an appropriate means, and shall fix a date for approval or refusal of such proposed settlement within a period not exceeding 30 days. In the event that the majority of plaintiffs accept the proposal, the settlement shall be established for the parties who accepted same, and the court shall accordingly dismiss the class action lawsuit.

## **Preparation of a Class Action Lawsuit**

## **Article 271**

The competent department shall, upon referral of the class action lawsuit, prepare the following:

- a. An initial report on the case, including a preliminary study of the common substantive basis of the class action lawsuit, and verification of the applicability of the conditions of the class action lawsuit to all plaintiffs; and
- b. A schedule for hearing the class action lawsuit that is commensurate with the nature thereof.

## **Hearing of a Class Action Lawsuit**

### **Article 272**

1. The court shall hold a meeting prior to the hearing wherein it shall take the following procedures:
  - a. Verify that the conditions of the class action lawsuit apply to all plaintiffs;
  - b. Verify that the matters stipulated in Article 90 of the Regulations are fulfilled;
  - c. Approve the lawsuit plan, including the schedule of hearing thereof;
  - d. Exclude parties whose lawsuit does not comply with the common substantive basis of the class action; its decision in this regard shall be deemed final; and
  - e. Issue a decision to initiate the proceedings of the class action lawsuit, wherein the representative of the plaintiffs, the subject and cause of the claim, the common substantive basis of the class action lawsuit, and the list of names of the plaintiffs shall be indicated.
3. The court decision referred to in Paragraph 1 (e) of this Article shall entail suspension of the hearing of lawsuits having the same subject-matter and grounds filed against the defendant, together with the class action lawsuit, until the class action lawsuit is decided.

### **Article 273**

If the representative of the plaintiffs fails to appear at one of the hearings, the court shall postpone the proceedings for a next hearing. The class action lawsuit shall not be dismissed upon the absence of the representative of the plaintiffs.

### **Article 274**

The court may, in the event that the representative of the plaintiffs fails to appear at the specified hearings or to make the submissions required from him on the specified date without an acceptable excuse, enforce the provisions of Paragraph (1) of Article 13 of the Law to such representative. In the event that the representative repeats such actions, the court may decide to dismiss him, and its decision in this regard shall be deemed final.

### **Article 275**

If the case is ripe for judgment, the court shall decide the class action lawsuit in a single judgement on all the requests filed by the representative of the plaintiffs.

**Article 276**

1. A final judgement issued in a class action lawsuit shall be deemed as proof against any person who is subject to the common substantive basis under which the judgement was rendered.
2. Any person not represented in the class action lawsuit may request that the common substantive basis and the judgement rendered pursuant thereto be applied to him by means of a request to be submitted to the court. Said request shall be considered by the circuit that rendered the judgement in the class action lawsuit.

**Objection to a Judgement in a Class Action Lawsuit****Article 277**

In the event that judgement in a class action lawsuit does not entail the entire requests filed by the representative of the plaintiffs, he shall appeal the judgement in the event that the majority of the plaintiffs so request.

**Article 278**

An appeal to the judgement rendered in a class action lawsuit shall be filed by the representative of the plaintiffs, and shall state the names of the appellants; the plaintiffs may, on their own, file their appeal to the court.

**Final Provisions****Article 279**

All final judgments rendered by the first-instance and appellate commercial circuits and by the commercial circuit of the Supreme Court shall be published and made available for public access.

**Article 280**

The provisions of the Law and Regulations shall apply to the commercial circuits established in general courts.

**Article 281**

These Regulations shall be published in the Official Gazette, and shall enter into force as of the date of publication thereof.