

## **Public Road Transport Law in the Kingdom of Saudi Arabia**

**Enacted by the Royal Decree No. 25 dated 21/6/1397H(1)  
based on the Council of Ministers Resolution's No. 779 dated 13/6/1379H  
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### **Part (1) Passengers Transport by buses**

#### **Article (1)**

Passengers transport buses that are designed to carry not less than 8 passengers are considered as public utility. They work on regular basis within specified limits and lines and every person may have an access to them against payment of the prescribed fare.

#### **Article (2)**

The public group transport of passengers by buses on the public road networks inside cities and among the neighboring cities shall be by a commitment for a certain period of time unless the Government deems it appropriate to run the same by itself.

#### **Article (3)**

The contractual commitment of the public group transport of passengers by buses shall be granted by a Royal Decree which shall limit the commitment to a period not exceeding 15 years. This period may be renewed or extended for a similar period by a Council of Minister's Resolutions upon a proposal from the Minister of Transport and due consideration to the regulations in force when the renewal or extension is effected. The Minister of Transport shall be vested with the powers to select the most suitable procedures and ways of preference between the qualifying bidders and to issue the contractual commitment conditions list; provided that the list shall include the penalties inflicted for the violation of any of its conditions and the deposit which shall be paid by the committed contractor and kept until the end of the contract.

#### **Article (4)**

The committed contractor shall be a Saudi national or a company in which the Saudi's share in the capital is not less than 51% throughout the period of the commitment validity. The State may, upon a proposal by the Minister of Transport, contribute in the capital of Public group transport Companies with the share that it considers necessary to enable these companies accomplish the purposes of their establishment.

#### **Article (5)**

The Minister of Transport, in the period preceding the conclusion of the commitment contract or during its processing stage use the public transportation on such line and he may, in case of discontinuation of the commitment in a certain transport line or area, apply the license method for the use of that transport line by the public transport

until it becomes possible to reinstate the commitment method.

The Minister of Transport shall decide the procedures and conditions of granting the license and the period of its validity; provided that it does not exceed one year and it may be renewed for another period or periods.

#### **Article (6)**

The Minister of Transport may decide alterations on the transport lines and areas that lie in the Public Roads Network by altering or canceling some of its traffic lines or adding new lines whether before or after the granting of the commitment contract. If new traffic lines are added after a commitment contract is granted, the Minister of Transport may, by a decision issued by him, add these new lines to the contractor of the line or the area for the remaining period of the contract and under the same condition of the contract.

#### **Article (7)**

The Minister of Transport may form a committee at each city which shall be constituted from the Director of the Transport Department (President), and two representatives from the Municipality, Traffic Department, Ministry of Commerce and Industry and the contracting company as members. The Minister of Transport shall issue a decision to determine the ways of convention of the Committee, its assumption of duties, and issuing its recommendations.

The subject Committee shall supervise the execution of the passengers transport commitment contracts or licenses given to transport passengers in the city and the application of their provisions in the way that secures the regularity of the utility and the performance of the duties required of it. The Committee, in pursuance to its functions, may carry out by itself or through persons delegated by it, financial, administrative or technical inspection on the contracting company or the licensed company and detect any occurrence of breaches, propose the appropriate penalties and submit its recommendations to the Minister of Transport regarding the same for the issue of necessary decisions.

#### **Article (8)**

The authority in charge of granting the commitment contract may decide the invalidation of the subject contract and the expropriation of the deposit referred to therein if the contractor:

- a- abstains from running the buses in a part of the commitment area or commitment line.
- b- runs less buses than the number agreed upon in the commitment contract.
- c- breaches the course of running agreed upon in the commitment contract.
- d- charges more than the fixed transport fare.

e- relinquishes without prior approval all or part of his transport line commitment or replaces another person in part or all of his entitlements that emanate from the said contract.

The commitment contract granting authority may demand compensation from the contractor for the damages sustained by the utility due to the cancellation of the commitment contract.

#### **Article (9)**

The Minister of Transport shall issue the Regulation that organizes the small (taxicabs) work in a way that guarantees coordination between them and running the public transport buses and accomplishes the interest of the transport utility.

#### **Article (10)**

The provisions of the above mentioned Articles shall not apply to buses used by the ministries, departments, institutes and schools etc. in transporting their employees as long as these buses keep to their prescribed purposes.

#### **Article (11)**

The contractor shall establish transport terminals and intermediary waiting stations by the roads in accordance with the specifications prescribed by the Ministry of Transport. These stations shall be the property of the State when the contract terms terminate and not renewed.

### **Part (2) Transport of Good and Materials**

#### **Article (12)**

The Minister of Transport shall divide the roads operating in the Kingdom into areas in accordance with the administrative divisions and the transport requirements of each area. He shall also organize the work of the trucks in these areas and determine the rules and conditions of the traffic therein.

#### **Article (13)**

The Minister of Transport – upon a suggestion by the competent committee – may determine the number of trucks to be licensed for carrying cargo in the areas as demands for transport so requires.

#### **Article (14)**

The Minister of Transport shall determine by a decision from him, the rules that regulate the granting of licenses for the cargo transport against fare.

#### **Article (15)**

The commitment contract for the transport of goods and supplies against charges in the area or areas may be granted to any natural person or corporal person in accordance with procedures and the rules provided for in part one of this Law.

**Article (16)**

The Ministry of Transport in collaboration with the Directorate of Traffic shall determine the admissible paths for the transient transport in large cities whenever it is necessary, and such paths determined shall be abided by.

**Article (17)**

Cargo shall not be unloaded or placed by the public roads or on road pavements or in unbuilt or unfenced plots.

**Article (18)**

The Minister of Transport shall determine the different cargo transport fares in (Ton/Km).

**Article (19)**

Cargo transport in all its forms shall be subject to the provisions of the above mentioned Articles including the transport of cargo on the owners trucks, transport of fuels and similar liquid materials, transport of containers in special trucks, transport of sands, gravel and unpacked dry cereals etc. Dumbers.

Trucks owned by ministries, factories and local administration units that are specified for the transport of their items shall be exempted.

**Part (3)**  
**General Provisions**

**Article (20)**

The Ministry of Transport shall assume the duty of organizing and supervising the transport sector in the Kingdom, save air transport. It shall also coordinate between the different means of this sector in such a way to serve the interest of the national economy and the development plan. For the fulfillment of this end the Ministry shall:

Firstly- plan the Kingdom's transport sector in the Kingdom as one integrated unit whereas each transport activity shall complement the others; coordinate between the plan of each activity and the plans of its relating activities such as roads, railways, harbors ; and coordinate between that activity and the air transport plan and connect the transport sector plan with the public development plan.

Secondly- prepare the technical and economical research for the transport sector in concordant with the state of the art technology in transport and industry.

Thirdly- devise and review the international agreements for transport and supervise their execution in the way that protects the national establishments such as the roads network, ports and railways etc.

Fourthly- coordinate between the various forms of transport activities and means so as to forbid the duplication of transport services in a way that each transport utility shall, in conformity with characteristics and properties, accomplish the maximum possible efficiency of productivity.

Fifthly- prepare the necessary statistics for the various transport utilities inside the Kingdom “ trucks, buses, railways, small taxes and taxicabs, private cars” in addition to the statistics relating to goods and passengers inside and outside Saudi Arabia whether transported by ships, trucks or air.

Sixthly- Fix the transport fares for all transport means, save air transport fares.

Seventhly- supervise companies bound by transport commitment contract or transport license and take the necessary measures for any default.

#### **Article (21)**

The Minister of Transport shall issue the Organizational and the Executive Regulations for any provision relating to this Law.

#### **Article (22)**

It may not be permissible to put hand on the movable or immovable money of the utility; neither expropriate it nor acquire it by prescription.

#### **Article (23)**

Without prejudice to the right of the Ministry of Transport to inflict the penalties and punishments stipulated in the transport commitment contract or License, any person who contravenes the provisions of this Law or the organizational Regulation issued therein shall be punished with the penalty prescribed for the offence he has committed in accordance with the Traffic Law. If there is no prescribed penalty for the committed offence in the said Law, the offender shall be punished with a pecuniary fine not less than S.R (500) and not more than S.R (5000) at any one instance. The Minister of Transport may in all cases prevent the truck or its driver or its owner from transporting cargo or may suspend the license for a period not exceeding one year.

The investigation and trial of the aforesaid offences shall be conducted in accordance with procedures and rules provided for in the Traffic Law. The infliction of the penalties and punishments stated above shall not rule out demanding the concerned person to pay compensations for the damages incurred by persons and properties in compliance with the regulations pertaining to this matter.

#### **Article (24)**

This Law shall be published in the Official Gazette and take effect from the date of its publication.

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(1) 8 Jun 1977.