

Saudi Seaports Public Corporation Law

Approved by Royal decree No. 13 on 7/4/1397H(1)

Based on the Cabinet of Ministers resolution No. 414 dated 25/3/1397H(2)

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Article (1)

According to this law, a public corporation named "the Saudi Seaports public Corporation" shall be established.

Its headquarters shall be based in Riyadh and it shall have a body corporate with independent financial obligation.

Article (2)

The main purpose of the corporation is to supervise the administration of seaports and to lay principles that are necessary for the development, upgrading, and improvement, and for such end it may:

- 1- Set forth principles required for the administration of seaports in accordance with the international standards and laws.
- 2- Provision of various seaports services such as sea guide, more mooring stations, maintenance of entrances to navigational corridors within the limits of the port instruments, and equipments.
- 3- Construction, maintenance and exploitation of quays, floating and dry docks and ships maintenance.
- 4- Organization and supervision over cargo loading and unloading operations and provision of necessary services to ships.
- 5- Exercising of all activities necessary for the achievement of its purpose and raising the efficiency of seaports.

Article (3)

a) The corporation shall be managed by a board of directors which is formed as follows:

- 1- Chairman of the seaports public corporation, who shall chair the board.
- 2- General manager of seaports public corporation, deputy of the chairman.
- 3- Five members from experts and specialists of experience.

b) The Chairman of the Board of Directors shall be connected to the Prime Minister. His appointment and determination of his salary shall be by royal order on the recommendation of deputy Prime Minister. The appointment of the rest of the board members shall be by royal order basing on a proposal of the deputy prime Minister. The member's terms of office is three years, which is renewable except for the chairman and the general director. If the position of one of them became vacant for reasons of resignation or death or any other reason, a new member shall be appointed in his place.

The board of directors may invite the directors of the main seaports to attend the board sessions without being having the right to vote. The board shall convene session upon summons by its chairman. And such convening shall be deemed legal if attended by the majority of its members. The decisions thereof shall be issued by the majority of the votes of the attending members. When votes are equal, the side where the chairman cast his vote shall overweight. The board may meet in exceptional circumstances following a request by four of its members. The board shall have a secretary from amongst the corporations employees to be selected by the chairman of the board of directors to manage the secretariat of the board of directors, prepare meetings and take minutes, register the board's deliberations and decisions and convey them to the concerned authorities.

Article (4)

The board of directors shall be the highest authority, which dominates and disposes of all the corporation affairs. It may take all the necessary decisions for the achievement of its goals within the limits provided by this law. The board may in particular have the following:

- 1- Lay a draft general policy upon which seaports shall be established, managed, and developed. The policy becomes active after endorsement by the Council of Ministers.
- 2- Issuance of decisions and internal regulations relating to the seaports administrative and technical affairs.
- 3- Issuance of regulations organizing Saudi personnel and others in agreement with the employees' chamber.
- 4- Issuance of the financial regulations for the corporation in agreement with the Ministry of Finance and National Economy.
- 5- Preparation of the draft annual budget and its final accounts.
- 6- Appointment of Saudi and contracted employees, counselors, and experts in the corporation.
- 7- Concluding agreements and contracts of various types with individuals, corporations, companies and Saudi or foreign, local or international organizations in whichever activities and purposes related to seaport affiliated to the corporation.

8- The Board of Directors may have the right to delegate some of its powers and competencies to the Chairman of the Board of Directors. The Board of Directors may form committees from amongst its members to study the issues referred to it by the board and submit such for decision thereof. Such committees may, when needed be and with the approval of the board, include technical members who are not members of the board.

Article (5)

The corporation finances shall made up of:-

- 1/Seaport revenues and returns.
- 2/Money contributed by the national treasury
- 3/Movable and immovable assets that come under the dispensation of the seaports corporation and all the funds currently under utilization in the seaports corporation and its rights and obligation towards the others.

Article (6)

The Prime Minister shall, based on a proposal by the corporation board of directors, issue a decision specifying the powers of the board chairman of the corporation, the General Director and the powers and competencies of the chairman of the corporation board of directors, the General Director and ports managers.

Article (7)

The Corporation's General Director shall assist the Board Chairman in performing his tasks as well as acting on his behalf in case he is absent.

Article (8)

Each port shall be managed by a director directly linked to the Chairman of the Board of Directors and the same shall be granted all necessary powers to manage the port. A Consultative Council made up of representatives from the government departments engaged in the port with a representative for the Chambers of Commerce and agents of sea cargo forwarders shall be formed in each port. The functions of the council are to provide advice to the port administration to improve its works and solve problems that daily bother it.

Article (9)

All the rights shall immediately be transferred to the corporation upon the issuance of a royal decree and also the obligations resulted in the seaports administration activity.

Article (10)

The corporation shall have an independent budget where the established general principles in the preparation of state budget shall be observed. Its fiscal year shall begin with the fiscal year of the state. The corporation may lay a budget for the projects that may have a period of more than one year.

Article (11)

The corporation shall enjoy exemptions and other privileges enjoyed by government authorities in terms of finances and taxation.

Article (12)

Without prejudice to the rights of the General Auditing Bureau in auditing the corporation's accounts, the board of directors shall appoint one or more auditor of the chartered accountants having the rights and duties of the auditor in the joint stock companies. In case the auditors are numerous, they shall be jointly responsible and the board of directors shall specify their fees and remunerations.

Article (13)

The corporation shall prepare an annual report on its activities during the period of three months at most from the date of the elapse of the previous fiscal year. Such report shall be presented to the board of directors for endorsement and then it shall be submitted to the Council of Ministers.

Article (14)

A committee appointed by the decision of the Prime Minister including representatives from the Ministry of Finance and National Economy and the General Auditing Bureau, shall be entrusted to make an evaluation of the corporation's funds within a period not exceeding three months from the date of its formation. It may resort to the one or more office of accounts auditor in the discharge of its duties.

Article (15)

Work shall continue with the current budget until the approval of the new budget in accordance with the provisions of this law.

Article (16)

The laws and regulations and the controls organizing seaports affairs shall remain in force until the promulgation of the alternative.

(1) 27 Mar 1977.

(2) 16 Mar 1977.

(3) 23 Apr 1977.