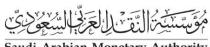
Credit Information Law

Royal Decree No. M/37

5 Rajab 1429H / 8 July 2008





Saudi Arabian Monetary Authority

Article 1: Definitions:

The following words and phrases, wherever mentioned in this Law, shall have the meanings assigned to them, unless the context requires otherwise:

SAMA: Saudi Arabian Monetary Authority.

- Credit Information and data on consumers with Information: respect to credit transactions, such as: loans, installment purchase, lease, credit sale and credit cards and their commitment to payment.
- Member: Any government or private entity which is party to a credit information exchange contract with at least one credit information company.
- **Consumer:** Any natural or corporate person engaging in credit transactions.
- **Companies:** Credit information companies licensed to collect and maintain credit information on consumers and provide the same to members upon request.
- **Credit Record:** A report issued by companies containing consumer credit information.
- Public Records: Credit information records maintained by government entities, such as records of funds and banks offering government loans, judicial authorities, government committees,

bankruptcy and insolvency records and the like.

Article 2:

This Law aims at establishing general principles and controls necessary for collection, exchange and protection of consumer credit information.

Article 3:

This Law shall apply to companies, members, government and private entities maintaining credit information.

Article 4:

- 1. Government entities maintaining credit information shall provide such information to licensed companies pursuant to controls established by said entities to guard against monopoly of said information.
- 2. Companies shall collect, provide exchange and protect credit information.
- 3. Companies shall prepare consumer credit records and exchange the same with members upon request.
- 4. Companies shall charge a fee for provision and exchange of credit information pursuant to controls set forth in the Implementing Regulations.

Article 5:

- 1. Each member shall exchange credit information in its possession with the company it has a contract with and shall be liable for the accuracy and updating of such information.
- 2. A member may obtain a copy of the consumer credit record from companies subject to the written consent of the consumer.

Article 6:

Members, companies and their staff shall maintain the confidentiality of consumer credit information, and they may not publish or use such information for any purpose other than those provided for in this Law or its Implementing Regulations, or in accordance with laws and instructions regulating the confidentiality of information in Saudi Arabia.

Article 7:

Credit information may be used as statistical figures, provided that such information does not reveal the consumer's identity.

Article 8:

1. Members and companies shall provide consumers with information on applicable procedures when applying for any credit transaction.

2. Companies shall set specific procedures for handling consumers' complaints and shall publish such procedures upon SAMA's approval.

Article 9:

- 1. A consumer credit record may not be established with companies for the first time except with the written consent of the consumer.
- 2. A member shall provide the consumer, upon his/her request, with grounds for declining his/her credit transactions.
- 3. A consumer whose credit transaction is declined may obtain a free copy of his/her credit record once only.
- 4. Subject to payment of fees, a consumer may obtain a copy of his/her credit record at any time. Said consumer may obtain a free copy of his/her credit record once only upon establishment of the record.
- 5. A consumer may add information to his/her credit record indicating his/her personal point of view with respect to credit information provided therein.
- 6. A consumer who detects an error in his/her credit record may request the company to correct said error upon submission of relevant supporting documents.
- 7. A consumer, if an error in his/her credit record is not corrected or if he/she notices that his/her credit record is requested for an unlawful reason, may file a complaint with the committee set up pursuant to this Law to decide thereon.

Article 10:

- 1. Companies shall maintain credit information.
- 2. Companies shall set up and maintain records containing all consumer credit record requests.
- 3. The Implementing Regulations shall specify the duration and controls for maintenance of information and ways of disposal thereof at the end of said period.

Article 11:

SAMA shall supervise and monitor the implementation of the provisions of this Law and may, in particular, undertake the following:

- 1. draft the Implementing Regulations of this Law;
- determine conditions to be met by companies seeking to provide credit information services, as well as controls and procedures for licensing;
- 3. issue, renew and amend licenses for credit information companies;
- 4. set up mechanisms for supervising and monitoring the work of credit information companies;
- approve work procedures to be followed by members and credit information companies for the application of credit records;
- 6. detect and investigate violations and prosecute violators before the committee; and

7. determine measures to be taken with respect to credit information in case of revocation of the license of the credit information company, or its dissolution, liquidation or bankruptcy.

Article 12:

The following acts shall be deemed in violation of the provisions of this Law:

- 1. engaging in activities of credit information companies without obtaining a license from SAMA;
- 2. companies' violation of license conditions and controls;
- disclosure by any member, credit information company or any other entity subject to the provisions of this Law, or any of their employees, while in office or afterwards, of information gained in the course of their work which is deemed confidential under this Law, in cases other than those specified in this Law;
- 4. use or exploitation of credit information for unlawful purposes or in violation of the provisions of this Law;
- delay of members or credit information companies in updating credit information on the dates specified in the Implementing Regulations, or failure to correct an error immediately upon detection;
- 6. providing incorrect or forged data on consumers;
- failure of members bound by membership agreements to provide requested credit information, or delay in providing such information on dates specified in the Implementing Regulations; and

8. any other violation of the provisions of this Law or its Implementing Regulations.

Article 13:

Without prejudice to any harsher punishment provided for in another law, anyone violating the provisions of this Law or its Implementing Regulations shall be subject to one or more of the following penalties:

- 1. a fine not exceeding one million riyals; the maximum fine shall be doubled in case of repetition;
- 2. temporary suspension of the license; and
- 3. revocation of the license.

Article 14:

Pursuant to a decision by the Minister of Finance, one or more committees shall be formed to review violations of the provisions of this Law, impose penalties and decide on disputes and disagreements arising between consumers and members and companies. Said committee shall comprise at least three members with expertise in this field, one of them at least shall be a legal counselor. Decisions of said committee shall be passed by majority vote and may be appealed before the Board of Grievances within (60) days from the date of notification thereof. Working mechanism of said committee and remunerations of its members shall be specified in the Implementing Regulations.

Article 15:

Anyone sustaining damage resulting from a violation provided for in this Law, after the issuance of a decision by the committee, may recourse to the competent judicial authority to claim compensation for damage sustained.

Article 16:

The Governor of SAMA shall issue the Implementing Regulations of this Law within (180) days from the Law's date of promulgation and the Implementing Regulations shall be published in the Official Gazette.

Article 17:

This Law shall be published in the Official Gazette and shall come into effect (180) days after the date of publication, and shall repeal any provisions conflicting therewith.