

TELECOMMUNICATIONS LAWS OF THE WORLD

Saudi Arabia



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SAUDI ARABIA



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OVERVIEW OF LEGAL LANDSCAPE

The Kingdom of Saudi Arabia (KSA) has a tightly regulated telecommunications market.

Broadly speaking, it is a requirement that a locally incorporated company must hold a licence to provide public telecommunications services.

Currently, there are two fixed and three mobile service providers in KSA, and these service providers have been issued with Individual Licences. There are a number of other licensees that provide specialised services under class licences, including, but not limited to, ISPs, IoT VNOs, VSAT, GMPCS, SMS and On-board Aircraft services.

As noted in the "Key Telecommunication Law, Regulations and Policies" section below, a new Communication and Technology Law was published in the KSA Official Gazette on 11 June 2022. However, this new law will not take effect until 8 December 2022. The implementation of the new law is also subject to the publication of an accompanying set of implementing regulations, which are expected to be published on or before 8 December 2022.

KEY TELECOMMUNICATIONS LAWS, REGULATIONS AND POLICIES

Key telecoms statutes include:

The Telecommunications Act (the 'Act')

Issued under the Council of Ministers Resolution No. (74), dated 05/03/1422H (corresponding to 27/05/2001), (as amended by the Council of Ministers Resolution No (121), dated 21/02/1440H (corresponding to 01/11/2018) , and it was approved pursuant to the Royal Decree No. (M/12), dated 12/03/1422H (corresponding to 03/06/2001).

The Act came into force in June 2001, and provides a legal foundation for developing the telecommunications sector whilst also including a number of objectives pursuant to which the telecommunications sector is to be regulated.

The CITC Ordinance ('Ordinance')

Issued pursuant to the Council of Ministers Resolution No. (74), dated 05/03/1422H (corresponding to 27/05/2001), and it was amended pursuant to the Council of Ministers Resolution No. (133), dated 21/05/1424H (corresponding to 21/07/2003) and the Council of Ministers Resolution No. (120), dated 21/02/1440H (corresponding to 01/11/2018).

The Ordinance came into force in June 2001, and is the instrument by which the Communications and Information Technology Commission (CITC) was established. It covers, amongst other things, the CITC's responsibilities, board composition and membership, governance and sources of finance.

The Telecommunications Bylaws ('Bylaws')

Under the provisions of Article 40 of the Act, the Bylaws were issued by the Ministerial Resolution No. (11), dated 17/05/1423H (corresponding to 27/07/2002).

The Bylaws came into force in July 2002. They supplement the Act and include provisions by which the telecommunications sector is regulated.

Regulatory instruments

The CITC has also issued a number of more specific technical and regulatory instruments covering, for example, quality of service, numbering, frequency, equipment approval and licensing instruments.

Communication and Information Technology Law ("CITL")

On 11 June 2022 (11/11/1442 H) a new Communication and Information Technology Law (Cabinet Decision No. 592 of 1443H and approved by virtue of Royal Decree No. 106 dated 02/11/1443 H) was published in KSA Official Gazette Issue No. 4936. The CITL will become effective on 11/11/1443, which is 8 December 2022.

The CITL provides that Implementing Regulations will be published within this same period and will take effect at the same time as the CITL.

Whilst the CITL refreshes the Act (i.e. the existing telecommunications law), it does not appear to radically change the regime. For example, licenses are still required prior to conducting telecommunication activities. It remains to be seen if the new Implementing Regulations to the CITL will amend the current structure of licenses required to provide telecommunication services.

REGULATORY BODIES OR AUTHORITIES

The CITC

The CITC regulates the telecommunications sector in KSA.

The CITC's contact details and address in Riyadh are:

Address: P.O Box 75606 - Riyadh 11588 Kingdom of Saudi Arabia

Phone: 0114618000

Int'l. phone: 009661146180000

Fax: 0114618120

Int'l. Fax: 00966114618120

Website: www.citc.gov.sa

The Ordinance lists a number of activities which the CITC is required to undertake, including, amongst other things, the issuing of licences in accordance with the Act, Bylaws and Ordinance, and implementation of approved policies, plans and programs for the development of the telecommunications sector.

The Ministry of Communications and Information Technology ("Ministry")

The Ministry is required by the Act to undertake a number of activities, including, amongst other things, the making of general policies, plans and development programs for the telecommunications sector, and representing KSA in domestic, regional and international bodies in the telecommunications sector. Appeals against the decisions of the CITC, in the first instance, can be made to the Minister of Communications and Information Technology.

TYPES OF TELECOMMUNICATIONS ACTIVITIES AND/OR PERSONS WHICH ARE SUBJECT TO LEGAL AND REGULATORY REQUIREMENTS

The Act defines Telecommunications Services as the conveying and routing of signals in whole or in parts over the public telecommunications networks, including TV and Radio Transmission and Internet Services.

The By Laws state that a licence is required in order to provide a telecommunications service to the public, or to operate a telecommunications network used to provide a telecommunications service to the public.

Private internal telecommunications networks with limited capacity for the interconnection between the parts of one facility (such as hospitals, residential compounds and hotels) do not require a licence. Such networks cannot be interconnected with a public telecommunications network without CITC approval.

OVERVIEW OF CONSENTS, LICENCES AND AUTHORISATIONS REQUIRED PRIOR TO THE COMMENCEMENT OF TELECOMMUNICATIONS ACTIVITIES

The CITC has currently limited the number of fixed, mobile and MVNO licences available.

However, other types of class licences are available. These include, but are not limited to, ISP, IoT VNOs, VSAT, GMPCS, SMS and On-board Aircraft services – the full list can be found on [CITC's website](#).

DOMICILE RESTRICTIONS PREVENTING THE OPERATION OF CERTAIN TELECOMMUNICATIONS ACTIVITIES BY NON-DOMICILED ENTITIES

The Act provides that fixed and mobile telecommunications services shall only be provided through joint stock that places their stock for public subscription. The licence for these services is subject to Council of Ministers' approval.

The CITC appears to require that all licensees are registered entities within KSA.

Certain licences, such as the NOC licence and IoT licence (noting there are different types of IoT licences), require that the licensee maintains equipment and data within KSA.

EXISTENCE OF RELEVANT INTERCONNECTION/ROAMING REGULATIONS

The Act and Bylaws contain provisions relating to interconnection agreements, and the CITC has also issued dedicated interconnection regulations.

'Dominant' service providers must generally submit copies of interconnection agreements to the CITC, and must provide to the CITC, at such time or times as the CITC prescribes, a report on its interconnection arrangements, which must satisfy certain requirements. The CITC may require non-compliant interconnection agreements to be amended.

TELECOMMUNICATION LAWS AND REGULATIONS AFFECTING CONSUMERS

The CITC approved terms and conditions for fixed, mobile and data services can be found on [CITC's website](#).

REGULATORY TAXES AND FEES

Initial and annual licence fees for various licences can be found in the Regulations of the Fees for the Telecommunications Services (fifth version dated April 2022) accessible [here](#).

Generally, telecoms licence fees are paid in favour of the General Treasury. Other fees may be payable to various Saudi Government bodies, depending upon what form of entity is established to hold the licence.

KEY SANCTIONS AND PENALTIES IN THE CASE OF CONTRAVENTION OF TELECOMMUNICATIONS LAWS AND REGULATIONS

The Act and the Bylaws do not specify fines or penalties for breaches of specific provisions. Violations of the Act and Bylaws are to be referred by the CITC to a Violations Committee (nominated by the CITC Governor and approved by its board), which will assess violations on a case-by-case basis and determine an appropriate penalty that is proportionate to the gravity of the violation and the circumstances. Penalties can include fines of up to SAR 25,000,000, as well as an account of profits and publication of details of the violation and the violator. The Violations Committee is required to issue reasoned decisions in writing.

KEY CONTACTS



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