



SAUDI LAW CONFERENCE المؤتمر السعودي للقانون

UNDER THE THEME OF: **REINFORCING A SUSTAINABLE
AND INCLUSIVE BUSINESS ENVIRONMENT**

نظام الإفلاس

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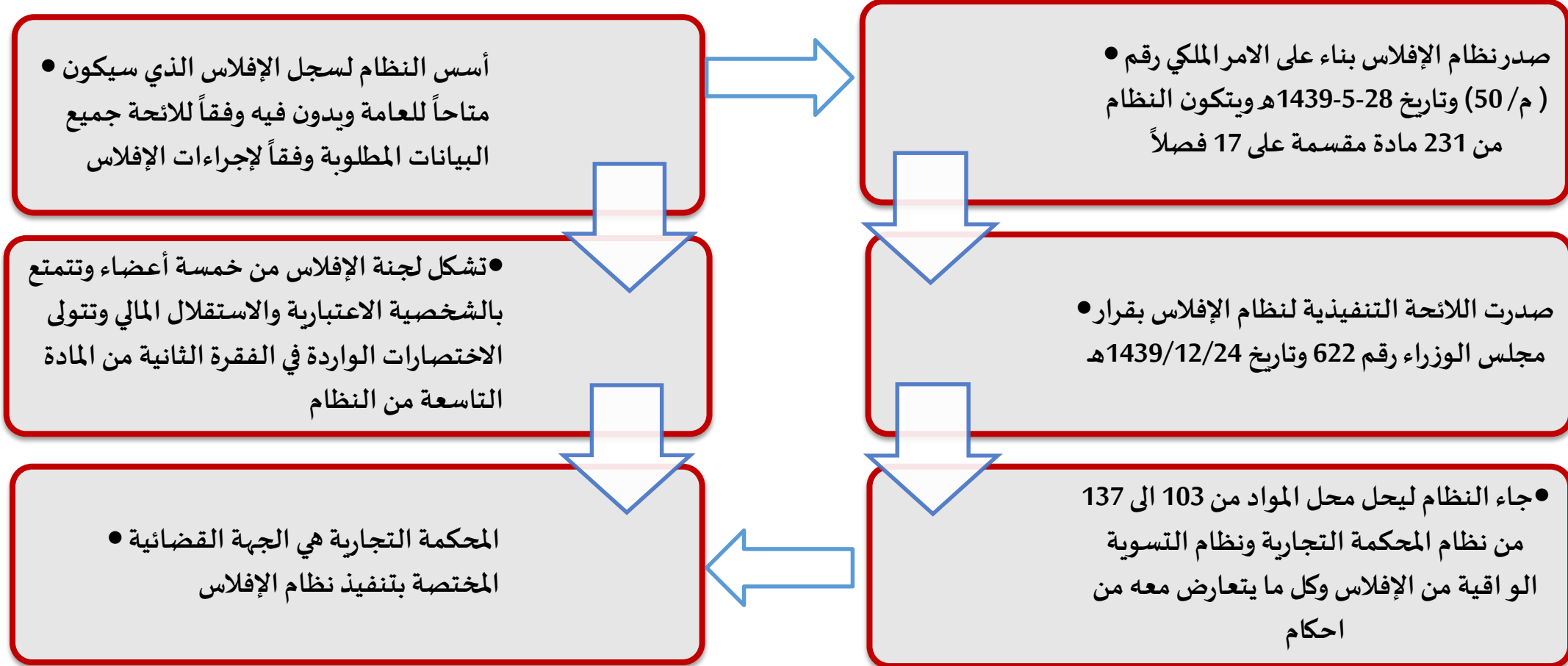


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ملامح عامة عن نظام الإفلاس:



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Saudi Arabia: Bankruptcy Bill Expected to be Implemented in 2018
(Nov. 2, 2017) On September 21, 2017, the Saudi Minister of Commerce and Investment, Majid al-Qasabi, announced that the Ministry had referred to the Shura Council (a 150-member legislative advisory body to the King that proposes new legislation and amends existing laws) a bill governing the bankruptcy of corporations. The bill is expected to be implemented by the end of the first quarter of 2018. The purpose of the bill is to attract foreign investors and encourage small and medium corporations to grow financially. (Saudi Arabia Grants License to Top Global Firms*, AL-ARABIYA (Sept. 21, 2017); *Majlis Al-Shura* (Consultative Council), Royal Embassy of Saudi Arabia (Washington, D.C.) website) (last visited Oct. 30, 2017).)

Content of the Bill

The bill consists of 18 chapters and 320 articles. Its main goal is to provide for the operation of indebted corporations while they gradually pay off their debts. The bill allows creditors and debtors to enter into agreements to schedule the payment of debts, a measure that will enable indebted corporations to achieve a stable financial status. (*Bankruptcy System Bill**, (last updated Mar. 1, 2017), Ministry of Commerce and Investment website (in Arabic).)

The bill addresses three vital concepts of the bankruptcy process: preventive settlement proposals; reorganization, and liquidation. (*Id.*) With regard to preventive settlement, article 11 of the bill states that the indebted corporation may request a preventive settlement from the court under two conditions: 1) the corporation has declared bankruptcy or failed to pay its debts; or 2) the corporation expects future financial and economic difficulties that will lead to the default of its debts. (*Id.*) Article 12 stipulates that the indebted corporation is not allowed to request preventive settlement if it has already requested a reorganization or liquidation. Moreover, under article 39, the court may approve a preventive settlement proposal submitted by the indebted corporation if the proposed settlement was approved by creditors representing more than half of the corporation's debts. (*Id.*)

Concerning reorganization and liquidation, according to article 40, if the majority of the creditors disapprove the proposed preventive settlement, the indebted corporation has the right to request from the court a reorganization or liquidation. (*Id.*) Article 57 stipulates that the court has a legal right to review the corporation's request and decide whether to approve it or dismiss it. (*Id.*) Article 97 indicates that the court is authorized to initiate the liquidation of the indebted corporation in one of two situations: 1) if the corporation has declared bankruptcy by failing to pay its debts; or 2) when the court has rejected the indebted corporation's request for reorganization. (*Id.*)

Reaction to the Bill

The Ministry of Commerce and Investment has published the bill on its official website to receive citizens' feedback. The Ministry also declared that the bill was written in cooperation with an international expert in the field of bankruptcy and follow the legislative models of an array of countries, such as

ENGLISH

PRESS RELEASE NO. 17/178



العربية

IMF Staff Completes 2017 Article IV Mission to Saudi Arabia

May 17, 2017

End-of-Mission press releases include statements of IMF staff teams that convey preliminary findings after a visit to a country. The views expressed in this statement are those of the IMF staff and do not necessarily represent the views of the IMF's Executive Board. Based on the preliminary findings of this mission, staff will prepare a report that, subject to management approval, will be presented to the IMF's Executive Board for discussion and decision.

- A large, sustained, and well-paced fiscal adjustment is needed to achieve budget balance over the medium term.
- The authorities are beginning to make good progress in identifying and reducing

BUSINESS

Economy

Saudi bankruptcy law to aid struggling businesses

Insolvency legislation to take practical effect after Eid Al Adha, government official says

Sarah Townsend
August 19, 2018
Updated: August 19, 2018 06:51 PM



Riyadh city, Saudi Arabia is implementing new bankruptcy laws. AP

Saudi Arabia's landmark bankruptcy law, which is now being implemented, will strengthen the kingdom's business environment by helping cash-

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Money & Business Saudi Arabia GCC Countries

Saudi: Long-Awaited Bankruptcy Law Comes Into Effect

August 20, 2018



أعجبني 19 Tweet



مزايا نظام الإفلاس حسب تحليل المختصين القانونيين والاقتصاديين:

رفع تصنيف المملكة كدولة جاذبة للاستثمارات خصوصاً بعد صدور اللائحة التنفيذية.

طمأنة المستثمرين بخصوص دوائيمهم

أخذ بعين الاعتبار حجم المنشأة في إجراءات الإفلاس الواردة نظاماً

تحديد المدين الصغير والمعيار الذي من خلاله اعتبر صغيراً

فرق بين إجراءات إفلاس المدين الصغير ومن يفوقه حجماً

أسس «لجنة الإفلاس» بالتنسيق مع الهيئة العامة للمنشآت الصغيرة والمتوسطة

تعزيز الثقة في سوق الائتمان والتعاملات التجارية

تمكين المدين المفلس أو المتعثّر من معاودة نشاطه بدل إغلاق

يعد محوراً أساسياً من المحاور التي تقوم عليها المملكة لمؤشرات التقدم وسهولة ممارسة أنشطة الأعمال الدولية لعام 2018 وفق تقرير مجموعة البنك الدولي، الذي صنّف المملكة من بين أفضل 20 بلداً إصلاحياً في العالم



إجراءات الإفلاس:

نصت المادة الثانية من النظام الى ان النظام يهدف الى تنظيم إجراءات الإفلاس من خلال الإجراءات التالية:

التسوية الوقائية لصغار
المدينين

التصفية

إعادة التنظيم المالي

التسوية الوقائية

المدين الصغير

التصفية الإدارية

التصفية لصغار المدينين

إعادة التنظيم المالي
لصغار المدينين





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ختاماً تقبلوا منا خالص التحية والتقدير



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