

Law of Press Establishments : 1-2007

Announced By : Media, Culture and Publishing

Section : Law of Press Establishments

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Royal Decree No M/20
8 Jumada I 1422 / 29 July 2001

Article One: Definitions:

The following terms, wherever mentioned, shall have the meanings following them unless the context requires otherwise:

- (1) License: The official approval that permits the formation of a press establishment.
- (2) Full time commitment: Not being engaged in any governmental or non-governmental job for a wage in other than the establishment.
- (3) Establishment or establishments: The press establishment or press establishments.
- (4) Member of an establishment: The person who owns part of the capital of the establishment.
- (5) The paper: The newspaper or magazine.
- (6) Publications: Newspapers and other published materials of the press establishment.
- (7) The Ministry: The Ministry of Information.
- (8) The Minister: The Minister of Information.

Part One

Formation of the Establishment

Article Two:

- (a) This Law stems from the information policy of the Kingdom of Saudi Arabia and achieves its goals.
- (b) An establishment is a private entity that aims at publishing periodicals to serve society by disseminating culture and knowledge, committed to truth and objectivity in all its publications. It may make reasonable profits in a way consistent with its object, within the provisions of this Law.
- (c) An establishment shall be formed pursuant to the provisions of this Law and shall have a distinctive name.

Article Three:

- (a) The Minister shall issue the License to form an establishment upon the approval of the President of the Council of Ministers based on an application submitted by a number of Saudis, not less than thirty, stating the goals of the establishment, names of founders, their qualifications, professions and ages, the name of the establishment, the publications to be issued by it, the language or languages of its publications, its capital, head office and other data specified by the Ministry.
- (b) An establishment may be permitted, by a decision of the Minister, to issue additional periodicals.

Article Four:

The head office of the establishment shall be in the city specified in the license, and some of its publications may be issued in places other than the head office upon the approval of the Ministry.

Article Five:

- (a) The capital of the establishment shall be a sum sufficient to achieve its goals.
- (b) The establishment shall have a corporate personality and an independent financial responsibility, and the financial liability of the members shall be limited to their respective shares in the capital of the establishment.
- (c) Each establishment shall publish its closing accounts and annual budget, certified by a licensed auditor.
- (d) A sufficient percentage of the annual profits shall be set aside for the purposes of training and the procurement of modern technological means necessary for improving journalistic work.
- (e) A statutory reserve of not less than 10% of the annual profits shall be set aside. The general assembly may decide to discontinue allocating to such reserve when it reaches half of the capital.

Part Two

Members of an Establishment

Article Six:

A member of an establishment shall meet the following conditions:

- (a) Be a Saudi national.
- (b) Not be a member of another press establishment.
- (c) Be a holder of a university degree at a minimum, a man of learning, intellect and the media or a businessman with interest in culture. Membership of corporate persons of intellectual, cultural and scientific nature may be accepted.

Article Seven:

- (a) Members of an establishment shall enjoy equal voting and candidacy rights to the board of directors.
- (b) New members may join the establishment through increasing its capital or by a member selling his shares or part thereof or assigning his shares or part thereof or by inheritance.
- (c) In case of inheritance, the heirs shall nominate one of them. If the nominated heir does not meet membership requirements the shares may be sold to one or more of the members of the establishment or to persons from outside.

Part Three

The General Assembly and the Board of Directors

Article Eight:

The general assembly shall be comprised of all the members of the establishment, and it shall be the highest authority. It may take the necessary resolutions to realize the purposes for which the establishment was formed, particularly the following:

- (a) Formulating the general policy of the establishment.
- (b) Selecting and appointing members of the board of directors.
- (c) Approving the appointment and dismissal of the general manager and the editor-in-chief.
- (d) Approving the budget and closing accounts of the establishment.
- (e) Appointing a certified auditor.
- (f) Issuing the internal regulations of the establishment as well as the other regulations that regulate the conduct of its business.

Article Nine:

General assembly meetings shall convene in accordance with the following rules and procedures:

- (a) The general assembly shall meet once annually upon invitation by the chairman of the board of directors. It may also be invited, when necessary, by the chairman of the board of directors, at the request of three members of the board of directors, or at the request of at least a quarter of the members.

(b) The chairman of the board of directors shall preside over the meetings of the general assembly.

(c) The general assembly shall convene with the attendance of the majority of members. If there is no quorum in the first meeting, the second meeting shall be deemed valid if attended by one third of members, personally or by proxy. The Ministry may assign a representative to attend the meeting.

(d) Voting in the general assembly shall be on the basis of membership, and every member may vote on his own behalf or on behalf of another member by proxy. The resolutions of the general assembly shall be adopted by absolute majority of the members attending the meeting in person or by proxy. In case of a tie, the chairman shall have the casting vote.

(e) Minutes shall be written for every meeting of the general assembly recording the names of members attending in person and those represented by proxy, in addition to the agenda and resolutions adopted, as well as an adequate summary of the deliberations that take place during the meeting. These minutes shall be recorded regularly after every meeting in a special register signed by the chairman of the assembly and the secretary of the meeting. Copies shall be distributed to the members of the general assembly.

Article Ten: Board of Directors:

(a) Each establishment shall have a board of directors to be comprised of:

(1) A number of members of the establishment, not fewer than six.

(2) The general manager and the editors-in-chief of the establishment provided that their number shall not exceed one third of the total number of the members of the board of directors.

(3) The members of the board shall elect, by absolute majority, from amongst themselves in their first meeting a chairman for the board, provided that he is not the general manager or the editor-in-chief.

Article Eleven:

Subject to the powers given to the general assembly, the board of directors may adopt the resolutions and take the measures necessary to achieve the objects of the establishment, particularly the following:

(a) Proposing the internal and other regulations that regulate the conduct of business.

(b) Approving the necessary plans to increase the resources of the establishment.

(c) Approving the draft budget and closing account of the establishment before presentation to the general assembly.

(d) Proposing new publications and applying to the Ministry for approval.

(e) Nominating the general manager and the editor-in-chief for each paper and obtaining the approval of the Minister for the nomination and dismissal of the editor-in-chief.

Article Twelve:

(a) The board of directors shall meet upon invitation by its chairman at least once every three months.

(b) A meeting of the board shall not be valid unless attended by at least half of its members, including the chairman or whomever he deputizes.

(c) Resolutions of the board shall be adopted by absolute majority vote of members present. In case of a tie, the chairman shall have the casting vote.

(d) Minutes shall be written for each meeting, recording the place and date of the meeting, the names of the members present and absent, the reason of absence, if any, the agenda, topics discussed and the resolutions adopted. The minutes shall be signed by the chairman of the board, the secretary and the members present.

(e) The chairman of the board may – in case of his absence – deputize a member of the board to represent him for a specified period.

Article Thirteen:

Membership of the board shall expire in the following cases:

(a) The expiration of the board term as specified in the internal regulations of the establishment.

(b) Resignation or physical disability.

(c) Removal of the member from the board pursuant to a resolution by the general assembly.

(d) If the member appointed to the board by virtue of his position in the establishment loses his post.

(e) If the member is convicted of a crime impinging his religion, honor or honesty.

Article Fourteen:

If the post of a member of the board other than the ex officio members in the establishment becomes vacant, the board may appoint a replacement, provided that this is presented to the general assembly in its following meeting. The new member shall continue the term of his predecessor on the board.

Part Four

Management and Editing

Article Fifteen:

Every establishment shall have a general manager to run its financial and administrative affairs, in accordance with the governing policies and instructions, and represent it in its relations with other bodies regarding financial and administrative matters. The internal regulations of the establishment shall specify his authorities and powers.

Article Sixteen:

The general manager shall satisfy the following conditions:

(a) Be a Saudi national.

(b) Work on a full time basis.

(c) Hold a university degree, with experience not less than five years in administrative or journalistic work. A person with a distinguished intellectual and administrative ability may be exempted from the requirement of the university degree.

Article Seventeen:

In case the post of the general manager becomes vacant, his deputy shall assume responsibilities. If there is no deputy, the board of directors shall choose one of its members to perform the duties for a period not exceeding three months. In both cases, a general manager shall be chosen during the said period to be appointed temporarily until the matter is presented to the general assembly in its following meeting for approval.

Article Eighteen:

Every paper shall have an editor-in-chief to be responsible for what is published therein. He shall have the following tasks and powers:

(a) Directly supervising, managing and directing all editorial affairs of the paper in order to achieve the goals and objects of the establishment.

(b) Representing the paper in its relations with others regarding journalistic affairs.

(c) Preparing plans and programs for the development of the paper.

(d) Exercising the authorities given to him by internal regulations which enable him to carry out his duty in a suitable and competitive manner.

Article Nineteen:

The editor-in-chief shall satisfy the following conditions:

- (a) Be a Saudi national.
- (b) Work on a full time basis.
- (c) Hold a university degree with adequate intellectual and journalistic abilities.

Article Twenty:

Service of the general manager and the editor-in-chief shall terminate in one of the following cases:

- (a) Acceptance of resignation or physical disability.
- (b) If a reasoned recommendation by two thirds of the members of the board of directors is issued to relieve any one of them of his post and the same is approved by the general assembly.

Article Twenty One:

If the post of editor-in-chief becomes vacant, the board of directors shall assign one of the employees of the establishment to perform the tasks of editor-in-chief. The board of directors shall take the legal measures to appoint an editor-in-chief within a period not exceeding three months from the date of such vacancy.

Article Twenty Two:

The paper shall have full-time editors appointed by the editor-in-chief. Their tasks shall include:

- (a) Working to achieve the goals and objects of the establishment.
- (b) Working to achieve the excellence required for the paper.
- (c) Properly representing the paper in functions, meetings and conferences.
- (d) Observing the provisions of the Copyright Law.

Article Twenty Three:

Service of an editor shall terminate in the following cases:

- (a) Acceptance of resignation or physical disability.
- (b) If a reasoned recommendation is issued by the editor-in-chief and the same is approved by the board of directors.

Part Five

Dissolution and Liquidation of an Establishment

Article Twenty Four:

An establishment shall be dissolved and the license for its formation revoked in the following cases:

- (a) If the losses of an establishment amount to fifty percent of the capital unless the general assembly decides the continuation of the establishment with the approval of the Ministry.
- (b) If the general assembly decides to dissolve it by a majority of two thirds of the members.

Article Twenty Five:

In the event that an establishment is dissolved, the following measures shall be taken:

- (a) The general assembly shall determine the manner of liquidation and shall appoint a liquidator whereupon the functions of the board of directors and the general manager shall terminate.
- (b) The activities of the establishment shall end except as necessary to carry out the liquidation process.
- (c) The liquidation process shall be carried out under the supervision and responsibility of the liquidator in his capacity as a representative of the owners, monitored by the Ministry.
- (d) The Ministry shall call for a meeting of the general assembly to approve the results of the liquidation.

Part Six

General Provisions

Article Twenty Six:

An establishment shall, within one year from the beginning of its activity, prepare the following:

- (a) An organizational chart indicating departments, sections and units of the establishment and showing their tasks and administrative relations.
- (b) Work regulations stating the duties and rights of the employees of the establishment.
- (c) Rewards and penalties regulations.
- (d) Pay scale insuring the employees of the establishment of their rights to promotion and annual increments.
- (e) Regulations for assignment, allowances, compensation and the like.
- (f) Internal regulations which determine the functions of the establishment's departments and powers of its officers. They also regulate relationships among them, in addition to other relevant organizational matters.

Article Twenty Seven:

An association of Saudi Journalists of an independent corporate personality concerned with the journalists' affairs shall be established in accordance with the provisions of this Law. The implementing regulations shall specify its tasks and powers.

Article Twenty Eight:

Existing establishments shall, within one year from the date of this Law's coming into effect, adjust their affairs to conform to its provisions.

Article Twenty Nine:

The Minister shall issue the implementing regulations necessary for the implementation of the provisions of this Law within one year from the date of its promulgation.

Article Thirty:

This Law shall supersede the Private Press Establishments' Law issued by Royal Decree No 62 dated 24/8/1383 H. and shall become effective thirty days after the date of publication in the Official Gazette.