



**Bureau of Experts at the Council of Ministers
Official Translation Department**

Statute of the National Center for Privatization

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Translation of Saudi Laws



NOTE:

The translation of Saudi laws takes the following into consideration:

- Words used in the singular form include the plural and vice versa.
- Words used in the masculine form include the feminine.
- Words used in the present tense include the present as well as the future.
- The word “person” or “persons” and their related pronouns (he, his, him, they, their, them) refer to a natural and legal person.



National Center for Archives & Records



Statute of the National Center for Privatization

Article 1

In this Statute, the following words and phrases shall have the meanings assigned thereto:

Statute: Statute of the National Center for Privatization.

NCP: National Center for Privatization.

Board: NCP's board of directors.

Chairman: Board's chairman.

Article 2

1. Under this Statute, a center named the National Center for Privatization shall be established. The NCP shall report to the Council of Economic and Development Affairs and shall have an independent legal personality and financial and administrative independence. It shall be headquartered in the city of Riyadh.
2. The NCP shall operate according to commercial principles and standards. It shall have the powers necessary to carry out its duties in accordance with its financial and administrative regulations.

Article 3

The NCP aims to contribute to the realization of developmental goals of sectors targeted for privatization in accordance with relevant plans, programs, and decisions, and in a manner that ensures coordination of efforts, flexibility, efficiency, and effectiveness in the privatization process.

For the application of this Statute, public-private partnership projects shall be deemed privatized.

Article 4

Without prejudice to the powers and duties of other agencies, the NCP shall carry out the tasks necessary to achieve its objectives, including the following:

1. Setting policies, strategies, programs, regulations, and plans necessary to achieve objectives relating to privatization projects in accordance with applicable legal procedures and monitoring their implementation upon approval.
2. Proposing sectors and activities which are eligible for privatization and the opportunities for the investment thereof, and submitting the same for completion of statutory procedures.
3. Setting standards and frameworks for sectors targeted for privatization when conducting relevant studies and research.
4. Setting principles for management of privatization-related projects in coordination with relevant agencies.
5. Setting the requirements necessary for establishing and developing entities



- in which local and international private sector entities participate with government agencies through proposed privatization projects, for their development, implementation, and follow-up.
6. Working with sectors targeted for privatization to ensure their fulfillment of technical and financial requirements and their readiness for privatization, including determining the best approach to implement privatization, the local and international private entities participating in the privatization, execution plans and schedules, and proper governance, prior to completion of statutory procedures.
 7. Reviewing and monitoring execution plans for projects targeted for privatization, conducting a periodic assessment of the outcome of privatization programs, and intervening, if necessary, to overcome any obstacle.
 8. Assessing the readiness of the macroeconomy for privatization programs and identifying associated risks.
 9. Identifying key performance indicators related to privatization and other indicators in coordination with relevant agencies.
 10. Conducting benefit-risk analysis studies for sectors targeted for privatization, assessing the development and economic impact of privatization on such sectors, and proposing necessary recommendations.
 11. Training and qualifying workforce in the field of privatization to achieve the development objectives.
 12. Representing the Kingdom in relevant regional and international conferences, meetings, and symposia, and concluding agreements with relevant international entities to benefit from best practices, systems, research, and studies, in accordance with applicable statutory procedures.

Article 5

- A. The NCP shall have a board of directors comprising a chairman and the following members:
 1. A representative from the Ministry of Finance.
 2. A representative from the Ministry of Commerce and Investment.
 3. The NCP's director.
 4. A maximum of three representatives from government agencies the activities of which are related to the NCP's activities.
 5. Three representatives from the private sector.
- B. The Board's chairman and members referred to in paragraph A(4 and 5) shall be appointed pursuant to an order by the Prime Minister upon a recommendation by the Council of Economic and Development Affairs. Board membership shall be for a term of three years, renewable once.
- C. Representatives of government agencies shall be of a rank not lower than Grade 15, or its equivalent.

Article 6

1. The Board shall, upon a call by its chairman, convene once every two months or if the need arises as determined by the chairman. The call for a meeting, along with the meeting agenda shall be delivered in writing at least seven days prior to the meeting.



2. Board meetings shall be valid only if attended by the majority of members, including the chairman or his designee from among representatives of government agencies.
3. Board decisions shall be passed by the majority vote of its members. In case of a tie, the meeting chairman shall have the casting vote.
4. A Board member may not abstain from voting nor vote by proxy.
5. Board deliberations and decisions shall be entered into minutes signed by the meeting chairman and attending members. A dissenting member may request his objection and reasons therefor be entered into the meeting minutes.
6. The Chairman may invite representatives from government agencies not represented on the Board, as well as experts and specialists to attend Board meetings in a nonvoting capacity.
7. A Board member may not disclose any confidential information relating to the NCP he becomes privy to by virtue of his membership.

Article 7

The Board is the NCP's highest authority. It shall be in charge of the management of the NCP and the conduct of its affairs and shall have the powers necessary to achieve its objectives, particularly the following:

1. Approving the NCP's organizational structure.
2. Approving the NCP's financial and administrative regulations.
3. Approving the NCP's work procedures.
4. Approving fees for services rendered by the NCP.
5. Approving investment of the NCP's funds for the achievement of its objectives in accordance with applicable laws and instructions.
6. Recommending the formation of supervisory and steering committees to monitor relevant projects, determining their tasks, and submitting the same for completion of necessary procedures.
7. Reviewing periodic reports on the NCP's activities and taking necessary decisions thereon.
8. Approving the conclusion of agreements and contracts.
9. Appointing an external auditor and a comptroller.
10. Accepting gifts, donations, bequests, and endowments in accordance with applicable procedures.
11. Forming standing and ad hoc committees from among its members or others and determining their tasks. The formation decision of each committee shall designate its chairman and members and determine its powers. A committee may seek the assistance of non-members to carry out tasks assigned thereto.

The Board may delegate any of its powers to its chairman or any of the NCP's employees.

Article 8

The NCP shall have a director, appointed pursuant to a Board decision. The appointment decision shall determine his salary and other financial benefits. The director shall be the executive officer in charge of managing the NCP's



affairs, and his responsibilities shall be within the limits of this Statute and Board decisions. He shall, in particular, assume the following powers:

1. Proposing the NCP's organizational structure and financial and administrative regulations, submitting the same to the Board for approval, and overseeing their implementation.
2. Issuing payment orders in accordance with the NCP's financial regulations.
3. Appointing the NPC's personnel in accordance with the relevant regulations and instructions, and supervising the performance of their duties.
4. Contracting with experts and advisors within the Kingdom and abroad in accordance with the relevant regulations.
5. Representing the NCP before the judiciary, government agencies, and other relevant entities within the Kingdom and abroad.
6. Concluding agreements and contracts upon Board approval.
7. Monitoring the implementation of Board decisions.
8. Submitting to the Board periodic reports on the NCP's business, achievements, and activities.
9. Submitting recommendations to the Board with regard to matters falling within his powers.

The NCP's director may delegate some of his powers and duties to other officials of the NCP.

Article 9

1. The NCP's financial resources shall be as follows:
 - a) Annual funds allocated by the government.
 - b) Fees for services rendered by the NCP.
 - c) Gifts, donations, bequests, and endowments accepted by the Board in accordance with relevant provisions.
 - d) Returns on its investments.
 - e) A percentage from the sale of assets in the privatization programs as determined by the Board.
 - f) Other revenues determined by the Board in accordance with the law.
2. The NCP shall retain its revenues for disbursement on its various activities in accordance with its financial regulations. Such funds shall be deposited in an independent account opened for this purpose with the Saudi Central Bank and may open other accounts with any of the banks licensed to operate in the Kingdom.

Article 10

The NCP's employees shall be subject to the Labor Law and the Social Insurance Law.

Article 11

The NCP's fiscal year shall be the same as the State's fiscal year. As an exception, the NCP's first fiscal year shall commence on the date this Statute



enters into force and shall end on the date the State's following fiscal year ends.

Article 12

Without prejudice to the jurisdiction of the General Court of Audit, the Board shall appoint and determine the fees of an auditor, or more, with a natural or legal personality licensed to practice in the Kingdom. The auditor's report shall be submitted to the Board and a copy thereof shall be provided to the General Court of Audit.

Article 13

This Statute shall be published in the Official Gazette and shall enter into force on the date of its publication.