



شعبة الترجمة الرسمية
Official Translation Department

Statute of the Entrustment and Liquidation Center

Council of Ministers Resolution No. 415
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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.



Statute of the Entrustment and Liquidation Center

Article 1

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

1. **Infath:** Entrustment and Liquidation Center.
2. **Minister:** Minister of Justice.
3. **Board:** Infath's board of directors.
4. **Chairman:** Board's chairman.

Article 2

Under this Statute, a center named the Entrustment and Liquidation Center (Infath) shall be established. Infath shall report to the Minister and shall have a legal personality and financial and administrative independence. It shall be headquartered in the city of Riyadh and it may establish branches or offices within the Kingdom.

Article 3

Infath aims to expedite the issuance of judicial rulings and settlement of rights by coordinating with judicial bodies and government agencies in relation to liquidation and sale of assets falling within its jurisdiction and by assigning such tasks to relevant entities and overseeing their implementation. To this end, Infath shall:

1. take the measures necessary to liquidate estates, companies, funds, and enterprises, and sell assets and other property, pursuant to a request submitted thereto by judicial bodies and government agencies, in accordance with applicable statutory procedures;
2. take the measures necessary to liquidate estates, companies, funds, and enterprises, and sell assets and other property, pursuant to a request submitted thereto by concerned parties, provided they are not under judicial review, in accordance with the applicable statutory procedures;
3. seek the assistance of legal, accounting, and marketing firms to carry out the tasks necessary for the liquidation and sale of assets referred to in paragraphs (1) and (2) of this Article; and
4. provide technical and consultation services relating to the liquidation and sale of assets referred to in paragraphs (1) and (2) of this Article.

Article 4

1. Infath shall have a board of directors composed of the Minister, as chairman, and the following members:
 - a) A representative from the Ministry of Justice.
 - b) A representative from the Ministry of Finance.



- c) A representative from the Ministry of Commerce.
 - d) A representative from the Saudi Central Bank.
 - e) Three members from the private sector with relevant expertise, appointed pursuant to an order by the President of the Council of Ministers upon recommendation by the Chairman.
2. The membership of the representatives of the government agencies and private sector shall be for a term of three years, renewable once. The representatives of government agencies shall be with a rank not lower than Grade 14 or its equivalent.

Article 5

The Board shall have the powers necessary to oversee the management of Infath and the conduct of its business, particularly the following:

1. Approving Infath's general policies and the programs necessary for their implementation.
2. Approving Infath's organizational structure.
3. Reviewing relevant applications submitted to Infath and taking necessary action.
4. Determining the procedures for assigning to relevant entities the liquidation and sale of assets, subject to Sharia and law.
5. Approving the opening of accounts for Infath with banks licensed to operate in the Kingdom to carry out the tasks referred to in Article 3 of this Statute.
6. Determining the fees for certain services rendered by Infath, in accordance with this Statute.
7. Approving Infath's administrative and financial regulations in coordination with the Ministry of Finance, as well as other internal regulations.
8. Approving Infath's draft annual budget, final accounts, and annual report, prior to their submission in accordance with applicable statutory procedures.
9. Reviewing periodic reports on Infath's activities and taking necessary action.
10. Approving the conclusion of agreements and contracts, in accordance with applicable statutory procedures.
11. Accepting gifts, donations, grants, bequests, and endowments, in accordance with relevant provisions.
12. Appointing an external auditor and a comptroller.
13. Approving the establishment of branches and offices for Infath.

The Board may form standing or ad hoc committees from among its members or others to carry out certain tasks. The formation decision of each committee shall designate its chairman and members and determine its powers and duties. A committee may seek the assistance of non-members in the performance of its duties.

The Board may delegate some of its powers to its Chairman, or to any of its members or Infath's employees.

Article 6

1. Board meetings shall be held at Infath's headquarters, and may, if the need



- arises, be held elsewhere in the Kingdom.
2. The Board shall convene at least once every three months upon a call by the Executive Director and upon coordination with the Chairman. The Board may also convene if the need arises or if requested by at least three members, in writing.
 3. Board meetings shall be deemed valid only if attended by the majority of members, including the Chairman or the representative of the government agency he designates to chair the meeting in his absence. Board decisions shall be passed by the majority vote of attending members. In case of a tie, the meeting chairman shall have the casting vote.
 4. Board deliberations and decisions shall be entered into minutes signed by the chairman of the meeting and attending members.
 5. A Board member may not abstain from voting nor vote by proxy. A dissenting member may request his objection and reasons therefor be entered into the meeting minutes.
 6. A member may not vote on any matter involving a person with whom he has a relationship by marriage or kinship up to the fourth degree, or any matter presenting a conflict of interest.
 7. A member may not disclose any of Infath's confidential information.
 8. The Board may invite experts and consultants to attend its meetings in a non-voting capacity.

Article 7

Infath shall have an executive director whose appointment and dismissal shall be pursuant to a Board decision. The appointment decision shall determine his term and his remuneration and other financial benefits. The Executive Director shall be in charge of the management of Infath and shall, subject to this Statute and Board decisions, assume the following powers and duties:

1. Proposing Infath's general policies and the necessary programs for their implementation.
2. Proposing Infath's organizational structure and submitting it to the Board for approval.
3. Representing Infath before the judiciary, government agencies, and other entities within the Kingdom and abroad; he may delegate such power.
4. Implementing Board decisions and assuming any other power or duty assigned to him by the Board.
5. Proposing Infath's administrative and financial regulations as well as other internal regulations, and submitting the same to the Board for approval.
6. Preparing Infath's draft annual budget, final accounts, and annual report, and submitting the same to the Board for approval.
7. Preparing Infath's periodic reports and submitting the same to the Board.
8. Appointing Infath's employees in accordance with the internal regulations and supervising the performance of their duties.

The Executive Director may delegate some of his powers to any of Infath's employees.



Article 8

Infath's financial resources shall be as follows:

1. An amount not exceeding 5% of the total proceeds of the liquidation or sale of assets entrusted thereto by the judiciary and government agencies, including liquidation and sale costs. The percentage for each task shall be determined by the Board, unless the relevant judicial body specifies a certain fee.
2. Fees for liquidation and sale of assets.
3. Fees for technical and consultation services relating to liquidation and sale of assets.
4. Gifts, donations, grants, bequests, and endowments accepted by the Board.
5. Any other resources approved by the Board, provided they are not inconsistent with the laws and regulations.

Article 9

Infath shall open accounts with the Saudi Central Bank or any bank licensed to operate in the Kingdom. Disbursement from such accounts shall be made in accordance with Infath's approved budget.

Article 10

Infath's fiscal year shall be the same as the State's fiscal year. As an exception, Infath's first fiscal year shall commence on the date this Statute enters into force and end on the date the State's following fiscal year ends.

Article 11

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

Article 12

Infath shall submit its final accounts to the Council of Ministers within 90 days from the end of its fiscal year, and shall provide a copy thereof to the General Court of Audit.

Article 13

Infath shall, within 90 days from the end of its fiscal year, submit to the President of the Council of Ministers an annual report which includes challenges encountered and recommendations for improvement.

Article 14

Without prejudice to the jurisdiction of the General Court of Audit, the Board shall appoint and determine the fees of one, or more, external auditors of 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 15

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