

**2(h) Protection of Undisclosed Information****Question 19.**

**Saudi Arabia states in reply 236 (L/7645/Add.1) that the protection of undisclosed information is covered by the Islamic Sharia and the Companies Law. What does this mean for the actual protection of undisclosed information? Does Saudi Arabia deem its laws to be in compliance with the relevant provisions of the TRIPS Agreement?**

**Answer.**

Protection of undisclosed information will be covered by a proposed Unfair Competition Law which will be implemented by the Ministry of Commerce. The requirement that commercially confidential data not be divulged is a feature of existing legislation such as: Companies Law, Labour Law and Banks Control Law.

**4. Enforcement****Question 20.**

**What does Saudi Arabia consider as “necessary steps to conform to its international obligations and responsibilities” (reply 245, L/7645/Add.1)?**

**Answer.**

Saudi Arabia will review all existing laws, regulations and enforcement procedures in terms of their TRIPS compliance. All changes necessary to ensure compliance will be introduced in accordance with terms of accession to be negotiated.

**3. Control of Anti-Competitive Practices in Contractual Licences****Question 21.**

**Could Saudi Arabia elaborate more on its answer to question 250 (L/7645/Add.1)?**

**Answer.**

Anti-competitive practices as well as protection of undisclosed information will be covered by a proposed Unfair Competition Law. Also please see reply (19).

**VI. TRADE-RELATED SERVICES REGIME****Question 22.**

**Saudi law seems to reserve all commercial and trading activities in the Kingdom to Saudi national and Saudi-owned companies. Please comment on this particular in the light of the statement made at the first Working Party that commercial agents are not required to export goods to the Kingdom, and in the light of the national treatment principle.**

**Answer.**

Yes, Saudi law does reserve commercial and trading activities to Saudi nationals and wholly owned Saudi companies. There is no breach of GATT Article III national treatment which applies to products and not to distribution services. What was stated at the first Working Party meeting with reference to commercial agents was that it is not obligatory for a foreign supplier to appoint a commercial agent, but if the foreign supplier does appoint a commercial agent, it must be a Saudi national or a Saudi company.

**Question 23.**

**Do the restrictions on temporary entry described in Reply 26 - such as assessment of need and availability of qualified Saudi nationals - extend to business visitors and managers, executives and specialists who are intra-corporate transferees?**

**In the context of the WTO GATS, will Saudi Arabia commit to allowing unrestricted entry of these types of persons?**

**Answer.**

These restrictions do not extend to those entering the Kingdom with visits visas (business visitors).

In regard to intra-corporate transferees, Saudi Law does not differentiate between intra-corporate transferees and other categories of foreign labour.

The second part of the question would seem to relate to matters to be negotiated rather than to an obligation.

**Question 24.**

**With respect to maritime companies and maritime carriage firms, Saudi Arabia has stated that in partnerships involving non-nationals the proportion of foreign capital authorized is to be determined by the Foreign Capital Investment Committee. Please describe the criteria used by this committee in determining the authorized proportion of foreign investment in such partnerships.**

**Is there a ceiling on the proportion allowed for non-nationals?**

**Answer.**

The maximum foreign participation in maritime companies is 49%. The level of participation allowed depends upon such criteria: total investment of the company; years of experience of the foreign partner; qualifications and level of skills of the employees of the foreign company; assets owned or leased by the foreign partner such as vessels, ship yards; headquarters location and number of branches.

**Question 25.**

**Does Saudi Arabia allow the provision of foreign legal services by legal consultants offering advice on their home country law or international law? If there are restrictions on such activity, please describe them.**

**Answer.**

Council of Ministers decision No. 116 dated 12/7/1400 A.H. states that "licence to practice law and legal consultation is restricted to those who are Saudi nationals."

Article (2) of the Ministerial decision No. 1190 dated 16/2/1402 A.H. states that "The conditions to grant a licence to offer legal consultations are as follows: The applicant must be (1) A Saudi national, ... (4) Resides in the Kingdom continuously.

Article (6) of the same decision states that it is prohibited for non-Saudis, individuals or companies to offer legal consultation in the Kingdom either individually or in association with a Saudi individual or office.

It is clear from these articles that offering legal consultation is restricted to Saudi nationals and is prohibited for non-Saudis to offer such consultation.

However, Saudi legal consultants may themselves procure the services of foreign legal consultants to obtain advice on matters pertaining to foreign country or international law.

**Question 26.**

**We note that among the conditions for approval of a foreign investment under the Investment of Foreign Capital Regulation is the requirement that the capital be invested in development enterprises and that the foreign capital be accompanied by foreign technical expertise. Please define the term "development enterprises".**

**Answer.**

"Development Projects" are defined as those established in one of the following areas:

1. Industrial development projects.
2. Agricultural development projects.
3. Health service development projects.
4. Services.
5. Contracting, such as civil construction and electrical, mechanical or industrial works.

**Question 27.**

**If a venture qualifies as a development enterprise and includes foreign technical expertise, does the foreign investment receive automatic approval? If not, what other requirements need to be met for approval of the investment?**

**Answer.**

The only conditions for approval are those mentioned in the questions.

**Question 28.**

**Is Saudi Arabia willing to make a commitment, upon acceding to the WTO, binding the criteria and procedures used in approving foreign investments and providing for the transparency of those procedures?**

**Answer.**

The Kingdom of Saudi Arabia's commitment under GATS will be outlined in its services offers.

**VII. INSTITUTIONAL BASE FOR TRADE AND ECONOMIC RELATIONS WITH THIRD COUNTRIES**

**1. Preferential Regional Trading Agreement**

**Question 29.**

**For each of the bilateral agreements which Saudi Arabia has indicated that it has concluded with other Arab League nations, please provide a complete list - to HS 6-digits - of products subject to tariff preferences (indicating the nature of the preference).**

**Answer.**

For the GCC, Article 2.1 of the Unified Economic Agreement of the GCC provides for full exemption from customs duties and relevant fees on all goods originating in the GCC countries. As for the Arab League preferences please see reply 74 (b) of document no. L/7645/Add.1.

Please see Annex (1) attached to this document.

Annex (1)

ACCESSION OF THE KINGDOM OF SAUDI ARABIA

Preferential Regional Trading Agreement