



ALL THE WAY

For the first time in Saudi Arabia, the civil courts will now charge a fee for their services.



The Court Fees Law takes effect in Saudi Arabia from **March 13th, 2022**, and here is a summary of how it will affect potential litigating within the Kingdom.

Who will this effect?

Claimants in all civil cases, except for:

- Claims relating to bankruptcy law;
- First instance personal status claims (marriage, divorce, child custody);
- First instance probate / inheritance claims;
- Board of Grievance claims.

For the avoidance of doubt, the Court Fees Law does not apply to criminal proceedings initiated by the Public Prosecution.

Also, court fees will not be payable by the following exempt entities:

- Employees for claims against their employer;
- Government agencies and ministries;
- Certain financial prisoners and detainees.

What is the cost?

For civil claims: in general, the fees will not exceed 5% of the value of claim with a maximum fee of SAR 1M. fees are determined in relation to the total value of the claim as follows:



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- 5% of the total claim if the claim is less than SAR 100,000.
- 4% of the total claim if the claim is between SAR 100,000 and SAR 500,000.
- 3% of the total claim if the claim is between SAR 500,000 and SAR 1m.
- 2% of the total claim if the claim is more than SAR 1m.
- For arbitral award challenges: the fees will be 1% of the award value with a maximum fee of SAR 1m.

What about fees for non-monetary claims?

Non-monetary claims (such as repossession claims) are still subject to fixed fees depending on the court that hears the claim.

- SAR 2,000 for Labour Court claims.
- SAR 5,000 for Commercial Court claims.
- SAR 3,000 for General Court claims.
- SAR 3,000 for Enforcement Court disputes.
- SAR 3,000 for urgent claims before any court.

What about objections and other procedural requests and applications?

The law also took into consideration other procedural requests which may result in prolonging the case which are subject to a fixed fees regardless of the claim amount.

- SAR 10,000 for a request to review.
- SAR 7,000 for a cessation request.
- SAR 5,000 for an appeal request.
- SAR 2,000 for a correction or interpretation of judgement request.
- SAR 2,000 for a request to enter a third party to the claim.
- SAR 2,000 for a request to suspend judgement enforcement.

When are the fees due?

The fees are due when the competent department at the Ministry of Justice determines the total fees and payable when the case ends. In general, fees are payable by the Claimant and in the event of an unsuccessful claim the Claimant will be liable for the full amount. The court will allow the Claimant to pay the court fees at any time during proceedings and after final judgement (particularly in circumstances of financial hardship).



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Who pays the fees?

If the Claimant is successful, then the losing party will be liable to pay the court fees (unless they are an exempt entity). If the Claimant is an exempt entity and is successful, then the losing party will still be required to pay the court fees providing (unless they are also exempt).

How can I discount or reduce the fees?

The court fees will be wholly waived if (i) the Claimant withdraws their claim before the first hearing, or (ii) the parties settle before the end of the first hearing, or (iii) the parties settle the claim via alternative dispute resolution at any stage of proceedings.

The court fees will be reduced to 25% of the full value if the parties settle the claim after the first hearing but prior to judgement, whereby the parties will each be liable for half of the remaining fees.

Conclusion

The new Court Fees Law has two aims:

1. To reduce the burden on civil courts and improve efficiency by deterring unfounded, remote, improbable, wild and opportunistic claims without a solid legal basis.
2. To encourage discussion between parties, early settlement, negotiations and alternative dispute resolution methods.

The Implementing Regulations will be released shortly including additional detail and we await to see how the new Court Fees Law will be applied in practice.

If you are considering undertaking litigation in the Kingdom of Saudi Arabia and wish to know more about the Court Fees Law or discuss your claim, then please contact Wissam Hachem (Wissam.Hachem@ekplegal.com).