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NEWSLETTER

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Issuance of the New Telecommunications and Information Technology Law

The second quarter of 2022 witnessed a remarkable amendment to the legislative and regulatory framework governing telecommunications and information technology following the issuance of the new Telecommunications and Information Technology Law by virtue of Royal Decree Law No M/106 dated 02/11/1443H. (the "TIT Law").

The TIT Law aims *inter alia* to develop the sector and its infrastructure, encourage digital transformation and innovation, enhance access to advanced services, provide an attractive investment environment while ensuring effective usage of scarce resources and protecting all users. The TIT Law requires services providers to obtain a license, registration or authorization depending on the services they intend to offer. Besides providing a definition for "information technology", the TIT Law expressly places "digital content platforms" under the remit of the Communications and Information Technology Commission ("CITC") having considered the same an information technology related service.

The TIT Law and its executive regulations – set to be issued by the Minister of Communications and Information Technology based on CITC's board recommendation – enter into force 180 days following the issuance of the aforementioned Law on June 10, 2022.





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Setting up of the Health Holding Company and the National Health Insurance Center

On 19/08/1443H., the Saudi Council of Ministers approved by virtue of resolution No 469 the setting up of the Health Holding Company and the National Health Insurance Center with the intention of improving the performance of healthcare services.

The Health Holding Company intends to provide integrated healthcare services to beneficiaries in the Kingdom through its local health cluster subsidiaries. The National Health Insurance Center shall be responsible for purchasing the healthcare services provided by the Health Holding Company and any of its subsidiaries while ensuring the provision of high quality and efficient healthcare services by health institutions, controlling the cost of health care, and enhancing competitiveness and transparency in the sector.

The resolution further affirms the role of the Ministry of Health as regulator and supervisor of public and private health institutions and mandates the Ministry to continue providing healthcare services until such services are wholly transferred to the Health Holding Company or any of its subsidiaries.



Publication of the Instructions on the Direct Financing Investment Funds

The Capital Market Authority approved by virtue of its board resolution No (1-35-2022) dated 12/08/1443H. the Instructions on the Direct Financing Investment Funds (the "**Instructions**") aiming to regulate the offering of units of investment funds that are established for the purpose of carrying out direct financing activity and the management and operations of such funds, without prejudice to the



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Capital Market Law, its implementing regulations, including particularly the provisions of the Investment Funds Regulations and other relevant regulations.

The Instructions lay down *inter alia* the conditions for the establishment and offering of units of the direct financing fund, investment limitations and associated reporting requirements and came into force upon publication on April 15, 2022.



Adoption of the Rules governing Accounting Services

On 02/09/1443H. The Saudi Organization for Chartered and Professional Accountants (SOCPA) adopted by virtue of board resolution No 4/1 the rules governing accounting services (the "**Rules**") intended to enhance the quality of the profession in the Kingdom while providing a clear governing legal and regulatory framework.

Entities established prior to the issuance of the aforementioned Rules are granted a period of three years following the publication thereof to adjust their standing in line with the provisions of these Rules.