

Rules for Advertising Products and Services Provided by Financial Institutions

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Important note:

To keep abreast of the latest updates and amendments of SAMA's instructions, SAMA always advises you to use the documents published on its website: www.sama.gov.sa

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Introduction

The Saudi Central Bank is the authority responsible for monitoring and supervising the financial institutions licensed by it. The Bank has regulatory powers, including framing and regulating the rules for advertising products and services provided by those financial institutions, based on the Saudi Central Bank Law issued by Royal Decree No. M/36 dated 11/04/1442H and its Article 4 of the Law which states that: “The Bank shall carry out its duties according to the provisions of the Law, the regulations and policies issued by the Board, and in line with international best standards and practices. The Bank shall have all necessary powers to achieve its objectives. To this end, SAMA may exercise the following duties and powers: 3. Issuing regulations and instructions for the financial institutions and their business. 9. Developing instructions and procedures that would protect the customers of financial institutions.” SAMA issued these Rules to achieve the objectives relevant to advertising products and services provided by financial institutions to customers and consumers.

Scope of Application:

These Rules shall apply to all financial institutions when advertising for any product or service provided by them.

Definitions

Term	Definition
SAMA	The Saudi Central Bank.
Financial Institutions	Entities supervised and regulated by SAMA according to the applicable laws.
Customer	A natural or juristic person benefiting from any of the products and services.
Consumer	A natural or juristic person for whom products and services are presented.
Products and Services	Any product or service offered by the financial institution.
Advertising	A commercial message promoted by any means, directly or indirectly.

Purpose

These Rules aim to:

- A. Set the regulatory framework and the minimum standards and procedures to which financial institutions must comply with when advertising their financial products and services.
- B. Raise the level of confidence of financial institutions' customers.
- C. Protect financial institutions' customers and promote the principles of disclosure and transparency.

Compliance with Relevant Laws, Regulations and Instructions

When advertising for any product or service, the financial institutions shall comply with these Rules in a manner consistent with the relevant laws, regulations, rules and instructions, and any subsequent updates thereto, including, but not limited to, the following:

- A. Any laws, regulations, instructions and rules issued by the concerned entities regulating the advertisement's content, such as the Ministry of Media and General Commission for Audiovisual Media.
- B. Banking Control Law.
- C. Cooperative Insurance Companies Control Law and its Implementing Regulations.
- D. Finance Companies Control Law and its Implementing Regulations.
- E. Real Estate Finance Law and its Implementing Regulations.
- F. Finance lease Law and its Implementing Regulations.
- G. Law of Payments and Payment Services and its Implementing Regulations.
- H. Implementation Rules for Banking Control Law.
- I. Rules Regulating Consumer Microfinance Companies.
- J. Rules Regulating Money Changing Business.
- K. The Updated Regulations for Consumer Financing.
- L. Regulations for Issuance and Operations of Credit and Charge Cards.
- M. Regulation of Agent Banking in the Kingdom of Saudi Arabia.
- N. The Updated Rules for Engaging in Debt-Based Crowdfunding.
- O. Rules on Outsourcing.
- P. Code of Conduct and Work Ethics in Financial Institutions.
- Q. Any relevant instructions issued by SAMA in the future.

Rules and Procedures

Article1: Financial institutions shall exercise due diligence when advertising products and services in terms of advertisement's content and approach, and avoid using tempting, misleading or inaccurate methods, and not exaggerate the advantages of these products and services being advertised. All terms and numbers used in advertisements must be clear and easy to understand, including headers and footnotes.

Article2: Arabic shall be the language used in advertising products and services provided by financial institutions, excluding advertisements for non-Arabic speakers that comply with these Rules.

Article3: Financial institutions shall meet the advertisement's requirements of any product or service, which as a minimum, include the following:

- 3.1 The financial institution name, logo and contact information.
- 3.2 The name of the product or service being advertised.
- 3.3 Conditions and main provisions.
- 3.4 Target customer and/or consumer.
- 3.5 All related fees and commissions for using a product or service, including VAT. If the advertisement is for an insurance policy, the advertisement must clarify whether the price includes all fees or not.
- 3.6 The minimum necessary transactions/requirements to benefit from the product or service, if any.
- 3.7 An explanation of the icons referred to explicitly in the advertisement's language.
- 3.8 If the advertisement is for a finance product or service, the advertisement must explicitly mention the APR and the finance term for the customer and/or consumer, if any, and may not include other rates of the term cost. If the advertisement is for a real estate finance, the advertisement must state if the term cost is variable or fixed.
- 3.9 Subject to Paragraph 3.5 of Article 5 the advertisement must state that the financial institution is subject to SAMA's supervision and control.

Article4: Subject to the provisions of Article 3 abovementioned, when announcing any promotional offers, financial institutions must include the mechanism for benefiting from such offers in a clear manner that makes it easier for customers and consumers to understand, and state the beginning and end period of the offer.

Article5: When advertising, financial institutions shall not do the following:

- 5.1 Provide an offer, statement or claim that is false or expressed in a way that would directly or indirectly lead to deceiving or misleading the consumer.
- 5.2 Publish an advertisement that infringe any intellectual property rights, or use a fake trademark.
- 5.3 Use the name and/or logo of SAMA in its advertisements.
- 5.4 Present an advertisement that may be confused with other products, services or names.
- 5.5 Violate public order and morals, or offend the values and customs of society.
- 5.6 Adverting to incitement to commit crimes, practice any racial discrimination or incite sectarian, tribal, regional or other fanatic tendencies in the advertisement's content.
- 5.7 Advertise for illegal products or services.
- 5.8 Use images that represent a banknote or a part of it, a coin, or a plastic banknote in regular circulation in Saudi Arabia without obtaining a non-objection letter from the competent authorities.

Article6: If the advertised product or service is priced in foreign currencies, or if the value of the advertised product or service is affected by the foreign exchange rate, the advertisement must contain the following phrase “The price of the product / service can be affected by changes in the foreign exchange rate” provided that the statement should be in clear and legible manner.

Article7: Financial institutions, when indicating that the product or service is provided free of charge, must make it clear in explicit terms, and specify the target group of the product or service.

Article8: When advertising for its products and services, financial institutions must take into account not to harm or diminish the reputation of the financial sector and the interests of other financial institutions, or to violate the principle of fair competition.

Article9: Financial institutions are prohibited from using the personal information and data of customers in advertising materials without obtaining their written consent.

Article10: Financial institutions are prohibited from sending any advertisement for insurance or credit products that are not suitable for customers and/or individual consumers under the age of (18) in Hijri calendar.

Article11: Financial institutions must obtain the customer's written or electronic consent regarding his desire to receive advertisements according to the channels preferred by the customer. They must grant the customer the right to permanently refuse to receive these advertisements easily and in clear and specific ways.

Article12: Advertisements and the offers, specifications or benefits they contain are binding on financial institutions, and the advertised specifications must be included in the contract, agreement, document or the like.

Article13: Advertisements shall be announced through the official and reliable channels of financial institutions and/or through a third party licensed by the competent authority. Financial institutions must ensure that the third party comply with these rules and relevant instructions. Financial institutions bear responsibility in the event that the third party does not comply with them.

Article14: Financial institutions must put in place an advertising policy that is in line with these rules, regulations, and instructions issued by SAMA and the competent authorities, as well as verify its implementation and update it whenever necessary, at a minimum once every 3 years.

Article15: The Compliance Department or whoever carries out its work in the financial institution must review the advertising materials and approve

them in writing before publishing them, after ensuring that they comply with the provisions of these rules and all relevant rules, regulations and instructions.

Article16: Without prejudice to the jurisdictions of the concerned authorities, in the event of a violation of other regulations, the financial institution is responsible if the content of its advertisement includes any violation.

Article17: SAMA has the right to require the financial institution that does not comply with the conditions set forth in these rules to withdraw the advertisement within one business day from SAMA's notification.

Concluding Provisions

1. These rules are considered complementary to other relevant rules and instructions, and shall override any conflicting provisions in any rules or instructions issued by SAMA prior to the date of issuance of these rules.
2. All provisions of these Rules shall enter into force from the date of their approval.
3. Financial institutions are granted 60 days from the date of circulating policy development stated in Article 14 of these rules.