

Controls for the Finance of a Natural or Legal Person Regarding the Goods of Their Institution or Services to Their Consumers

Issued by the Decision of H.E. The Governor of Saudi Arabian Monetary Authority No. (79/MFC) dated 08/12/1440H.

In accordance with Article (5) of the Implementing Regulations of the Finance Companies Control Law as amended by the Decision of SAMA Governor No. (79/MFC) dated 08/12/1440H and in order to protect the consumers of financial institutions and maintain the soundness of the financial system and fairness of transactions, SAMA issued the Controls for the Finance of a Natural or Legal Person regarding the Goods of their Institution or Services to their Consumers.

- I.** The natural or legal person (merchant) shall finance the goods of their institution or services to their consumers through the finance institutions licensed by SAMA. The finance institutions shall comply with the following:
 - 1- Verify that the merchant is licensed to perform his business in accordance with the applicable laws, provided that he is an owner or able to own what he seeks to finance.
 - 2- The merchant must not reacquire the good sold to the consumer.
- II.** Real estate finance shall be limited to finance institutions licensed to directly provide real estate financing.
- III.** Finance institutions may outsource their services or a part thereof to the merchant or any other party in accordance with the Rules on Outsourcing issued by SAMA in this regard.
- IV.** A person who violates the provisions of paragraphs (I) and (II) of these Controls shall be deemed in violation of the Finance Companies Control Law.
- V.** SAMA and other relevant entities shall continuously cooperate and coordinate with regard to detecting violators of the provisions of paragraph (I) of these Controls.
- VI.** These Controls shall enter into force on the date of their approval.

