

Law of Tourism Development Fund

Article 1

In this Law, the following terms and phrases shall have the meanings assigned thereto, unless the context requires otherwise:

Law: Law of Tourism Development Fund.

Fund: Tourism Development Fund.

Board: Board of directors of the Fund.

Article 2


1. The Fund shall have a public legal personality and financial and administrative independence, and shall report to the National Development Fund.
2. The Fund's headquarters shall be in the city of Riyadh, and it may establish branches within the Kingdom.

Article 3

The Fund aims to promote tourism in the Kingdom in accordance with applicable strategies and policies.

Article 4

1. The Fund shall have the necessary powers to achieve its objectives, in accordance with relevant laws, including the following:
 - a) Investing, acquiring and disposing of assets, investing in securities, and contributing to the development of tourism areas in specific locations, whether directly or through partnerships with the public or private sector.
 - b) Funding entities operating in the tourism sector and its support services, including the development of technology and infrastructure, and providing guarantees to entities licensed by the Saudi Central Bank, in accordance with the rules set by the Board.
 - c) Concluding contracts and agreements with financing entities for the provision of guarantees or



full, partial, or additional funding to entities operating in the fields referred to in paragraph (1)(b) of this Article.

- d) Providing consultation to entities operating in the fields referred to in paragraph (1)(b) of this Article.
- e) Funding training centers, college programs, and institutes specialized in tourism, and providing specialized training programs in tourism, subject to applicable statutory procedures and in coordination with relevant agencies.
- f) Accepting liens and other guarantees.
- g) Extending loans and providing other forms of funding.
- h) Obtaining loans and issuing other debt and financing instruments in coordination with the National Debt Management Center and the National Development Fund.
- i) Proposing initiatives related to the activities of the Fund and implementing existing ones, subject to applicable procedures.
- j) Carrying out activities and providing products approved by the Board to achieve the Fund's objectives.

2. The Fund's direct or indirect liabilities may not exceed the value of its assets.

Article 5

The Fund shall have a board of directors chaired by the Minister of Tourism, and shall have five members. The Board's members shall be nominated by its Chairman and appointed pursuant to a decision by the chairman of the board of the National Development Fund for a term of three years, renewable once.

Article 6

Without prejudice to the powers of the National Development Fund, the Board shall be entrusted with developing the Fund's policy in accordance with this Law and relevant laws. To achieve the Fund's objectives, the Board shall undertake all duties, assume all powers, make decisions, and take measures and other actions, including the following:

1. Approving policies and strategies related to the Fund's activities, as well as plans and programs



relating to their implementation, and seeking approval for certain actions.

2. Supervising the Fund's implementation of its duties.
3. Approving the Fund's organizational structure.
4. Approving the Fund's administrative and financial regulations, in addition to any other internal or technical regulations necessary for carrying out its affairs, provided that the financial regulations and any financial provisions in the administrative regulations are approved in coordination with the Ministry of Finance.
5. Determining the maximum amount of funding, as well as the intended beneficiaries.
6. Approving the Fund's investment policies.
7. Approving the acquisition, sale, and pledge of all forms of property.
8. Approving loans and provision of other forms of funding.
9. Approving the obtainment of loans and the issuance of other debt and financing instruments, in coordination with the National Debt Management Center and the National Development Fund.
10. Approving the Fund's conclusion of agreements and contracts, in accordance with applicable statutory procedures.
11. Reviewing the Fund's periodic operational reports and taking necessary action thereon.
12. Approving the establishment of Fund branches within the Kingdom.
13. Approving the Fund's draft budget, final accounts, and annual activity report, and submitting the same to the National Development Fund for review prior to completion of statutory procedures.
14. Proposing draft laws related to the Fund's duties and amendments to existing laws, and submitting the same for completion of statutory procedures.
15. Accepting gifts, donations, grants, bequests, and endowments, subject to applicable rules.
16. Appointing an external auditor and internal comptroller.
17. Setting criteria for determining fees for the Fund's services.

To this end, the Board may form standing or ad hoc committees from among its members or others to assign certain duties thereto. The formation decision shall designate the committee chairman and members, their remuneration, and its duties; committees may delegate their duties to non-members.




The Board may delegate certain powers to any of its members or to the Fund's Executive Director.

Article 7

1. The Board shall convene upon a call by its Chairman at least twice a year, and as needed. The Chairman shall appoint a deputy from among Board members to assist him and to represent him in his absence.
2. Board meetings shall be valid if attended by the majority of its members, including the Chairman or his deputy. Decisions shall be passed by the majority vote of attending members; in case of a tie, the chairman of the meeting shall have the casting vote.
3. Calls for meetings shall be made in writing and shall include the meeting's agenda; it shall be sent at least seven days prior to the meeting date. Calls may be sent electronically, including electronic mail. The Chairman, or his deputy, may invite non-members to attend Board meetings in a non-voting capacity to provide information, opinions, or clarifications.
4. Members may not abstain from voting, nor may they authorize another member to vote on their behalf in the event of their absence.
5. The Board may pass a decision by circulation; in such case, the decision must be approved by all members and shall be presented at the subsequent meeting to be recorded in its minutes.
6. Board deliberations and decisions shall be recorded in minutes signed by the chairman of the meeting and attending members.
7. Board meetings shall be held at the Fund's headquarters, and may, if necessary, be held elsewhere in the Kingdom.
8. The Board shall determine the rules and procedures regulating its virtual meetings, including calls for meetings and manner of convening.

Article 8

The Fund shall have an executive director whose appointment and dismissal shall be pursuant to a Board decision. The appointment decision shall determine his remuneration and other financial benefits. The Executive Director shall manage the Fund and oversee its affairs, and exercise the powers and carry out the duties assigned thereto by the Board. In particular, he shall:

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1. monitor the implementation of Board decisions;
 2. supervise the administrative and financial affairs of the Fund and supervise its staff, and ensure that the Fund's operations are in line with the provisions of this Law and with Board decisions;
 3. supervise the setting of the Fund's policies and strategies relating to its activities and the plans and programs necessary for their implementation; the setting of its financial, administrative, internal, and technical regulations; and the preparation of its draft annual budget, annual report, and other documents to be presented to the Board; and
 4. represent the Fund before the judiciary, government agencies, and other relevant entities, as well as other entities inside the Kingdom and abroad; he may delegate such authority.

The Executive Director may delegate and assign certain powers and duties to any Fund employee in accordance with the Fund's internal regulations.

Article 9

1. The Fund shall have an independent annual operational budget.
2. The Fund's fiscal year shall be that of the State. The first year, however, shall commence on the date this Law enters into force and shall conclude by the end of the State's following fiscal year.

Article 10

1. The Fund shall have a capital of fifteen billion riyals. Such capital may be increased pursuant to a resolution by the Council of Ministers upon a recommendation by the board of the National Development Fund.
2. The Fund's resources shall consist of the following:
 - a) Financial support provided by the State to serve its funding activities.
 - b) Cash flows from loans extended from its capital.
 - c) Returns on its investments and assets.
 - d) Fees for its services.
 - e) Gifts, donations, grants, bequests, and endowments accepted by the Board.
 - f) Any other resource approved by the Board in accordance with applicable laws and instructions.

Article 11

Fund employees shall be subject to the Labor Law and Social Insurance Law.

Article 12

Funding provided by the Fund shall have the privileges and guarantees afforded to State Treasury rights, and may be collected in accordance with the State Revenues Law.

Article 13

The Fund shall have an account with the Saudi Central Bank, and may open other accounts with banks authorized to operate in the Kingdom; disbursement from such accounts shall be made in accordance with the Fund's approved budget.

Article 14

Without prejudice to the jurisdiction of the General Court of Audit, the Board shall appoint an external auditor, or more, licensed to operate in the Kingdom to audit the Fund's accounts, transactions, data, annual budget and final accounts, and shall approve his fees. The auditor's report shall be submitted to the Board and a copy thereof shall, upon the Board's approval, be submitted to the General Court of Audit.

Article 15

This Law shall enter into force 90 days following its date of publication in the Official Gazette.