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A Broader Enforcement Framework: The Draft Amendments to the Saudi Competition Law

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The General Authority for Competition ("**GAC**") has published draft amendments to the **Competition Law** issued in 2019 by Royal Decree No. (M/75), marking a significant evolution in the Kingdom's competition ecosystem. The framework moves beyond a single disciplinary enforcement track toward a broader and more flexible regime that allows cases to be resolved earlier and faster.

Enforcement discretion shifts from the Board of GAC to GAC itself, which now decides on approvals, exemptions, and data requests directly. The Board of GAC will maintain its oversight role.

- **Earlier intervention:**

  GAC may order an entity to halt a practice on a precautionary basis for up to 120 days during an investigation. This will allow GAC to head off harm to competitors and consumers at an early stage rather than only after damage has accumulated.

- **Wider reach:**

  Conduct outside the Kingdom with a potential effect on the Saudi market now falls squarely within scope. The change is intended to strengthen enforcement against practices committed abroad that affect legitimate competition or consumer interests inside the Kingdom.

- **Routes to resolution:**

  Settlements and voluntary behavioral and structural undertakings acquire an express statutory basis, giving GAC the flexibility to close matters through settlement or accepted commitments without pursuing the full enforcement process in every case.

- **Whistleblowing and leniency:**

  A party that took part in a violation may avoid referral prosecution if it comes forward with evidence against its co-participants. A separate whistleblowing reward scheme is also introduced, open more broadly to anyone who helps uncover violations of the law's core prohibitions.

- **Legal certainty and deterrence:**

  Criminal proceedings will lapse after ten years from the violation, with a carve-out excluding bid-rigging in government tenders.

- **Minimum fine floors and merger-review fee:**

  Minimum fine floors are introduced at SAR 100,000 for the core competition violations and SAR 50,000 for withholding information. The existing caps remain unchanged — up to 10% and 5% of annual sales respectively, or SAR 10 million and SAR 5 million where sales cannot be estimated. GAC is also now granted the right to set the fees for reviewing merger filings (currently capped at SAR 250,000).

- **Data-gathering powers:**

  Government bodies and enterprises are now expressly obligated to supply data GAC requests for market studies, and failure to provide it within fifteen days exposes the non-compliant party to daily penalties of SAR 1,000–10,000 and to restrictions on the sale or export of its products, including asset freezes. GAC frames this as raising the quality of its periodic market studies while lowering its own cost of data collection.

- **Updated defined terms:**

Introduction of a new definition pertaining to “Relevant Market” to distinguish it from the general definition of “Market”. "Product" is now defined so as to capture digital products and services and amendments were made to other definitions to capture the changes introduced under the draft amendments.

Taken together, the amendments are expected to expedite approval and review processes, lower barriers to entry, protect consumers from unjustified price increases, and encourage investment and innovation across the Kingdom. Where regulators act earlier, clients must be ready sooner.

That readiness is where **STAT** works, advising on competition compliance, merger control and engagement with GAC, and helping clients meet a new regulatory standard with confidence.

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