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The Regulation Of Car Rental And Car Rental Agents

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The Regulation of Car Rental and Car Rental Agents

Preamble:

The regulations aim to regulate car rental activity and car rental agent activity in the Kingdom of Saudi Arabia through improving the quality of service delivery, as well as regulating the contractual relationship between the parties on the rental contract in addition to achieving the best safety standards and creating a suitable environment for investment.



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Part i: Preliminary Provisions

Article 1:

The following terms, wherever stated in these Regulations, must have the meanings set forth therein unless the context requires otherwise:

Authority	Transport General Authority or one of its branches.
President	President of the Transport General Authority.
Car Rental Activity	Renting a car for a fee
Car rental agents activity	carry the arrangements between the lessor and the lessee.
Activity	Car Rental And Car Rental Agents
Establishment	Each character has a legal entity such as sole corporations and establishments.
License	A document issued by the Authority of approval for the establishment to exercise the activity in accordance with the provisions of this Regulation.
Lessor	The establishment authorized to exercise the activity or the person authorized by it who works under its administration to sign the contract on its behalf.
Car rental agents	The establishment licensed to exercise the car rental agents activity.
Lessee	The legal or natural person contracting with the establishment authorized to practice the activity.
City of License	The cities, governorates and centers in which the establishment is licensed to practice the activity.
License Region	The administrative region in which the establishment is licensed to practice the activity.
Operating card	A document issued by the Authority allowing the car to operate in the car rental activity.
Contract	The unified document approved by the Authority, which defines the scope of benefit, obligations and rights between the parties of the contract.
Car	The car used in the car rental activity and subject to the specifications and conditions of provisions of this Regulation.
Minimum number of cars	The lowest number of cars that must be provided to obtain a license to practice car rental activity.
Technical inspection	Full inspection of the car at one of the approved technical inspection centers.
Head Office	Headquarters of the establishment from which it practices the activity and supervises its branches.
Branch	A headquarter of the establishment practicing the activity and works under the supervision of the head office.
Service Observer	The person or establishment entrusted to inspect and control the system to ensure compliance with the provisions of this Regulation and take the necessary procedure in the event of the breach of any of them.

Clearance	A deed under which the contractual relationship or financial obligations between the parties of the contract end.
Seizure Minutes	A paper or electronic form, which is issued by the Service Observer and includes violations of the provisions of this Regulation.
Operating life	The maximum period of use of car in car rental activity.
Financial fee	The financial resources allocated to the Authority for licenses or car operating cards issued by it or the service it provides.
Financial Penalties	Penalty of violation of any of the provisions of this Regulation or the other Regulations of Public Transport Law.
Regulations	The regulations governing the car rental activity and the car rental agents activity.
Public Transport Law	Public transport law on roads in the Kingdom of Saudi Arabia issued by Royal Decree No. (M/25) dated 21/06/1397 H (08/06/1977 G).
Traffic Law and its Executive Regulations	Traffic Law issued by Royal Decree No. (M/85) dated 26/10/1428 H (07/11/2007 G) and its Executive Regulations issued by resolution of the Minister of Interior No. (7019) dated 03/07/1429 H (06/07/2008 G) and the amendments thereto

Article 2:

The provisions of this Regulations must apply to the practitioners of car rental activity with or without a driver and activity of the car rental agents and must be one of the regulations of the Public Transport Law.

Part ii: Licensing and Practicing the Activity

Article 3:

The activity may not be practiced without obtaining the license, after its expiry, cancellation or during the period of suspension.

Article 4:

First: the following must be required for the establishment to obtain a license to practice the activity:

1. Fulfillment of the following documents:
 - a) An application submitted by the establishment in accordance with the approved channels of the Authority.
 - b) A commercial register of the establishment that is limited to the car rental activity or the valid car rental agents.
 - c) A valid social insurance certificate.
 - d) A valid Zakat and tax certificate (if the Commercial Register has more than one year).
2. Provision of suitable headquarters in accordance with the requirements of traffic and approved municipal and technical requirements.
3. Provision of the minimum number of cars required to exercise the car rental activity according to the category of license mentioned in Article (5), provided that the cars are owned by the establishment or through financial rental contracts, provided that the establishment is the actual user of the cars.
4. Without prejudice to Article (17), the car must be new and never registered in the Kingdom when it is entered to serve in the activity.

5. Provision of a financial security of (SAR 100,000) one hundred thousand riyals for the Authority and in the form that it determines.
6. Connect to any electronic systems determined by the Authority.
7. Payment of financial fee and penalties (if any).

Second: car rental activity must be excluded from the provisions of paragraph (5) and the activity of car rental agents from the provisions of paragraph (4.3) of this Article.

Third: Conditions and controls of licensing car rental activity and car rental agents activity must be issued by a resolution of the President through applications and websites.

Article 5:

Without prejudice to the provisions of Article (4), the license to practice car rental activity must be issued according to the appropriate category after all the conditions and controls are fulfilled in accordance with the following classification:

- 1) **Category (A):** must be issued according to the following conditions and controls:
 - A. The statutory form of the establishment must be one of the approved forms for companies in the Kingdom.
 - B. The minimum number of cars required for car rental activity must be (3000) three thousand cars and more.
 - C. Without prejudice to the provisions of Article (9), one head office must be provided at the level of the Kingdom with the possibility of opening branches in an unspecified number in the city of the license and the rest of the Kingdom's cities.
 - D. A contract may be concluded with the car rental agents.
 - E. car rental may be exercised by hour and with a driver as stated in Articles (27 and 28).
- 2) **Category (B):** must be issued according to the following conditions and controls:
 - A. The statutory form of the establishment must be within one of the approved forms of companies or institutions in the Kingdom.
 - B. The minimum number of cars required for car rental activity must be (300) three hundred cars.
 - C. Without prejudice to the provisions of Article (9), one head office must be provided at the level of the Kingdom with the possibility of opening branches in an unspecified number in the region and the city of the license, the establishment may also open branches in other regions, provided that (100) one hundred cars minimum must be provided at the level of each region.
 - D. A contract may be concluded with the car rental agents in the city or license region.
 - E. car rental may not be practiced with a driver.
 - F. car rental may be practiced by hour as stated in Article (27).
- 3) **Category (C):** must be issued according to the following conditions and controls:
 - A. The statutory form of the establishment must be within one of the approved forms of companies or institutions in the Kingdom.
 - B. The minimum number of cars required for car rental activity must be (100) one hundred cars.
 - C. Without prejudice to the provisions of Article (9), one head office must be provided in the city of license with the possibility of opening branches in the license region only.
 - D. A contract may not be concluded with the car rental agents.
 - E. car rental may not be exercised by hour or with a driver.

- 4) **Category (D):** must be issued according to the following conditions and controls:
- The statutory from the establishment must be within one of the approved forms of companies and institutions in the kingdom.
 - The minimum number of cars required for car rental activity must be (15) fifteen cars.
 - Without prejudice to the provisions of Article (9), one head office must be provided in the city of license, provided that the city must not be one of the following: (Riyadh, Makkah, Medina, the capital of Dammam, Jeddah).
 - It is not possible to open branches in the city of the license or in other cities.
 - car rental may not be practiced by hour or with a driver.

Article 6:

Without prejudice to the provisions of Article (4), all the conditions for issuing the license must be fulfilled within (90) ninety days from the date of submission of the application, otherwise it must be not valid.

Article 7:

The conditions of the license mentioned in Article (4) must be inherent to its validity. If any of these conditions are violated: the license must be suspended, provided that the activity must not be practiced until the condition is completed. If the condition is not completed within a maximum period of ninety (90) days from the date of suspension of the license, the license must be deemed null and void, without prejudice to the right of the Authority to impose the prescribed financial penalty for that condition.

Article 8:

- Without prejudice to the provisions of Articles (4 and 5), the license of the head office must be issued in the name of the establishment for a period of three years and must be canceled at the end of its term unless it is renewed before its expiry.
- A subsidiary license must be obtained for each branch from which the activity is exercised and such license classification and validity must be related to the main license.

Article 9:

Without prejudice to the provisions of paragraph (3) of the provisions of Article (4), the establishment licensed for the car rental activity must register at least (10) ten cars for the head office or branch.

Article 10:

The establishment licensed to practice the activity must obtain the prior approval of the Authority upon amendment of its legal entity or making any change in ownership.

Article 11:

Without prejudice to the provisions of Articles (4 and 5), the establishment licensed for the car rental activity may change the license category after providing the stipulations and requirements for the new category. A new license must be issued for the new category for a period of three years, after the financial fee and penalties are fulfilled (if any) and the cars registered in the previous category must be excluded of the provisions of paragraph (4) of Article (4) which are transferred to the license of the new category.

Article 12:

Without prejudice to the provisions of Article (4 and 5), the license must be renewed at the request of the establishment licensed to practice the activity after the financial fee and penalties are fulfilled (if any) for a similar period according to the following controls:

1. Submission of the renewal application and fulfillment of all its conditions during the period preceding the expiry date of the license of (180) one hundred and eighty days, otherwise the application must be deemed null and void.
2. Validity of the operating life of registered cars.
3. Submission of valid Saudization certificate.

The activity of the car rental agents must be excluded from the provisions of paragraph (2) of this Article.

Article 13:

Without prejudice to the provisions of Article (4), the establishment licensed to practice the activity may assign the license with the same number and validity date according to the following conditions:

1. The Authority's prior approval for the assignment application.
2. The assignee must have all the conditions that must be met for those who are licensed for the activity.
3. The license must be valid upon applying for assignment.
4. The licensor's responsibility for the license must continue before the Authority until the transfer of the license in the name of the assignee is completed.
5. Payment of the financial penalties registered for the assignor and the assignee (if any).
6. Payment of financial fee (if any).
7. The existing arrangements must fulfill the provisions of these Regulation as well as the relevant instructions.
8. The activity must not be exercised by the assignee until the license is issued in the name of the assignee.
9. All the conditions of the assignment must be fulfilled within ninety (90) days from the date of the approval of the Authority and before the expiration date of the license, otherwise the application must be deemed null and void.

Article 14:

The establishment licensed to exercise the activity may apply for revocation of the license according to the following controls:

1. The validity of zakat and tax certificate.
2. Cancellation of the commercial register of the activity.
3. Payment of financial penalties (if any).

Article 15:

1. License must be deemed null and void in the following cases:
 - A. Cancellation of commercial register of the establishment.
 - B. Liquidation of the company whether by the partners' agreement or for the expiry of its term or by a judicial ruling.
 - C. Cancellation of license at the request of the establishment.
 - D. Death of the sole corporation owner.
 - E. Assignment of license without the approval of the Authority.
 - F. Expiry of license without renewal.
 - G. 90 days after the license is suspended without completing any of the conditions of the license.

2. Subject to the provisions of paragraph (1/D) of Article (15), the heirs of the sole corporation owner who dies within (90) days from the date of death may request to correct the statutory status of the establishment to continue in practicing car rental activity, provided that the legal attorney of the heirs must undertake to comply with the provisions of these Regulations during the period of correction.

Part iii: The Car

Article 16:

Without prejudice to the provisions of the Traffic Law, its Executive Regulations and the standard specifications for cars approved by the Saudi Organization for Standardization, Metrology and Quality, the establishment licensed to practice car rental activity may rent all types of cars for passengers provided that their seats must not exceed eight seats.

Article 17:

The operating life of cars used in car rental activity must not exceed five years from the date of manufacture.

Article 18:

1. The establishment licensed for car rental activity must obtain an operating card for each car engaged in the activity according to the following conditions:
 - A. The license must be valid.
 - B. The car license must be valid.
 - C. The car must be new and never registered in the Kingdom upon engaging to serve in the activity.
 - D. The technical inspection certificate must be valid.
 - E. The car insurance policy must be valid.
 - F. Financial fee and financial penalties must be paid (if any).
2. Without prejudice to the provisions of paragraph (1) of Article (18), the operating card must be issued for a period of one year, provided that the validity date of the card must not exceed the expiry date of the establishment license or the operating life of the car whichever is earlier.
3. Conditions for obtaining operating cards for category (E) must be issued by a decision of the President.

Article 19:

Without prejudice to Article (18) except for paragraph (C), the card must be renewed at the request of the establishment licensed for car rental activity after financial fee and penalties are paid (if any) for a similar period according to the following controls:

1. Application must be submitted before the card expiry date of (30) thirty days.
2. Delay penalty must be paid if the application is submitted after the expiry date of the card, provided that the activity must not be carried out in the car until the card is renewed.

Article 20:

The operating card of the car may be canceled at the request of the establishment licensed for car rental activity after the financial penalties are paid (if any).

Part iv: Contract

Article 21:

The establishment licensed to practice the activity must be bound by the electronic system determined by the Authority and be committed to the contract form and may add to it what is not inconsistent with its Articles after taking the approval of the Authority.

Article 22:

The contract must include the following requirements, data and information at minimum:

1. Writing the contract in Arabic with the possibility of adding another language.
2. Number and date of contract and place and time of its conclusion.
3. Data of establishment licensed for car rental activity and the car rental agents (if any).
4. Data of the car, lessee and drivers authorized.
5. The number of the insurance policy of the car, its expiry date, the type of insurance coverage according to the insurance policy issued therefor, the extent of endurance rate (if any) and any additional insurance coverage agreed upon.
6. Reading the odometer of car and number of mileage allowed.
7. Daily or hourly rental tariff and the cost of extra kilometers (if any).
8. Payment method, the amount of advance payment (if any) and the remaining.
9. Place and time to rent and return the car and identifying the fare of car transfer in the event of delivery in a place other than the place of receipt if it is agreed upon.
10. The possibility of fulfilling the application to extend the contract or not, the time required to submit the application and the mechanism of submitting and accepting the application.
11. Description of the internal and external status of the car at the rental time and it can be separated in an annex of the contract.
12. Type and quantity of fuel in the car along with clarifying fuel return policy and the mileage required to return the car to change the engine oil.
13. Geographical area allowed for car to navigate.
14. Number of delay hours allowed.
15. The cost of delay hour, which is not allowed according to Articles (26 and 27).
16. car return policy before the contract expiry.
17. Terms and obligations of the establishment licensed to practice the activity and the lessee.
18. Lessor and lessee's signature.
19. Any other requirements, data or information that the Authority may deem to be added to the contract.

Article 23:

The establishment licensed to practice the activity must ask for the lessee's signature on the contract and the lessee must agree to the details of paragraphs (5, 11 and 16) of Article (22) of the contract.

Article 24:

The establishment licensed to practice the activity must provide the lessee with a copy of the contract after signing it by both parties and a copy of the clearance upon return of the car in case of the lessee requests.

Article 25:

The contract must be renewed at the lessee's request after the lessor approves the request before the contract term expiry at a time that must be referred to in the contract.

Article 26:

1. The minimum daily rental must be one day (twenty-four hours).
2. The contract term may be extended with the consent of the establishment and the lessee.
3. The value of the delay hours must be calculated from the date specified for the car return, of four hours maximum, according to the following equation:
{{(Daily rental value * No. of delay hours) / 24} * 2 = Cost of delay hours
4. The delay in any part of the hour must be counted as one full hour.
5. If the lessee does not request the contract be extended or the establishment does not agree to the extension, the lessee must bear additional costs for the excess period mentioned in the contract and until the car is returned or retrieved by the establishment, equivalent to 100% (one hundred percent) of the value of daily rental if the delay exceeds four hours in addition to the rental costs agreed upon in the contract.
6. No amendment may be made by the lessor to the contract after signing it without the consent and approval of the lessee.

Article 27:

Without prejudice to the provisions of Article (5), the establishment licensed for car rental activity may rent on hourly basis according to the following controls:

1. The number of hours allowed to rent the car must not be less than (6) six hours.
2. In case the lessee exceeds the number of rental hours agreed upon in the contract, the first delay hour or any part thereof must be calculated as the double of hour fare specified in the contract. In case of delay moreover, not more than (24) twenty-four hours, the value of daily rental of the whole car specified in the contract must be calculated for the lessee. If the delay exceeds (24) twenty-four hours, the provisions of Article (26) must be applied.
3. Without prejudice to the provisions of Article (26), the lessor's consent must be taken if the lessee wishes to change the rental contract from the hourly to daily rental.

Article 28:

Without prejudice to the provisions of Article (5), the establishment licensed to practice car rental activity, under license category, may lease a car with a driver who works for the establishment, according to the following conditions:

1. The driver must have a valid driving license through the contract term to be authorized to drive the leased car.
2. Police clearance certificate.
3. The driver must be safe from infectious diseases and must not use prohibited drugs.

Article 29:

The establishment must be entitled to restore or suspend the car from the lessee through the competent authority in accordance with the procedures approved therein and to collect the cost of restoring the car from the lessee without any prior notice in the following cases:

1. Without prejudice to paragraphs (3, 4 and 5) of the provisions of Article (26) and paragraph (2) of Article (27), the car must be restored if the car is not returned at the date and time specified in the contract.
2. Using the car in violation of contract conditions.
3. If it becomes apparent that the lessee has made incorrect information at the time of the contract.

Article 30:

The lessee and the authorized persons to drive the car under the contract are required to be:

1. They must have a valid certified identity.
2. They must have a valid driving license through the contract term that must authorize them to drive the car.
3. The conditions of insurance coverage set forth in the car insurance policies must apply to them.

Part v: Responsibilities and Obligations

Article 31:

The establishment licensed to practice the activity must abide by the following:

1. All letters, correspondence and forms used by the establishment must be on its official publications and must be clearly in Arabic: establishment name, number and category of license, the region or city of the license, the postal and telephone address.
2. Working hours must be determined on weekdays, weekly and official holidays, work of the head office and branches according to them, a means of identification must be set at the entrance of the head office of the activity and a means of contact.
3. A manager must be appointed in the head office or branch, who must be authorized to manage the establishment and be present in its head office. If he is not present for any reason, the establishment must authorize an alternate.
4. The rental tariff and establishment policy must be determined for all types of cars leased by the establishment and must be put in a place visible to everyone in the head office and branches.
5. A copy of the license and a copy of the obligations of the establishment licensed to practice the activity, the lessee and the conditions that must be met by the lessee must be put in the head office and branches in a place visible to everyone.
6. The postal address and data of contact means relating thereto within the Authority must be updated in case they have changed.
7. The Authority must be provided with data required about the activity.
8. Official documents belonging to the lessee must not be mortgaged for the purpose of leasing the car or carrying out any works that may cause damage to the lessee.
9. Official documents belonging to the lessee must not be copied for the purpose of leasing the car. All data must be automatically recorded from these documents in the electronic systems determined by the Authority.
10. Identity approved and driving license of the lessee and the authorized drivers must be verified and made sure of their validity and that they conform to the conditions of insurance coverage set forth in car insurance policy on the lessee and the authorized drivers. The establishment must assume full responsibility resulting in violation of the foregoing.
11. Not to refrain from renting a car , except in case of violating any of the provisions of Article (30), and it can refrain from renting a car if the lessee's credit card is not available.

12. The car must be replaced in case of any technical defects that is not due to negligence or failure by the lessee or authorized drivers of a car of the same category. If the car of the same category is not available, it must be replaced by a car of the next category, with no additional costs being charged by the lessee, otherwise it must be replaced by a lower-category car according to the tariff declared after the lessee agrees to that and the price difference be returned to the lessee.
13. The reporting date and time of an accident occurring to the car must be considered as the end of the rental contract.
14. The car must be received upon return for any reason with the right to keep any documentation of any financial obligation on the lessee.
15. Lost items left by their owners inside the car must be saved and delivered to their owners or delivered as soon as possible to the nearest police station under a ~~seizure minutes~~ record of evidence including their descriptions and all data identifying them.
16. Retained amounts must be returned to the lessee after deducting the financial dues owed by him upon return of the car in a proper technical condition.
17. car rental contract and authorization must be terminated once the car is received.
18. Any amounts that are not stipulated in the contract must not be collected.
19. The lessee must not be required to show other than the identity and driving license at the time of the rental.
20. The establishment must incur the costs of consumable spare parts and replace them unless proven that the misuse of the lessee or authorized driver has resulted in damaging them.
21. The establishment must bear the cost of changing the engine oil of the car if the car is returned if it has travelled the distance required to change the oil stipulated in the contract.
22. The establishment must bear the value of the carriage of the damaged car unless the lessee or the authorized driver is found to be responsible for the malfunction.
23. Service observers must be enabled to review the activity records or provide him with relevant information and documents.

Article 32:

The establishment licensed to practice car rental activity must abide by the following:

1. The car must be subject to insurance coverage to cover, as minimum, civil liability towards third parties according to the unified insurance policy mandatory for cars throughout the period of operation or throughout the contract term or any extension thereof. The liability for this type of coverage must not be transferred to the lessee in any case and the establishment must bear the full responsibility of leasing a car without any insurance coverage.
2. The establishment must disclose the type of insurance coverage in the contract according to the insurance policy issued for the car, the percentage of the endurance (if any), any other costs related to the insurance and the lessee's signature thereon.
3. The percentage of endurance must be determined in the contract based on the extent stipulated in the insurance policy issued for the car from the insurance companies licensed to work in the Kingdom.
4. A car must not be leased with insurance coverage that violates the coverage type stipulated in the clauses of the car insurance policy.

Article 33:

The establishment licensed to practice car rental activity must abide by the following:

1. Technical validity and safety of the car.
2. Cleanliness of the car from inside and outside and its readiness to be leased.
3. The establishment must assume full responsibility before the Authority and other related parties for violations that are recorded on its car that is leased by the car rental agents.
4. Taking care of maintenance of the car and its technical condition and keeping a periodic maintenance record of the car.
5. The car must be equipped with spare tire, tire wrench, a crane, triangular reflective hazard sign, first aid kit and fire extinguisher, provided that all of the foregoing must be fit for use.
6. The car must be subject to technical examination according to Traffic Law and its Executive Regulations throughout the operation period.

Article 34:

The establishment licensed for car rental agents activity must abide by the following:

1. Contracting with the establishment licensed to practice car rental activity with the license of category (A, B) only.
2. Not to rent a car with a driver.
3. Not to rent a car owned by the establishment or third parties other than the establishment licensed for car rental activity contracted with.
4. Not to rent a car that does not have a valid operating card.
5. The Authority must be notified in the event of concluding a contract with an establishment licensed for car rental activity.
6. Receiving and delivering the car on behalf of the establishment licensed for car rental activity contracted with.
7. The car must be maintained after receiving it from the lessee and the contractual relationship must be terminated with him.

Article 35:

The lessee must abide by the following:

1. Returning the car in the same condition in which he leased and with its full equipment.
2. Returning the car clean from inside and outside.
3. Notifying the lessor of any technical malfunction that occurs to the car and not making any repairs for it except with his consent.
4. Notifying the lessor immediately after seizure of the car by the competent authorities for any reason.
5. Notifying the lessor and the security authorities as soon as the car is exposed to an accident or found to be stolen.
6. Using the car for personal purposes within the limits of the geographical region specified in the contract.
7. Not to use the car a way that may damage the engine or any of its components or using it for illegal purposes.
8. Not to drive the car in case of inability to drive.
9. Not to make any modifications to the car and its equipment, including tampering with the odometer.
10. Using the fuel type specified in the contract.

11. Not to leave the car on.
12. Not to waive the rights of the lessor to any other party.
13. Not to represent the lessor within the competent authorities without his consent.
14. The car must be returned at the date and time specified in the contract and any extension thereof.
15. The car must not be used by unauthorized persons to drive the car under the contract.
16. Not to transport people or goods for a fare.
17. Not to participate in car racing.
18. Not to push or pull other cars or to pull a trailer.
19. Not to use the car for the purposes of driving training.
20. Not to re-lease the car to others.
21. Submitting a report to the lessor of the car from the competent authority in the event of traffic accidents or damage caused by natural disasters.
22. Traffic rules for driving on the road.

Article 36:

The lessee must bear the following costs:

1. Lease of the car throughout the contract term and any extension thereof as provided in the contract texts.
2. Changing the engine oil of the car in case of exceeding the distance required to change the oil stipulated in the contract.
3. Endurance percentage (if any) referred to in the contract.
4. The value of fuel and the mobilization of tire air during the rental period.
5. Damage caused by misuse of the car.
6. Damage due to traffic accidents and damage that is not covered by the insurance policy or additional insurance coverage specified in the contract.
7. Financial fines resulting from traffic violations.
8. Public parking fees used.
9. Loss, replacement or tampering with any parts of the car and its equipment.
10. Delay of the car delivery on the date and time specified in Articles (26 and 27).
11. The value of fuel in the car when leased according to the contract.
12. The rights resulting from waiving the lessor's rights to any other party.
13. Repair of any modifications to the car without the consent of the lessor after the evaluation of the impartial bodies approved by the Authority.

Part vi: Points of Service Measurement and Compliance with the Provisions of the Regulation

Article 37:

The President or his authorized representative must determine the criteria for calculating the points applied to the establishment licensed to practice the activity to measure the level of service provided and the extent of compliance with the provisions of this Regulations.

Article 38:

The President or his authorized representative, after approving the criteria of the calculation of the points, must issue a resolution not to renew the license upon exceeding the upper limit approved for calculating points of compliance with the level of service and compliance with the provisions of this Regulations.

Article 39:

The calculated points must be subject to the Articles contained in this Regulations.

Part vii: Violations and Penalties

Article 40:

Sanctions and penalties must be applied for any violation of the provisions of these Regulations as required by the Public Transport Law and in accordance with the "Table of Violations and Penalties" attached to this Regulations.

Article 41:

Subject to the competencies of the other control authorities, the service observer must have the authority to supervise, inspect, evaluate the performance and take the necessary procedure to ensure compliance with the provisions of these Regulations and to ensure the provision of high quality service, and he must be entitled to, for example but not limited to, access to records and data related to the activity.

Article 42:

The service observer must present his identification card issued by the Authority prior to carrying out the powers assigned to him.

Article 43:

Within (14) fourteen days from the date of the violation seizure, each interested party may object before "The Committee of consideration of objections to violations of land transport". In all cases, the resolution of the Committee may be appealed before the Board of Grievances within (30) thirty days from the date of its approval.

Part viii: Final Provisions

Article 44:

The Authority must be the body responsible for following up the establishment licensed to practice the activity and verify its compliance with the provisions of this Regulations.

Article 45:

The application of the provisions of this Regulations must not prejudice the obligations required from the establishment licensed to practice the activity in accordance with other regulations in force in the Kingdom.

Article 46:

The establishment licensed to practice the activity must fulfill all its obligations towards third parties and the Authority must not be deemed a public or private successor in this regard either through the license validity period or after its expiry or termination or during the period of its suspension.

Article 47:

The establishment licensed to practice the activity must be liable to indemnify damages resulting from its faults and faults of its affiliates incurred to third parties if the damage is caused by an error that occurred during the performance of the activity or because of it.

Article 48:

The establishment licensed to practice the activity, within period of not more than (10) working days, must be subject to review by the Authority when it has been officially summoned through the approved channels, including the postal address, otherwise the Authority must be entitled to suspend the transport services.

Article 49:

The establishment licensed to practice the activity must comply with the instructions issued by the Authority or other relevant bodies such as the requirements for the activity localization and the municipal, traffic, security and other requirements.

Article 50:

In case the car is not received from the lessee by the establishment licensed to practice the activity for any reason, the lessee must communicate with the security authorities to prove the case, and the date of the record prepared must be the end of the car rental.

Article 51:

In the event of a dispute between the parties of the contract due to assessment of damages resulting from traffic accidents, misuse or depreciation, the establishment licensed to exercise the activity must be obliged to assess the damage caused to the car by the assessment body approved by the Authority, provided that whoever the damage is caused by must bear the cost of examination and assessment result.

Article 52:

In the event of a dispute between the parties of the contract, it must be referred to the competent authorities.

Article 53:

This Regulations must replace the provisions of the regulations governing the practice of car rental activity issued by the Minister of Transport resolution No. (11), dated 12/2/1421 H (16/5/2000 G), and all that is contrary to previous provisions and instructions must be repealed.

Article 54:

This Regulations must be published in the Official Gazette and must be effective ninety days after the date of its publication.

Schedule of Violations and Penalties

S	Violation Description	Violation Value
1	practicing the activity without obtaining the license of car rental activity.	SAR 5000
2	practicing the activity without obtaining the license of car rental agents activity.	SAR 5000
3	practicing the activity during the period of suspension of car rental activity license.	SAR 4000
4	practicing the activity during the period of suspension of car rental agents activity license.	SAR 4000
5	practicing car rental activity with a revoked license.	SAR 5000
6	practicing car rental agents activity with a revoked license.	SAR 5000
7	Decrease the minimum number of cars approved in the car rental activity.	SAR 5000

8	The establishment licensed to engage in car rental activity leases a car with a driver if the license category does not allow it.	SAR 3000
9	The establishment licensed to engage in car rental activity leases a car by hour if the license category does not allow it.	SAR 3000
10	practicing car rental activity through unlicensed branch.	SAR 5000
11	practicing car rental agents activity through unlicensed branch.	SAR 5000
12	The establishment licensed to engage in car rental activity decreases the minimum number of cars allowed to operate the head office or branch.	SAR 1000
13	The establishment licensed to practice the activity changes its legal entity or property without the approval of the Authority.	SAR 5000
14	Assignment of license of car rental activity without the prior approval of the Authority.	SAR 5000
15	Assignment of license of car rental agents activity without the prior approval of the Authority.	SAR 5000
16	The establishment licensed to practice car rental activity leases a car not allocated for passenger transport or its seats are more than eight seats.	SAR 5000
17	Use of a car for a period of more than the operating life approved in car rental activity.	SAR 5000
18	The establishment licensed to practice car rental activity leases a car without operating card.	SAR 5000
19	The establishment licensed to practice car rental activity leases a car with a revoked operating card.	SAR 3000
20	The establishment licensed to practice car rental activity delays in applying for renewal of the operating card.	SAR 1000
21	The establishment licensed to practice the activity is not linked to the electronic systems specified by the Authority.	SAR 5000
22	Making addition to the contract form without the approval of the Authority.	SAR 3000
23	Failure to include in the contract any of the requirements, data or information required.	SAR 4000
24	Lack of compliance with the lessee's signature on the contract or details of the requirements, data and information required in the contract.	SAR 500
25	Failure to provide the lessee with a copy of the contract.	SAR 1000
26	Failure to provide the lessee with a copy of the clearance at the lessee's request.	SAR 1000
27	Non-compliance with the method of calculating the approved delay hours.	SAR 2000
28	Amendment of the contract without the consent of the lessee.	SAR 2000
29	The establishment licensed to practice car rental activity leases a car by hour for a period less than six hours.	SAR 2000
30	The establishment licensed to practice car rental activity leases a car with a driver who does not apply to the approved conditions.	SAR 1000
31	Use of printouts that do not contain all the required data.	SAR 500
32	Closing the establishment licensed to practice the activity during the working hours declared.	SAR 2000
33	Lack of setting means of identification at the entrance of the head office of the activity that shows working hours or holidays or means of contact.	SAR 500

34	Not appointing a manager for the activity to be authorized to manage at the head office or branch.	SAR 1000
35	Absence of the activity's manager or his representative at the head office or branch.	SAR 500
36	Failure to put the tariff in a place that is visible to everyone at the activity's head office or any of its branch.	SAR 500
37	Failure to place a copy of the license in a place visible to everyone at the head office of activity or any branch thereof.	SAR 500
38	Lack of putting a copy of the obligations of the lessee and the establishment licensed to exercise the activity in a place visible to everyone at the head office of activity or any branch thereof.	SAR 500
39	Failure to put a copy of the conditions that must be met by the lessee in a place visible to everyone at the activity's head office or any of its branch.	SAR 500
40	Failure to update the postal address and data of contact means within the Authority in case of they have changed.	SAR 1000
41	Failure to provide the Authority with the data required for the activity.	SAR 1000
42	Failure to verify the approved ID or driving license of the lessee or the authorized driver.	SAR 2000
43	Failure to verify the validity of the ID or the driving license of the lessee or the authorized driver.	SAR 1000
44	Failure to verify that the conditions of insurance coverage set forth in the car insurance policy clauses are compatible with the lessee or the authorized driver.	SAR 1000
45	Refraining from leasing a car to the lessee who applies to full rental conditions.	SAR 1000
46	Violation of the policy of replacing a car that is technically broken down due to a reason not related to the lessee.	SAR 2000
47	Not to consider the date and time of reporting on the car accident as the end of the contract.	SAR 1000
48	Refraining from receiving the car upon returning for any reason.	SAR 2000
49	Failure to keep the lost items left by their owners inside the car and deliver them to their owners or the nearest police station as soon as possible.	SAR 1000
50	Failure to return the retained amounts to the lessee after deducting the necessary financial dues when returning the car in a proper technical condition.	SAR 2000
51	Failure to terminate the contract or cancel the authorization immediately upon receipt of the car.	SAR 3000
52	Collection of any amounts not stipulated in the contract.	SAR 3000
53	Requiring the lessee to show a document other than the approved ID and the driving license.	SAR 3000
54	Charging the lessee the costs for replacement of consumable spare parts, which have not been proved to be misused by the lessee or the authorized driver.	SAR 2000
55	Charging the lessee the costs of changing engine oil if he/she returns the car on the specified distance to change the oil as stated in the contract.	SAR 1000
56	Charging the lessee the costs of transporting the broken down car, in which such damage has not been proved to be the responsibility of the lessee or the authorized driver.	SAR 1000

57	Failure to enable the service observer to review the records or provide him with information or documents related to the activity.	SAR 2000
58	The establishment licensed to practice car rental activity leases a car without any insurance coverage.	SAR 3000
59	The establishment licensed to practice car rental activity leases a car with an insurance coverage that is contrary to the type of coverage specified in the car insurance policy.	SAR 2000
60	The establishment licensed to practice car rental activity leases a car in improper technical condition.	SAR 2000
61	Failure of the establishment licensed to practice car rental activity to keep the car clean from inside and outside and be ready for rental.	SAR 1000
62	Failure of the establishment licensed to practice car rental activity to make maintenance for the car or keep its periodic maintenance record.	SAR 500
63	Failure of the establishment licensed to practice car rental activity to equip the car with any of the required equipment or technical or medical tools.	SAR 500
64	Conclusion of a contract by the car rental agent with an establishment that is not allowed to contract with the car rental agent.	SAR 5000
65	The car rental agent leases a car with a driver.	SAR 4000
66	The car rental agent leases a car owned by him or by third parties other than the establishment licensed to exercise car rental activity, which he has contracted with.	SAR 5000
67	Failure of the establishment licensed to practice car rental agents activity to notify the Authority in case of a contract is concluded with an establishment licensed to practice car rental activity.	SAR 1000
68	Failure of the establishment licensed to practice car rental activity to appear before the Authority within a period of (10) day from the date of summons.	SAR 3000
69	Failure of the establishment licensed to practice the activity to assess the damage incurred to the car by the assessment body approved by the Authority in case of a dispute of damage assessment.	SAR 1000

Done

(Stamp of Transport General Authority)