



Kingdom of Saudi Arabia
Supreme Commission for Tourism (SCT)

Timeshare Executive Charter for
Tourism Real-Estate Units

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<i>Chapter</i>	<i>Content</i>	<i>Page</i>
<i>One</i>	<i>Definitions</i>	<i>4</i>
<i>Two</i>	<i>Licensure and Registration Provisions Procedures</i> 2- <i>Register</i> 3- <i>Licensing and Registration Provisions</i> 4- <i>Licensing Procedures</i> 5- <i>Updating Licenses</i> 6- <i>Renewing Licenses</i> 7- <i>Licenses Cancellation Procedures</i> 8- <i>Licensing Provisions for Marketing Units in KSA</i> 9- <i>Licensing Provisions for Marketing Units outside KSA</i> 10- <i>Issuing Marketing Licenses</i> 11- <i>Transferring the Ownership of Timeshare Real-estate</i>	<i>6</i>
<i>Three</i>	<i>Deed</i>	<i>11</i>
<i>Four</i>	<i>Vendor's Obligations</i>	<i>12</i>
<i>Five</i>	<i>Management Standards and Criteria</i>	<i>14</i>
<i>Six</i>	<i>Timeshare Contract</i>	<i>15</i>
<i>Seven</i>	<i>Purchaser's Obligations</i>	<i>18</i>
<i>Eight</i>	<i>Guaranties</i>	<i>19</i>
<i>Nine</i>	<i>Marketing</i>	<i>20</i>
<i>Ten</i>	<i>Violation Control</i>	<i>22</i>
<i>Eleven</i>	<i>Investigation and Resolving Violations</i>	<i>23</i>



Chapter One

Definitions

Article 1: Definitions

The following explanations refer to phrases and expressions stated throughout this Law, unless stated otherwise:

- 1- **Secretary General:** the Secretary General of the Supreme Commission for Tourism.
- 2- **Law:** Timeshare Law for Tourism Real Estate Units.
- 3- **Tourism Real-Estate Units:** Hotels, furnished apartments, resorts and other units related to tourism accommodation; including tourism real-estate units located between Makkah and Madinah.
- 4- **Practice:** Timeshare practice in tourism real estate units.
- 5- **Unit:** Any real-estate or part of real-estate divided during its annual business to marketable periods in accordance to the Timeshare Contract.
- 6- **Financial Accountant:** a qualified official authorized by the SCT to deposit and organize the expenditure of payments made by the purchaser or his representative for any transaction related to any standing or under construction tourism real-estate unit in accordance with the Timeshare Law.
- 7- **Advertisements:** Any written or verbal contact or any contact targeting those residing in the Kingdom with the purpose of promotion and endorsement or an invitation to see a presentation benefiting Timeshare to sell Timeshare Units; as well as advertising using the following tools:
 - a. Stated in brochures, pamphlets, TV and radio copies;
 - b. Contact via phone or any other means of modern communication medium; fax, mobile, telephone;
 - c. A marketable invitation via direct mail.
- 8- **Marketing:** the act of convincing others to purchase a tourism timeshare unit for a one or more timeshares in accordance with the Timeshare Law using approved marketing methodologies including, but not limited to, competitions, prizes, and gifts.
- 9- **Marketing Agent:** a person or a marketing entity holding a signed contract with the vendor as an agent for marketing deals for Timeshare real estate.
- 10- **Register:** a documentation of detailed data on the practice, vendors, purchasers, and tourism real-estate units.
- 11- **Timeshare Period:** a specified period of time which allows the purchaser access to a tourism real-estate unit in accordance with the Timeshare Law and the contract signed with the vendor.



- 12- **Management Company:** a company or an establishment that manages, operates, and maintains the real-estate on behalf of the vendor.
- 13- **Timeshare Exchanging Programs:** programs provided by companies that are legally licensed to supply and operate the exchange holiday service by choosing a number of tourism timeshare units in different countries, which are subject to Timeshare Law, and organizing them in one group to exchange timeshare periods between members of the exchanging program.
- 14- **License:** a document issued by the SCT which authorize the vendor or his agent to perform this practice.
- 15- **Notification:** a written letter issued by the purchaser to the vendor for the purpose of officially notifying him of contract cancellation or withdrawal in accordance with the provisions of the Timeshare Law and its Executive Charter.
- 16- **Warning Notification:** a written letter issued by the SCT to the vendor for the purpose of notifying him of a violation to the Timeshare Law or its Executive Charter.
- 17- **Deed:** a written and dated document stating all data and information related to the vendor, the real-estate, and the timeshare program and services. The document shall be approved by the SCT.



Chapter Two

Licensing and Registration Procedure

Article 2: Register

Is a general register in the SCT called (Timeshare Register), and contains the following:

- *registration and licensing applications*
- *data and information on the vendor and the purchaser*
- *timeshare real-estates in the Kingdom*
- *data on issued licenses*
- *updating licenses*

Article 3: Licensing & Registration Provisions

1. *The applicant shall have a commercial register.*
2. *The applicant shall be the owner of the land on which the property sits or the tenant of this land for a period of not less than 20 years. The title deed shall be notarized by the Notary Public and marked in writing that the property contains units mortgaged to the Timeshare practice and shall not be sold without the written approval of the SCT.*
3. *The applicant shall have the required licenses of other concerned parties.*
4. *Timeshare units shall not be less than 40 units.*
5. *The establishment shall provide basic hotel services not less than a four-star hotel standards for hotel apartments or first-class for the furnished units according to the classification adopted by the government.*
6. *The applicant shall pay the required fees for reviewing the application and issuing the license.*
7. *The applicant shall provide the guarantees stated in Article 27 of this Charter.*
8. *The applicant shall contract a qualified management company; the vendor may manage the company if qualified.*
9. *The applicant shall assign a chasing official for standing or under construction real-estate properties he wishes to market in accordance with Article 18 of this Charter.*
10. *The applicant must provide an insurance policy covering the real-estate and the third party, at least against all risks including natural disasters. The insurance must be issued from a company licensed by the government.*



Article 4: Licensing Procedures

First: Practicing License:

The applicant shall fill in the license application form of the SCT, and attach the following documents:

- 1- An insurance policy covering the real-estate and the third party, at least against all risks including natural disasters. The insurance must be issued from a company licensed by the government.*
- 2- A written pledge to provide the guarantees stated in Article 27 of this Charter.*
- 3- A payment receipt for the review of the license application.*
- 4- A copy of the real-estate's title deed and the original copy notarized by the Notary Public and marked in writing that the property contains units mortgaged to the Timeshare practice and shall not be sold without the written approval of the SCT.*
- 5- The lease shall state Timeshare as the practice.*
- 6- Warrants and licenses of other concerned parties.*

Second: Reviewing Applications and Issuing Licenses:

- 1- The SCT shall review the applications before issuing its preliminary decision and may request the review of other concerned parties of the public sector, inspect the location, and request necessary documents and information.*
- 2- Upon the preliminary approval by the SCT, the applicant shall complete the above mentioned licensing provisions, including but not limited to real-estate insurance policy, management contract, chasing official contract (if the project is under development), and payment receipt.*
- 3- The SCT shall review the documents provided by the applicant and issue a Practicing License.*

Article 5: Updating Licenses:

- 1. The SCT shall set the licensing period for not more than 30 renewable years. The SCT shall take into consideration how old the real-estate is. and the lease and timeshare contracts. The licensee shall update his license every three years according to the form prepared for that purpose.*
- 2. The licensee shall submit a renewal application 3 months prior to the end of every three years, and he shall bear all that is warranted upon the late application for update.*
- 3. The licensee shall submit all documents set in the form along with a payment receipt evidencing the license updating fees.*
- 4. The licensee shall submit information on any changes, if any, to the real-estate or the contracts signed with purchasers.*



Article 6: Renewing Licenses:

The SCT shall renew the practicing license for a period, or periods, not exceeding 10 years, provided that the licensee has fulfilled the provisions and requirements stated and paid the required fees.

Article 7: Licenses Cancellation Procedures:

- *The licensee shall submit a cancellation request to the SCT.*
- *The licensee shall publish a declaration in an Official Gazette to the effect that who ever has a claim against the licensee shall submit his claim to the SCT within a month.*
- *The licensee shall submit a written pledge stating that all rights, for purchasers or companies, were settled.*
- *The financial warrantee shall not be paid until 3 months of the license expiry date.*

Article 8: Licensing Provisions for Marketing Units in KSA

Tourism real-estate units, located in KSA, may not be sold or marketed under the Timeshare Law unless registered and licensed by the SCT according to the following provisions:

- 1- *The vendor shall have a practicing license.*
- 2- *The marketing agent shall have a commercial register.*
- 3- *The applicant shall submit a statement on the number of timeshare units, the city, location, size, facilities and contents; in addition to the number of timeshare periods, rates, and means of payment.*
- 4- *The applicant shall submit the guarantees mentioned in this Charter.*
- 5- *The applicant shall submit the contract forms of the timeshare units stating the rights and obligations of both parties in accordance with the provisions of this Charter.*
- 6- *The applicant shall submit documents stating management methodologies, after sale services, and fees.*
- 7- *The applicant shall submit a certificate of membership for the timeshare units in one of an internationally authorized Timeshare Exchanging Programs.*
- 8- *The vendor shall submit the contracts to be signed with the purchaser and the marketing agent. These contracts shall be signed and cashed upon the approval and validation by the SCT.*
- 9- *The vendor/marketing agent shall be responsible for providing the purchasers with their rights. This shall be stated in the contracts signed between the vendor and the marketing agent.*
- 10- *The applicant shall submit a pledge for providing the SCT with any documents concerning the projects for review.*
- 11- *The applicant shall pay the fees for issuing a marketing license.*



Article 9: Licensing Provisions for Marketing Units outside KSA

Tourism real-estate units, located outside of KSA, may not be sold or marketed under the Timeshare Law unless registered and licensed by the SCT according to the following provisions:

- 1- The applicant shall fulfill all licensing provisions for marketing units in the Kingdom.*
- 2- The applicant shall submit a statement on the number of timeshare units, the city, location, size, facilities and contents; in addition to the number of timeshare periods, rates, taxes (if any), and means of payment.*
- 3- The vendor shall submit documents proving ownership of the real-estate, and a copy of the practicing license.*
- 4- All documents submitted shall be issued from an official party of the country of origin and authenticated by the Saudi Consulate in that country.*
- 5- The applicant shall submit the contract forms of the timeshare units stating the rights and obligations of both parties and the selling and registration procedures in accordance with the rules and regulations of the country of origin.*
- 6- The applicant shall submit the contracts signed with the purchaser and the marketing agent and the payment receipts. These documents shall be certified by the official body concerned in the country of origin and the Saudi Consulate in that country.*
- 7- The applicant shall submit a translated version of documents written in languages other than Arabic. The translation shall be delivered by a licensed translation office in Saudi Arabia.*

Article 10: Issuing Marketing Licenses

The SCT shall study the application within 60 days of the completion of all documents and records stated in this Charter, and shall issue the Marketing License with a validity period of not less than 3 renewable years.



Article 11: Transferring the Ownership of Timeshare Real-estate:

- 1- *The vendor or his legal counsel shall submit an ownership transferring application and related documents to the SCT. The application shall state the following information:*
 - a. *SCT License Number.*
 - b. *Name and personal circumstances of the new owner*
 - c. *Expected date of transfer with the agreement signed between the two parties, including the transfer of all responsibilities of the vendor to the new owner*
 - d. *A copy of the advertisement in an Official Gazette or in one of the daily newspapers stating the desire of the vendor to transfer ownership of the real-estate.*
 - e. *A pledge by the new owner to undertake all the obligations of the vendor*
 - f. *The new owner shall submit the warranties stated in this Charter.*
- 2- *After reviewing the application, the SCT shall issue a statement to the Notary Public stating its approval for transferring the ownership provided that the title deed is marked in writing, that the property contains units mortgaged to the Timeshare practice and shall not be sold without the written approval of the SCT.*
- 3- *After the new owner submit the ownership deed marked as stated in point (2) above, the SCT shall issue a new license for the remaining period of the prior owner's license, the license may be issued for a longer period provided that all provisions are fulfilled. This process shall be documented in the Register.*
- 4- *The new owner, after licensed by the SCT, shall send letters of announcement to all purchasers on their addresses stated in the contract. The new owner shall use Registered Mail and send copies of these letters to the SCT; these letters shall be form as integral part of the contracts signed with the purchasers.*



Chapter Three

Deed

Article 12: Document

The vendor shall provide a written and dated document, which shall accurately detail all information about the vendor, real-estate and timeshare plan to include at least the following:

- 1- The name of the vendor and his Commercial Registration Number.*
- 2- The name of the management company and the Commercial Registration Number of the operating party.*
- 3- The name, address, and commercial title of the timeshare units.*
- 4- License Number.*
- 5- Detailed information on all timeshare units, including but not limited to the following information: size, number of rooms, services and furniture provided in each unit, and targeted purchasers in general.*
- 6- List of prices and rates of each unit and means of payment.*
- 7- If the vendor is a member of a Timeshare Exchanging Program; the name, address, and subscription details of that Program shall be stated.*
- 8- If the real estate is under construction or awaiting operation, the expected date for operation shall be stated.*
- 9- The financial arrangements with the financial accountant whether for signing contracts with a third party or collecting deposits paid by the purchasers prior to operation.*
- 10- Details on the maintenance system and the annual fees to be paid by purchasers.*
- 11- Details on the system of booking, or waiver, or subscription in Timeshare Exchanging Program.*
- 12- The document shall be issued in Arabic and may be translated into other languages.*

Article 13:

The vendor shall submit the document to the SCT for review and approval after paying the required fees. The SCT shall approve the document upon receiving all required data or inform the vendor of its refusal stating reasons and required amendments.

Article 14:

If the vendor submits the document after amendments within 30 days of receiving the SCT notification, the SCT shall review the document and approve it in accordance with the original application. If the vendor fails to meet the deadline, he shall submit a new application and pay the required fees.

Article 15:

The vendor shall provide the real estate document that is approved by the SCT to requesters of information regarding this timeshare real estate unit.

Article 16:

The vendor shall notify the SCT of any changes to the information provided in the document to gain the SCT approval for these changes.



Chapter Four

Vendor's Obligations

Article (17):

Without violating the vendor's obligations listed in the Law and Charter, the vendor shall be obligated to:

- 1. Keep copies of the contracts for all timeshare units that were sold during the validity of contract. The vendor shall also develop an internal register containing detailed statements of all purchasers; these statements shall include the purchaser's name, personal information, address, internal and external contact numbers, number of the drafted contract, timeshare period, and contracted unit number. Official security bodies shall be provided with the required information through electronic connections.*
- 2. Provide basic services for purchasers during their stay and enable them to practice their rights in accordance with the license and the contract. The vendor shall monitor the scheduling system for the reservation of contracted units in accordance with agreements held with the purchasers. The vendor shall hand the contracted units to their purchasers on the dates set in these contracts. The units shall be fully equipped and furnished as conditioned in the contract. The vendor shall be responsible for providing safety and security for these units.*
- 3. The vendor shall restore or refurnish the units within the agreed upon time periods in accordance with the standards approved by concerned parties, to insure the sustainability of the original classification level.*
- 4. The vendor shall spend maintenance and management fees he receives from the purchasers to maintain and manage these units.*
- 5. The vendor shall develop an internal charter organizing work flow and keep a detailed register on the staff and any other concerned party.*



Article (18):

If the real-estate is under construction, the vendor shall assign a financial accountant according to the following:

- 1. The financial accountant shall have no blood relationship with the vendor or marketing agent and shall not gain any financial benefits between them. The financial accountant shall be approved by the SCT.*
- 2. The vendor/marketing agent shall monitor the financial accountant through a Saudi bank account, where purchasers or their representatives deposit payments. The vendor/marketing agent shall provide the SCT with any information requested concerning procedures made on this account. This account shall be under monitoring by SCT.*
- 3. The vendor shall sign a contract with the financial accountant that states the following:*
 - a. The financial accountant shall be responsible for cashing-in the money deposited in the account on developing and constructing the real estate.*
 - b. If the purchaser withdraw from or cancel the contract in accordance with the provisions of this Law or its Executive Charter, the financial accountant shall return payments paid under the signed contract to the purchaser directly or through the vendor.*
 - c. The financial accountant shall not be responsible for any financial promises made by the vendor or the marketing agent to purchasers.*
 - d. The financial accountant shall be responsible for any payment cashed-in without reviewing its playability.*
 - e. If there is a conflict regarding the account or the deposits, the financial accountant shall keep all payments in the account until receiving a written instruction approved by all parties, including the SCT, or until a court order is issued.*



Chapter Five Management Standards and Criteria

Article (19):

If the vendor is not qualified for the management of the timeshare real-estate units, he shall contract a management company to manage these units on his behalf. The contract shall be signed in accordance with the following terms and standards:

- 1. The management company shall be specialized in the field of real estates management.*
- 2. The management company shall have a Commercial Registration.*
- 3. The management company shall have qualified human resources in the fields of management, operation, and maintenance of tourism real estate units in general and timeshare tourism real estate units in particular.*

Article (20):

The contract between the vendor and the management company shall not release the vendor from his obligation as stated in this charter, and he may add further articles stating the obligations of this management company.



Chapter Six

Timeshare Contract

Article (21): Conditions:

First: the timeshare contract shall contain the following provisions:

1. *The contract and attached documents shall be written in Arabic, they may be translated into other languages provided that the Arabic version shall be the one binding.*
2. *The real estate ownership deed shall be an integral part of this contract.*
3. *The contract shall state the detailed information on timeshare units to be sold, the rights and obligations of both parties, due payments and their dates. The contract shall contain the following information:*
 - 3-1 *The time and place where the contract was signed.*
 - 3-2 *The vendor's name, address, headquarters, commercial register, contact numbers, and his signature and seal on the contract and attached documents.*
 - 3-3 *The name, address, and contact numbers of the vendor's representative (legal attorney) - if any.*
 - 3-4 *The purchaser's name, address, and contact numbers.*
 - 3-5 *The location, address of the timeshare unit, the number and date of the practicing license.*
 - 3-6 *A blueprint of the unit's location and number shall be attached with the contract.*
 - 3-7 *The number of weeks agreed upon, the number of weeks within the year, the number of guests allowed in the unit. If the guests exceed the agreed upon number, the owner shall have the right to charge extra fees.*
 - 3-8 *The detailed description of the units' size, contents, services, facilities, and furniture.*
 - 3-9 *The agreed upon date for handing over the unit if under construction when signing the contract, and the guarantees provided to the purchaser if the vendor does not meet the agreed upon date.*
 - 3-10 *The facilities and services, associated with the real estate, provided for the purchaser such as swimming pools, playgrounds, and parking lots. Any conditions or provisions for the use of these services and facilities shall be stated.*



- 3-11 *The fees that shall be paid by the purchaser in return for annual maintenance services, the amount of annual interest if any, and the conditions for the use of public facilities (electricity, water, phone, sewerage system, waste disposal).*
- 3-12 *The guidelines for the management, maintenance, and restoration of the real-estate.*
- 3-13 *The timeshare period and the start date.*
- 3-14 *The payments paid by the purchaser in exchange for the use of the agreed upon units or public services and any other expenses.*
- 3-15 *The possibility for subscribing into an approved timeshare exchanging program, and the obligations of the purchaser in such a case.*
- 3-16 *Provisions of transferring the purchaser's rights in the contract.*
- 3-17 *A clear and apparent statement stating that the purchaser has the right to withdraw from the contract within 10 days of signing the contract without providing any justifications or paying any expenses, this is in accordance with Article 22 of this Charter. This statement shall be typed before the signature space.*
- 3-18 *Actions to be taken if the purchase fails to pay due payments, whether fees concerning the unit itself or management and annual maintenance.*
- 3-19 *A clear clause stating that the vendor shall not impose any additional expenses or payments on the purchaser aside of what have been agreed upon in the contract.*
- 3-20 *Measurements and conditions for exchanging the agreed upon timeshare period with another equivalent period within the same season or any other season for the same unit or for any other unit of the same specification in accordance with the provisions of the contract.*
- 3-21 *A statement stating that the purchaser shall pay for any expenses caused by negligence or misuse of the unit's contents based on the agreed upon costs. This shall be in accordance with the inventory signed by the purchaser upon receiving the unit.*
- 3-22 *The criteria for restoring or refurbishing the unit in particular and the real-estate in general.*
- 3-23 *The purchaser's right to sell, waive, or endow his share of the contract to another party; and his right to assign his share by will to heirs upon his death after fulfilling all necessary procedures.*



- 3-24 *A statement stating that the vendor shall not impose any deposits on the purchaser before the end of the period that enables the purchaser to cancel or withdraw from the contract.*
4. *This contract shall be issued in 3 copies, one copy each for the vendor and purchaser and one for the SCT. The SCT's copy shall be submitted to the SCT to be endorsed in the Register upon paying the registration fees within 5 days of signing the contract. Any alteration or correction or addition in the contract or its provisions shall not be taken into account if not signed by both parties and approved by the SCT.*
 5. *The number of contracts to be signed by the vendor shall not exceed the number of licensed timeshare units times the number of annual timeshare periods. Maintenance periods shall not be included in these contracts.*
 6. *The vendor/marketing agent shall have no right to sign a contract for a timeshare unit in Makkah or Madinah for a period exceeding 2 years, in accordance with Article 5 of the Real Estate Ownership and Investment Law for No-Saudis.*
 7. *For the real-estates located in Makkah and Madinah the number of timeshare contracts signed with one purchaser shall not exceed 30% of the number of tourism units in the real estate.*

Second: The purchaser shall include in the timeshare contracts provisions stating the obligations of the purchaser without violating the Law or the Charter.



Article (22): Withdrawal from Contract

1. *Without violating the purchaser's rights concerning contract cancellation, the purchaser shall have the right to:*
 - a. *Withdraw from the contract within 10 days from signing the contract or any other preliminary agreement, if the 10th day is an official holiday, the period shall extend to the next following business day. The right to withdraw from the contract shall be valid until 12:00 o'clock a.m. of the 10th day from signing the contract in the country of origin.*
 - b. *Cancel the timeshare contract within 3 months starting from signing the contract or any other preliminary agreement provided that the contract does not include the information stated in Article 12 of this Charter upon signing the contract or document. If such information is submitted within the 3 specified months, the withdrawal period stated in item (a) of this Article shall start from the date of submitting this information.*
 - c. *Withdraw from the timeshare contract without justification within 10 days following the 3 months specified in item (b) of this Article, if the information stated in Article 12 of this Charter is not submitted within the specified 3- month period.*
2. *The purchaser shall notify the vendor of his cancellation or withdrawal from the contract, he shall send a written notification through registered mail to the address stated in the document or contract. The notification shall be deemed acceptable if submitted prior to the end of that period.*
3. *The purchaser shall have the right to sell, waive, or endow his share of the contract to another party; assign it by will to heirs upon his death, and any other rights concerning this contract.*



Chapter Seven ***Purchaser's Obligations***

Article (23):

The purchaser shall utilize the unit for accommodation in accordance with the laws and regulations of Saudi Arabia; he shall utilize the unit peacefully and shall respect the neighbor's privacy.

Article (24):

The purchaser shall receive the unit for the specified period in the contract upon his arrival to that unit. He shall officially receive the furniture and contents of the unit and check that they are in good condition before signing the inventory and pricing list. If any of these furniture or utilities are damaged or lost intentionally or due to negligence, the purchaser shall pay the agreed upon compensations.

Article (25):

The purchaser shall submit a written notification to the vendor if he wishes to sell, waive, endow his share of the contract to another party, or assign it by will to heirs, or any other action on his rights as stated in the contract.

Article (26):

The purchaser shall not perform any form of amendments on the unit during the agreed upon period unless approved by the vendor and other purchasers of the same unit.



Chapter Eight

Guarantees

Article (27):

The vendor and marketing agent shall provide the guarantees required to obtain licenses from the SCT according to the type of license required for practice according to the following:

First – Required Guarantees for Issuing a Timeshare Practicing License:

- 1- The title deed and register shall be notarized by the Notary Public in that the property contains units mortgaged to the Timeshare practice and shall not be sold without the written approval of the SCT.*
- 2- The vendor shall provide a bank guarantee issued from an accredited bank in Saudi Arabia for the benefit of the SCT, this guarantee shall be valid for the entire licensing period and shall amount to Twenty Five Thousand Saudi Riyals for each timeshare unit. It shall not be cashed-in without a notification from the SCT and after (4) years of operation date. It shall be cashed-in for the remaining period of the license by gradually reducing it every year.*

Second – Required Guarantees for Issuing a Marketing License:

- 1- The applicant shall provide a bank guarantee amounting to half a million Saudi Riyals issued by an accredited bank in Saudi Arabia for the benefit of the SCT. The guarantee shall be valid for the entire licensing period, and shall be renewed prior to the renewal of the license itself. The guarantee shall not be cashed-in without a written notification from the SCT.*



Chapter Nine

Marketing

Article (28): Marketing Provisions

- 1- *Any vendor or marketing agent shall not market the real-estate unless licensed by the SCT.*
- 2- *Marketing shall include all marketing and publication means.*
- 3- *Any marketing agent shall not utilize the logos of the SCT or any other public party. The marketing programs shall not reveal the SCT or any other public party as the directors of these programs. The marketing agent shall state in all his programs that these programs are directed by private organizations licensed in timeshare real estates.*
- 4- *The marketing agent shall adhere to the rules and regulations of marketing and publications in Saudi Arabia.*
- 5- *The marketing agent shall not open any branch for marketing unless licensed by the SCT, and gained approval of the location, in addition to complying with all the other regulations set by the other concerned bodies. The marketing agent shall place a board stating the title of practice, the name of the licensed marketing agent, and the name of the vendor or real estate.*
- 6- *All marketing articles shall be noticeably stated clarifying that any purchaser has the right to legally reconsider and withdraw from the contract in accordance with this Charter.*
- 7- *The marketing agent shall provide the certified document to all purchasers, and assure that it is fully reviewed prior to signing the contract.*
- 8- *In case of marketing for a real estate outside the Kingdom, the marketing agent shall provide the purchaser with detailed information as presented and approved by the SCT.*
- 9- *The marketing agent shall submit all agreements made between the marketing agent and the vendor, and the authorizations issued from the owner to the marketing agent for providing those specific units for sale, signing the contracts and collecting the money. All agreements and authorizations shall be and they should be certified by the concerned bodies in the Kingdom.*
- 10- *The time share law shall be legally authorized in the country where the property is located in the case of marketing for units outside the Kingdom.*
- 11- *The marketing agent shall present the marketing license issued by the SCT while marketing in public places or malls.*



- 12- The marketing agent shall submit an undertaking for executing the provisions of the contract signed with the purchaser, and the compatibility of the units, facilities and services stated in the contract with the plans and conditions agreed upon.*
- 13- The marketing agent shall provide the purchaser with a legal sales contract registered at the official concerned bodies in the country of the property within (3) months of issuing the preliminary contract.*
- 14- The marketing agent shall avoid methods such as pushing and irritating people to sell time share properties, and shall also avoid giving attractive promises that do not match the reality or what the purchaser will receive.*
- 15- The marketing agent shall submit an undertaking to provide the purchaser with correct information throughout the entire marketing process.*



Chapter Ten

Violations Control

Article (29): Controlling Violations

- 1- *Official inspectors shall be appointed by a resolution of the SG of the SCT, who shall be responsible for monitoring all licensed tourism real estates practicing timeshare.*
- 2- *Inspectors shall be authorized to monitor any real-estate or marketing agent in the timeshare practice and inspect any timeshare unit. They shall be authorized to review any documents or records concerning the license at any time.*
- 3- *All licensees shall not refuse SCT inspectors from entering the timeshare units and from providing the required information.*
- 4- *Inspectors shall not enter occupied units unless they have permission from the occupants.*
- 5- *SCT inspection shall not cancel other inspections imposed by other official body authorized to inspect such properties or commercial activities.*

Article (30): Methodology of Violations Control

- 1- *Upon completing the monitoring and inspection process, inspectors shall develop a violation control report by filling in the designed form.*
- 2- *The inspector shall sign the violation control report and request the signature of the manager of the real estate/practice or his authorized representative.*
- 3- *If the manager of the real-estate/practice or his authorized representative refuses to sign the violation control report, the refusal shall be documented in the report stating the name and position of that manager.*
- 4- *Violation control reports shall be submitted by the general manager of the concerned department to the investigation and resolution committee of the SCT for their action.*



Chapter Eleven

Investigation and Resolution in Violations

Article (٣١):

The investigation and resolution committee, which shall be formed upon a resolution issued by the Chairman of the SCT BoD, shall be responsible for resolving violations of this Charter and to impose penalties as stated in this Charter. The resolutions of this committee shall be approved by the SG.

Article (٣٢):

The meeting of the investigation and resolution committee shall be held, with the presence of majority of its members, at the SCT headquarters, or at any other location agreed upon by the committee. Resolutions of the committee shall be unanimous.

Article (33):

The committee shall set its working procedures and they shall be approved by the SG.

Article (34):

Members of the committee shall not have any financial or commercial benefits with violators. In such a situation the concerned committee member shall abstain and will not participate in the process of investigating and resolving the violation.

Article (35):

The SG shall issue a resolution for the formation of a Secretariat consisting of a secretary and a number of employees who shall provide technical and administrative support services.

This Secretariat shall undertake to perform the following tasks:

- 1- Writing reports, organizing meetings, and receiving visitors.*
- 2- Coordinating between the committee and the concerned parties in or outside the SCT, coordinating the schedule of sessions, and reporting resolutions.*
- 3- Copying, filing, and archiving the resolutions of the committee and the rulings of the Board of Grievances.*
- 4- The secretary may contact the administrative authorities regarding the assigned tasks by the committee's Chairman.*



Article (36):

Monthly payments shall be allocated for the benefit of the chairman and members of the committee upon a resolution issued by the Chairman of the SCT BoD.

Article (37):

The entire committee shall have the right to visit the location of the violating party for investigation, or delegate one of its members whom it sees suitable for this task.

Article (38):

The committee shall have the right to seek the opinion of whom it considers qualified whether experts or SCT employees in regards to the violations of this Charter. This expert/SCT employee shall have no right to vote.

Article (39):

The violator shall have the right to object to the committee's resolution and appeal to the Board of Grievances within (60) days of receiving the approved penalty resolution.

Article (40):

The resolutions of the committee, approved by the SCT, shall be deemed final and executory if the appeal period has expired or if a ruling supporting the committee's resolution is issued by the Board of Grievances.

Article (41):

The committee's resolution shall not prevent the violator from filing an action for compensation before the concerned judicial bodies for the damage caused to him as a result of violation of the provisions of this Charter.