



هيئة الاتصالات وتقنية المعلومات
Communications & Information
Technology Commission

Investor Guide for Parcel Transfer License

Local – Local & International

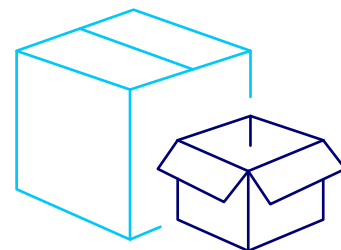
Jumada al-awwal 1443 AH December 2021 AD

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Introduction

In line with Communications & Information Technology Commission (CITC) efforts to promote services rendered to investors and Postal Services Sector users in KSA, and based on the regulatory and supervisory authorities of CITC over Postal Sector in accordance with the Council of Ministers Resolution No. (403), dated 1440/07/12 AH, this guide has been issued to serve as a reference for investors in respect of parcel transfer services, indicating the general regulations and provisions that enable any investor to obtain necessary licenses and approvals in compliance with the applicable practices, as well as to serve as a regulatory document for investors to rely on, as a part of CITC efforts in regulating the Postal Sector so as to strengthen the participation of postal and logistic service providers in the comprehensive and sustainable economic development within KSA.



Parcel Transfer License (Local and International)

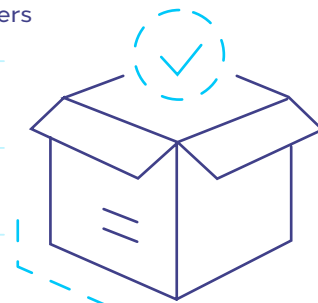
Parcel Transfer Local & International

Description ▶ Parcel Transfer Service within the Kingdom and across the borders

Code ▶ 532012

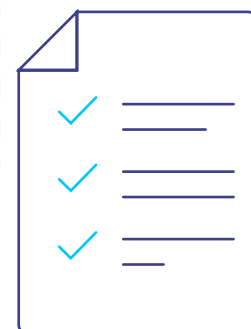
Application Processing ▶ 30 business days

License Validity ▶ Two Years (Renewable)



Requirements

- 1 | The applicant shall register with postal services licensing platform at CITC's website.
- 2 | The commercial register shall be valid including parcel transfer (local & International).
- 3 | The applicant shall acknowledge its financial integrity with a clear criminal record.
- 4 | The applicant shall agree to be inquired via SIMAH and Qawaem.
- 5 | The applicant shall pay the administrative fees for considering its license application (i.e. One hundred and fifty thousand riyals) within thirty (30) days from issuing the invoice through SADAD, otherwise, its application will be rejected).
- 6 | The applicant shall submit the project's operational plan including the following:
 - ▶ Targeted territory within the Kingdom.
 - ▶ Expected number of local and international shipments and the quarterly expansion plan for two years.
 - ▶ A copy of the applicant's bylaws and regulations, including as minimum, administrative structure, matrix of powers and any required documents.
 - ▶ A certified copy of Articles of Association indicating the shareholding percentages.
- 7 | The applicant shall provide all documents related to the applicant's owned international branches in five countries in five different continents; provided that it has a single processing center, as minimum, in each country or the deed of relationship with the international licensed company in the country of origin, and that it is related to that company under a guarantee or franchise as an exclusive agent and that that company has at least five years of experience in this field. the documents shall include the following:
 - ▶ Details of the international company (Name, Country of Origin and Head Office)
 - ▶ A certified copy of the international company's Articles of Association indicating the ownership percentages. The international company's locations worldwide.
 - ▶ The international company's website.
 - ▶ The main pick-up points of shipments outside the Kingdom, including: (A processing center, Country, Address, License issued by the Country in which the pick-up point is located)
 - ▶ CEO, heads of international branches, contact details and national IDs).
 - ▶ Identification of the authorized person representing the international company and his contact details and national ID).
 - ▶ Identification of the work mechanism, parcels transfer, pick-up and delivery method.
- 8 | Full network connection with CITC Platform (Parcels Platform).



Parcel Transfer Service (Local)

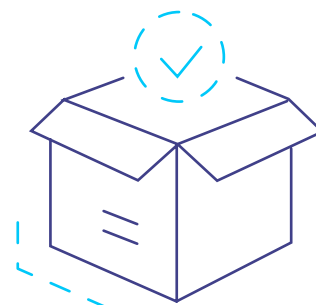
Parcel Transfer Service Local

Description ▶ Parcel Transfer Service within the Kingdom.

Code ▶ 532011

Application Processing ▶ Immediate

License Validity ▶ Two Years (Renewable)

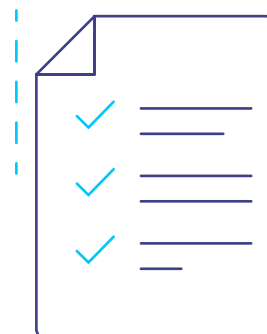


Requirements

- 1 | The applicant shall register with Postal Services Licensing Platform at CITC's website, and agree to the relevant online undertaking.
- 2 | The commercial register shall be valid including parcel transfer (local & International).
- 3 | The applicant shall acknowledge its financial integrity with a clear criminal record.
- 4 | The applicant shall agree to be inquired via SIMAH and Qawaem.
- 5 | The applicant shall pay the administrative fees for considering its license application (i.e. fifty thousand riyals) within thirty (30) days from issuing the invoice through SADAD, otherwise, its application will be rejected).
- 6 | The applicant shall submit an operating model indicating the service mechanism.

Obligations of the Service Provider (Local/Local, International)

1. Adhere to Parcel Transfer Regulations published on CITC website, Investor Guide, these conditions, and any further CITC instructions or resolutions.
2. The licensee shall commence services within a period not exceeding six months from the license issuance date.
3. Meet all regulatory requirements of CITC and other competent authorities.
4. All license applicants, whether local or international shall provide cargo x-ray scanners compatible with the relevant shipment systems, to be operated by qualified staff of the licensee.
5. Comply with Rules for Protection of Rights of Postal Services Customer, and CITC decisions and guidelines issued in this regard.
6. Incur any legal consequences resulting from obtaining, amending or canceling the license.
7. Safeguard customer rights and confidentiality of their data and information in accordance with CITC regulations, any applicable laws and other relevant government instructions.
8. Fully cooperate and assist CITC and competent authorities' specialists, each within



his own competences, in inspecting the service provider's HQ, branches or warehouses within and outside KSA, and enable the specialists to review all papers and electronic documents, data, and information related to licensing process.

9. Ensure full network connection with CITC various systems within (60) days from obtaining the local license.

10. Update the service provider's contact details and addresses, and bear full legal liability in case of inaccuracy thereof.

11. Achieve the geographical coverage for all the Kingdom regions, which are (13) provinces in order to license transfer of parcels (Local & International)

12. Pay the license annual charges according to CITC instructions.

13. Place the licensee's logo on all its parcels and means of transportation.

14. Provide a toll-free number (800) to receive and handle user complaints, inquiries and requests according to Rules for Protection of Rights of Postal Services Customer and CITC relevant guidelines within (60) days from obtaining the local license.

15. Register the trademark at the competent authorities.

16. Provide a website in both languages (Arabic & English), including online tracking and communication means with the customers and publish, the Rules for Protection of Rights of Postal Services Customer.

17. Provide Saudi security guards 24/7 who have a clear criminal record.

18. Install an integrated security alarm system to detect theft and a 24/7 security surveillance system linked with cameras to surveil warehouses and data/documents storages, with the capability to store at least a six-month history.

19. Provide work cards for all employees and delivery representatives.

20. Train employees on parcel receipt and delivery and how to fill in data properly.

21. Train the employees working the licensee's security field on security systems.

22. Assign at least one employee in each location to deal with dangerous shipments, who is aware of dangerous goods handling requirements in terms of classification, safety and security and has received "Handling of Dangerous Goods" course from a Saudi certified entity.

23. Assign at least one employee in each location to deal with medical and pharmaceutical shipments, who shall be trained well to deal with the perishables and shall fully comply with the requirements of the Saudi Food and Drug Administration (SFDA) and other relevant authorities, including without limitation to, store and handle these shipments in the specified temperatures.

24. Fill bill of lading for parcel contents, and register the sender and receiver data (ID, contact number, national address).

25. Check and document the contents of transferred parcels in the presence of the sender or his representative (bear the full legal responsibility for transferred contents throughout processing stages), and shall not transfer any prohibited materials according to CITC directions and resolutions and other government agencies.

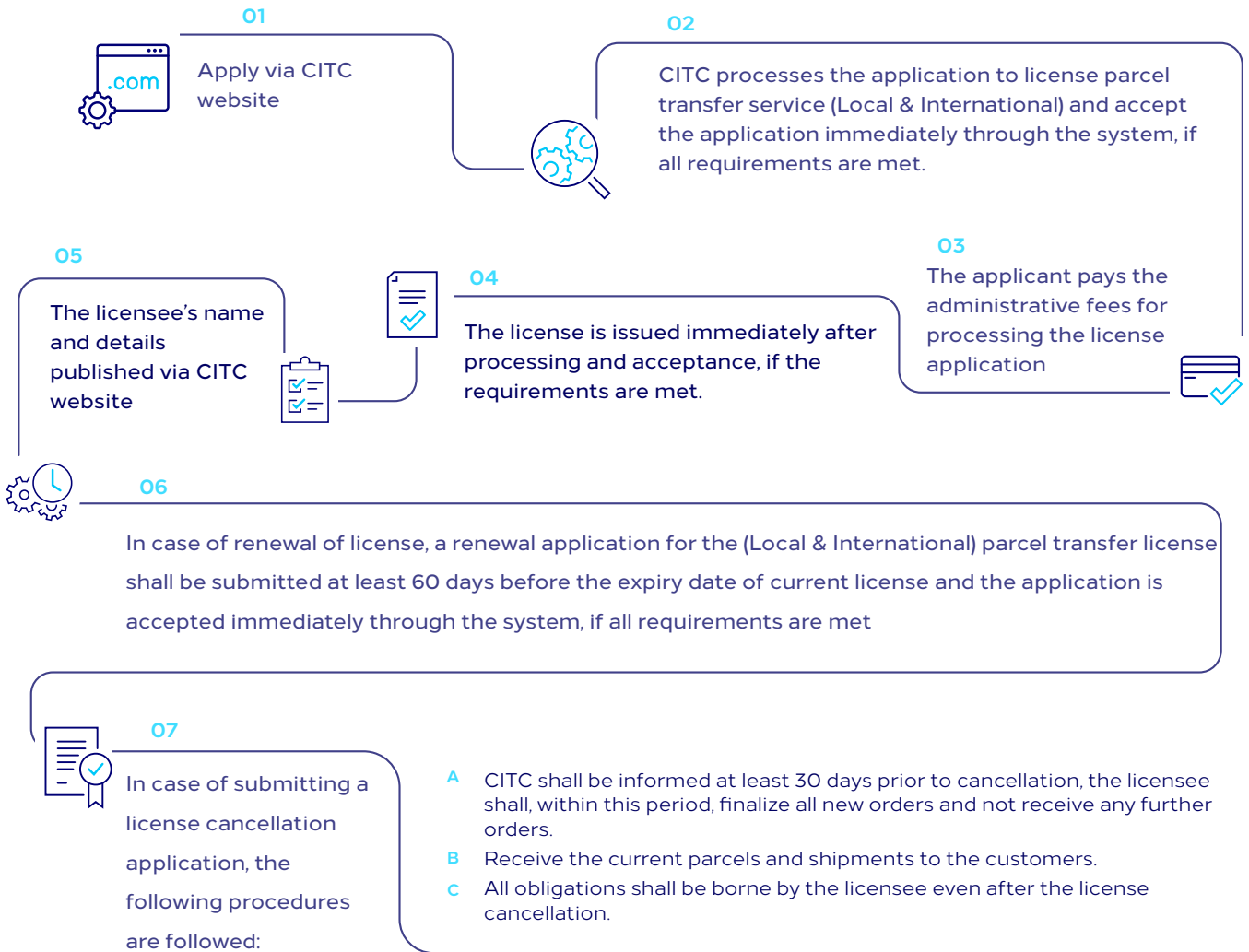
26. Establish an automated system to record data of and track parcels, including customer name, IDs, and contact numbers, to be saved in a secured place for at least two years within KSA, and in accordance with the regulations of CITC and other government agencies in this regard.

27. Provide secured online payment solutions to all customers.

28. Obtain CITC prior written approval before changing the ownership percentages in the Articles of Association or partnership of the licensee and provide CITC with all relevant information and documents, as requested.

29. Provide the Entity's Organizational Structure; provided that the organizational structure includes Compliance Department (and attach the personal information of all senior employees who directly report to CEO) and comply with CITC controls, requirements and regulations or other relevant government agencies with regard to Saudization.

Investor Procedures



Charges

%10

of the total revenue for the first and second fiscal years

%15

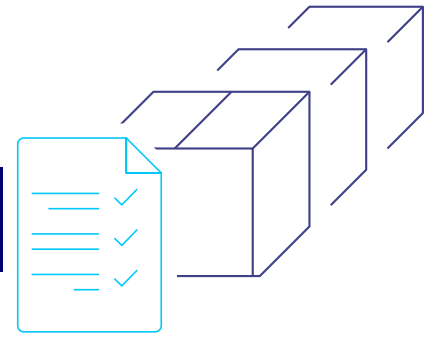
of the total revenue for the third year

according to Council of Ministers Resolution no. (193) dated 1421/08/10 AH



This percentage shall be calculated based on the balance sheet approved by a licensed chartered accountant in the Kingdom.

General Provisions



- 01 | The license issued electronically via CITC system.
- 02 | CITC has the right to reject any license application or renewal application, if CITC deems that such application does not compatible with CITC objectives.
- 03 | CITC may cancel the license, if the service provider ceases to render the service for a full year from the license's date of issue, or ceases to render the service for a full year whether consecutive or interrupted, according to CITC sole discretion.
- 04 | CITC may refund the administrative fees for processing the license application, if the application rejected or license cancelled due to failure to complete the necessary regulatory requirements at CITC sole discretion.
- 05 | Valid licenses may be checked by reviewing CITC website.
- 06 | If any additional information is requested, they shall be submitted within 5 days to avoid electronic cancelation of the application.
- 07 | The trademark used in the Kingdom shall belong to the owner with largest share and who has the international presence requirements. In case of franchise, the trademark of the franchisor shall be used for licensing parcel transfer (Local & International).
- 08 | All documents and requirements shall be submitted in Arabic language, and if they submitted in another language, translation copies thereof shall be submitted. The Arabic version shall prevail, in case of conflict.
- 09 | If the franchise of the licensee is canceled, this may lead to suspension or cancellation of the license as CITC deems appropriate and the licensee bears any consequences arising in this regard.
- 10 | If any requirements are not submitted throughout the licensing stages within the determined period, CITC may cancel the application without bearing any responsibility.
- 11 | If any of the regulatory requirements or obligations is violated, CITC may cancel or suspend the license with no responsibility and the licensee shall bear the termination or suspension consequences.
- 12 | If any of owners is changed without CITC prior consent, CITC may cancel the license.
- 13 | Foreign investor may apply for the license in his/her capacity without being required to have a Saudi partner.



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