
CLIENT ALERT | 25 June 2026

Saudi Arabia: Adoption of the New Enforcement Law

The law overhauls enforcement procedures and introduces a registration requirement for bills of exchange and promissory notes, ahead of its entry into force on 28 October 2026.

Key Points:

- **A comprehensive new regime:** The new law replaces the previous enforcement law in its entirety, with certain exceptions, and introduces wide-ranging reforms to enforcement procedures in Saudi Arabia.
- **Registration of commercial papers:** Under Article 7(1)(d), bills of exchange and promissory notes will qualify as enforcement instruments only if they are registered on the national electronic platforms. The conditions and procedures for registration will be set out in the forthcoming implementing regulations.¹
- **One-year grace period:** Bills of exchange and promissory notes issued before 28 October 2026 remain directly enforceable for a one-year transitional period from that effective date, even if unregistered (the Transitional Period).²
- **Continuity of existing enforcement matters:** Judgments, orders, and decisions issued before 28 October 2026 remain valid.³

Saudi Arabia (the Kingdom) has adopted a new Enforcement Law, issued by Royal Decree No. (M/237) dated 3/11/1447H (the New Law). The New Law replaces the previous Enforcement Law issued by Royal Decree No. (M/53) dated 13/8/1433H (the Previous Law) and supersedes any conflicting provision under the Previous Law. The New Law was published in the Official Gazette on 14/11/1447H (corresponding to 1 May 2026G) and will enter into force 180 days after publication, on 17/05/1448H (corresponding to 28 October 2026G) (the Effective Date). The implementing regulations have not yet been issued and are anticipated within the next six months.⁴

However, certain provisions of the Previous Law will remain in effect during a transitional period, as set out in Royal Decree No. (M/237). The following key exceptions should be noted:

- **Precautionary attachment:** The precautionary attachment provisions contained in Part Two of the Previous Law will continue to apply until procedures are established for those provisions to be governed by the Civil Procedures Law.

- **Insolvency:** The insolvency provisions contained in Chapter One of Part Five of the Previous Law will continue to apply until the civil insolvency law is enacted and comes into force.
- **Military personnel exception:** Royal Decree No. (M/158) dated 11/11/1441H continues to apply, exempting military personnel who are actually participating in war or military operations from any travel ban and/or imprisonment enforcement measure.

The New Law is a comprehensive replacement of the Previous Law and reshapes enforcement procedures across a number of areas. Its most commercially significant change is a new formal requirement for bills of exchange and promissory notes to be registered on the Kingdom's national electronic platforms (the NEPs) in order to qualify as enforcement instruments that are directly enforceable before the enforcement court.

Registration of Commercial Papers on the National Electronic Platforms

In commercial practice, a "commercial paper" refers to a negotiable instrument representing a right to a fixed sum of money payable on demand or by a set date, principally bills of exchange, promissory notes, and cheques. These instruments are governed by the Kingdom's Commercial Papers Law. Each of these instruments was already an enforcement instrument under the Previous Law, which treated commercial papers as a single category. The New Law carries that position forward but addresses each of the documents individually: bills of exchange and promissory notes are enforcement instruments only where they are registered on the NEPs, whereas cheques remain enforcement instruments without any formal registration requirement.⁵

An enforcement instrument is one that is directly enforceable before the enforcement court without a prior judgment on the merits. The detailed conditions, controls, and procedures for registering bills of exchange and promissory notes on the NEPs are left to the implementing regulations. The precise registration mechanics, including the relevant platform, timing, and documentary requirements, will be confirmed when the regulations are issued.

More broadly, Article 7(1) lists the enforceable instruments, and the New Law largely carries that list over from the Previous Law. It continues to recognise court judgments and orders, arbitral awards, attested contracts and acknowledgments, settlement documents, cheques, and foreign judgments and awards enforced under Article 9. The principal substantive change concerns bills of exchange and promissory notes: previously enforceable as part of a single commercial papers category without any registration step, they now qualify as enforcement instruments only once they are registered on the NEPs.⁶

Transitional Arrangements and the One-Year Grace Period

The New Law preserves the enforceability of existing commercial papers for the limited Transitional Period. Bills of exchange and promissory notes that were issued before the Effective Date, and that satisfy all statutory requirements other than NEPs registration, will continue to be treated as enforcement instruments for one year following the Effective Date. Once that window closes, the enforcement courts

will not accept enforcement requests in respect of unregistered documents. The New Law also confirms continuity for the existing framework: rulings, orders, and decisions issued before the Effective Date remain valid, and enforcement disputes concluded by final judgment before that date are not affected.

Other Key Changes Introduced by the New Law

Beyond the registration requirement, the New Law introduces a range of further reforms across the enforcement process, including:

- **Ten-year limitation on enforcement:** An enforcement instrument will not be accepted for enforcement once more than 10 years have passed since the date on which it fell due, without prejudice to the relevant statutory provisions.⁷
- **Reverse enforcement:** Where a creditor refuses to accept performance of a specific debt that is due and established under an enforcement instrument, the debtor may apply to the court, which will order the creditor to accept performance of the debt. If performance still cannot be effected, the court will record that fact and take the measures necessary to discharge the debtor's liability for the established debt, as determined by the implementing regulations. In all cases, any costs arising from giving effect to this article will be treated as enforcement expenses.⁸
- **Asset disclosure:** Debtors must disclose all of their assets upon notification of an enforcement order, and the court may compel disclosure from third parties, including the debtor's agents, financial counterparties, and any person suspected of colluding to conceal or transfer assets.⁹
- **Grace period to sell assets:** The court may allow a debtor to sell certain of its assets voluntarily, subject to defined controls, in a manner that serves the interests of enforcement.¹⁰
- **Best interests of the child:** In enforcing rulings on custody and visitation, the enforcement court must have regard to the best interests of the child.¹¹
- **Enforcement of foreign judgments and awards:** Rather than introduce a new regime, the New Law preserves the framework established under the Previous Law. A foreign judgment or award remains enforceable only on the basis of reciprocity and the Kingdom's treaty obligations, and only where the established conditions are met, principally that: (i) the dispute was not reserved to the exclusive jurisdiction of the Saudi courts, (ii) the parties were given due process, (iii) the judgment is final, and (iv) the judgment does not conflict with a prior Saudi judgment or with public policy.

Two changes refine that test: (i) the jurisdictional bar now applies only where the Saudi courts have exclusive jurisdiction, rather than wherever they would otherwise have had jurisdiction, and (ii) enforcement is barred where a similar action was filed in the Kingdom before the foreign proceeding began.¹²

- **Private-sector enforcement services:** The Minister of Justice may delegate certain enforcement procedures to licensed private-sector providers, such as judicial sale agents, judicial custodians, and asset-tracing and recovery providers; orders for imprisonment and travel bans as well as the resolution of disputes may not be delegated.⁻¹³
- **Focus on assets rather than on the person:** Enforcement is directed first at the debtor's assets through disclosure, asset-tracing, and attachment. Imprisonment remains available only as a measure of last resort, after asset-based steps and a further period of non-compliance, and is subject to defined exceptions.⁻¹⁴

Stricter Penalties for Non-Compliance

The New Law substantially strengthens the penalties for interfering with enforcement, which is likely to matter to debtors, creditors, and service providers alike. The principal penalties are:⁻¹⁵

- Concealing or smuggling assets to prevent satisfaction of the debt, deliberately obstructing enforcement, refusing to disclose assets, providing false or misleading information, or dealing with attached assets: imprisonment of up to three years and/or a fine of up to ₺1 million.
- A public official who prevents or disrupts enforcement: imprisonment of up to five years.
- A debtor who dissipates substantial assets (even if subsequently shown to be insolvent): imprisonment of up to 15 years.
- Abuse of the enforcement process by a creditor, unauthorised disclosure of confidential asset information, breaches by a licensed enforcement-service provider, or manipulation of a judicial auction: imprisonment of up to three years and/or a fine of up to ₺100,000.
- Obstructing the enforcement of custody, guardianship, or visitation orders: imprisonment for up to 90 days and/or a fine of up to ₺30,000.
- Repeat offences: the maximum penalty may be doubled.

More Regulated Travel Bans

Travel bans are now more tightly regulated and framed as a measure of last resort rather than an automatic consequence of default. In particular:⁻¹⁶

- A travel ban may be ordered only after the asset-based enforcement steps have run their course and the debtor has still not satisfied the obligation.
- Any ban is limited to three years and, although it may be renewed, the aggregate period may not exceed six years; in all cases the ban lapses automatically once the enforcement request comes to an end.

- The court must lift the ban in defined circumstances, including where the debtor needs medical treatment abroad, the debt falls within the small amounts to be specified by the regulation, the debtor's profession or occupation requires travel, the ban would cause the debtor disproportionate harm, or the debtor discloses assets sufficient to satisfy the debt.

Key Takeaways

Promissory notes are commonly granted in Saudi Arabia across a range of personal and corporate financing matters. In the corporate lending and projects markets, historic practice has been for promissory notes to be issued in original manuscript form and substituted periodically during the tenor of the debt by replacement promissory notes (historically around every 11 months, reflecting market practice and the need to refresh demand notes ahead of the one-year presentation period applicable under the Commercial Papers Law). While existing promissory notes will remain enforceable during the Transitional Period (and while well-drafted credit documents will typically require any promissory note to be issued in such form as the creditor may reasonably consider necessary for that note to be enforceable in the Kingdom), creditors that take and hold promissory notes should:

- **Existing portfolios:** Review their existing credit portfolios and related documentation ahead of the Effective Date. Ideally, credit documents (and in particular those with a tenor exceeding the Transitional Period) should impose a positive obligation on the debtor to substitute for promissory notes registered on the NEPs, with such substitution to occur promptly upon such registration becoming available. In all cases, such registration should be required to occur before the one-year Transitional Period expires.
- **New financings:** Going forward, and where registration is practically possible at the time, registration of promissory notes on the NEPs should be included as a condition precedent to drawdown under any new financing. Substitution and replacement mechanics should explicitly require registration to occur as noted above (i.e., promptly upon such registration becoming available).
- **Monitor the implementing regulations:** Key mechanics depend on the forthcoming regulations, therefore, parties should monitor for their publication and revisit documentation and internal procedures once that detail is known.

This Client Alert is based on the text of the New Law (Royal Decree No. M/237 dated 3/11/1447H) as published in the Official Gazette. The implementing regulations are pending; entities should monitor for their publication and prepare accordingly.

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Endnotes

¹ Article 7(1)(d) of the New Law.

² Clause (Fifthly) of Royal Decree No. (M/237) (transitional treatment of bills of exchange and promissory notes issued before entry into force).

³ Clauses (Secondly) and (Thirdly) of Royal Decree No. (M/237).

⁴ Article 65 of the New Law (repeal of the Previous Law; the New Law enters into force 180 days after publication in the Official Gazette).

⁵ Bills of exchange and promissory notes are enforcement instruments under Article 7(1)(d) of the New Law (subject to registration on the NEPs) and cheques under Article 7(1)(e). The same documents were enforcement instruments under the Previous Law as part of the “commercial papers” category in Article 9(4) of the Enforcement Law issued by Royal Decree No. (M/53). The Commercial Papers Law (Royal Decree No. (37) dated 11/10/1383H) does not define “commercial paper” as such; it sets out the required particulars of each document: the bill of exchange (Article 1), the promissory note (Article 87), and the cheque (Article 91). The Enforcement Law does not define these documents.

⁶ Article 7(1) of the New Law.

⁷ Article 11 of the New Law.

⁸ Article 10 of the New Law.

⁹ Articles 15 and 20–22 of the New Law.

¹⁰ Article 29 of the New Law.

¹¹ Article 40 of the New Law.

¹² Article 9 of the New Law.

¹³ Articles 60 and 61 of the New Law.

¹⁴ Article 37 of the New Law (imprisonment as a coercive measure of last resort), together with the asset-enforcement provisions in Articles 15–20.

¹⁵ Articles 50–56 of the New Law.

¹⁶ Article 19 of the New Law.