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## MAJOR CHANGES IN THE NEW ENFORCEMENT LAW & THEIR IMPACT IN SAUDI ARABIA

Saudi Arabia has recently introduced a new Enforcement Law, marking a major reform of the previous framework that governed judicial and administrative enforcement procedures.

This law aligns with Vision 2030, aiming to improve the efficiency, transparency, and reliability of legal enforcement while safeguarding the rights of creditors and debtors alike.



## Introduction

The enforcement process is a cornerstone of the financial and commercial ecosystem. Delays, ambiguities, or procedural gaps in execution can have far-reaching economic consequences, impacting businesses, individuals, and the overall market stability. The new law seeks to address these challenges by introducing digital platforms, clearer procedural mechanisms, and stricter oversight of all parties involved.

By understanding the key changes, companies, law firms, and financial institutions can prepare effectively to navigate this new legal landscape and maximize compliance while minimizing risks.



## Key Changes Compared to the Previous Enforcement Law

### Digital and Electronic Enforcement

**The new law emphasizes digital transformation in enforcement procedures:**

- Courts now use electronic platforms to issue and track enforcement orders in real time.
- Notifications to debtors and creditors are sent electronically, reducing delays caused by manual processes.
- Digital enforcement improves transparency, accountability, and auditability, ensuring compliance with statutory timelines.

**Impact:** Organizations must adopt electronic tracking systems and train legal and administrative teams to interact with the digital enforcement ecosystem.

### Enforcement of Foreign Judgments and Arbitral Awards

**The new law clarifies the procedures for enforcing foreign judgments and arbitral awards:**

- Explicit guidelines are provided for evaluating foreign decisions while respecting Saudi legal principles.
- Compliance with GCC treaties ensures seamless cross-border enforcement.
- The law allows foreign creditors and investors to execute judgments efficiently, reducing legal uncertainty.

**Impact:** Companies engaged in international business will experience greater predictability in enforcing foreign contracts, fostering investor confidence.

### Enhanced Protection of Parties' Rights

**The law introduces stricter protections for both debtors and creditors:**

- Clearly defines responsibilities of enforcement officers, creditors, and debtors.
- Limits arbitrary or abusive actions during the enforcement process.
- Establishes mechanisms to resolve disputes fairly, balancing legal rights and obligations.

**Impact:** Organizations gain clearer guidance on rights and obligations, reducing exposure to litigation and operational disruption.

### Role of Lawyers in Enforcement

**Legal professionals now have an expanded and formalized role:**

- Oversee asset disclosure and verification.
- Advise clients on compliance with statutory procedures.
- Ensure enforcement actions are conducted ethically and in accordance with the law.

**Impact:** Lawyers play a critical role in minimizing legal risks and ensuring procedural integrity. Companies must engage experienced counsel to navigate the new law effectively.

## Procedural and Operational Improvements

The new law addresses prior procedural gaps and enhances operational efficiency:

- Standardized timelines for notifications, hearings, and appeals reduce delays.
- Mechanisms for handling personal and corporate insolvency are clarified.
- Structured enforcement steps minimize ambiguity and disputes.

**Impact:** Faster, more predictable enforcement strengthens market confidence and reduces financial and reputational risk.



## Impact on Enforcement in Practice

The new Enforcement Law transforms the execution landscape in several ways:

- **Faster proceedings:** Digital platforms and structured timelines reduce delays.
- **Transparency and accountability:** Clear reporting requirements and asset tracking increase visibility.
- **Cross-border confidence:** International creditors and investors can rely on more predictable enforcement procedures.
- **Reduced risk exposure:** Proper compliance with new procedures mitigates potential legal disputes and reputational damage.



## Strategic Recommendations for Legal & Corporate Stakeholders

To align with the new law and protect organizational interests, stakeholders should:

- **REVIEW CONTRACTS AND AGREEMENTS:** Ensure all agreements reflect the new enforcement framework.
- **ADOPT DIGITAL ENFORCEMENT SYSTEMS:** Train legal and administrative teams for effective use.
- **IMPLEMENT ASSET DISCLOSURE PROTOCOLS:** Maintain accurate and transparent reporting.
- **STRENGTHEN LEGAL OVERSIGHT:** Engage qualified lawyers to guide enforcement processes.
- **PLAN FOR INSOLVENCY SCENARIOS:** Assess corporate and personal insolvency implications under the new law.

## Conclusion

The new Enforcement Law represents a significant advancement for Saudi Arabia's legal and commercial environment. By combining digital integration, procedural clarity, and stronger legal protections, the law ensures faster, fairer, and more transparent enforcement processes. Corporates, financial institutions, and legal practitioners must adapt promptly to leverage these protections, minimize risk, and support the broader objectives of Vision 2030.

The law also reinforces investor confidence, enhances market stability, and establishes a modern, accountable framework for judicial execution. Organizations that proactively implement the recommended strategies will gain a competitive advantage and ensure compliance with the evolving legal landscape.