

**The impacts of the administrative liquidation procedure according to
the latest Saudi Bankruptcy Law 2018**

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Abstract: The administrative liquidation procedure is an important procedure which is addressed by the Saudi Bankruptcy Law. The importance of the administrative liquidation procedure comes from its purpose. In this sense, the article 167 of the latest Saudi Bankruptcy Law determines the goal of the administrative liquidation procedure which is to sell the bankruptcy assets that are lacking to cover the costs of liquidation or liquidation for small debtors procedure. In addition, the latest Saudi Bankruptcy Law considers that the debtor or the competent authority is entitled to apply for the administrative liquidation procedure when the debtor is financially stressed or bankrupt provided that the assets are deficient to face the costs of liquidation or liquidation for small debtor's procedure.

The administrative liquidation procedure comes up with some questions which will be discussed in this research paper: is it an essential finding such a procedure under the latest Saudi Bankruptcy Law 2018? Are the legal provisions suitable and adequate to handle this procedure? The main question is that: What are the impacts of the administrative liquidation procedure according to the Saudi Bankruptcy Law 14.02.2018?

Consequently, this research paper will focus on the impacts of the administrative liquidation procedure according to the Saudi Bankruptcy Law 14.02.2018 issued by Royal decree number (M/50) dated 14.02.2018 with reference to its implementing regulations issued by Council of Ministers' decision number (622) dated 05.09.2018 in terms of appointing a committee of bankruptcy, postponement creditors' claims, preparing a list of the creditor's claims, maturity Debtor's postponed debt, termination of labor contracts, inventory and selling the bankruptcy assets.

Introduction:

The latest Saudi Bankruptcy Law 2018 determines the bankruptcy procedures. In this regards, the article 2 of the latest Saudi Bankruptcy Law defines seven procedures as following: Protective Settlement, Financial Restructuring, Liquidation, Small Debtor's Protective Settlement, Small Debtor's Financial Restructuring, Small Debtor's Liquidation and administrative liquidation procedure¹.

In addition, the latest Saudi Bankruptcy Law clearly mentioned the goal of the bankruptcy procedures² which are to enable a debtor to restructure the finances and recommence commercial activities while protecting the rights of creditors³, equalizing between parties of equal rights, maximizing the value of assets, organizing sale, fairly distributing, shares, preserving confidence in the credit market and stock exchange and the administrative liquidation procedure to sell the bankruptcy assets that are deficient to cover the costs of liquidation or liquidation for small debtors procedure⁴.

¹ See in this context, First Instance Court Damman, Commercial Court, Case Number 1033, dated 09.07.1441H

² See in the same context, Soinne B, Le Nouveau Droit de la Faillite, Réalisme, Insuffisance et Incompréhension, Gaz, 1983-2, Doctrine, 498.

³ See in the same sense, Rashad Numan Al Amiri, The Financial Impacts of bankruptcy on the natural debtor, 2006, p: 3

⁴ See article 5 of the Saudi Bankruptcy Law; see also in the same sense, Pérochon Françoise et [Bonhomme](#) Régine, Entreprises en difficulté et Instruments de Crédit et de Paiement., 6 edition, L.G.D.Y, Delta, Paris, 2003, P: 4

Moreover, the administrative liquidation procedure is one of the important procedures posed by the Saudi Bankruptcy Law 2018. In this context, this Law considers the administrative liquidation procedure as one of the main goal and procedure of the bankruptcy⁵.

Furthermore, the administrative liquidation procedure presents some legal and practical problems showed its significance and justification. Therefore, the purpose of this research paper is to shed light on the impacts of the administrative liquidation procedure in accordance to the Saudi Bankruptcy Law 2018 issued by Royal decree number (M/50) dated 14.022018 with reference to its implementing regulations issued by Council of Ministers' decision number (622) dated 05.09.2018 in terms of appointing a committee of bankruptcy, postponement creditors' claims, preparation a list of the creditor's claims, maturity debtor's postponed debt, termination of labor contracts, inventory, sell of bankruptcy assets and the reason of the latest Saudi bankruptcy Law 2018 set down the administrative liquidation procedure.

RESEARCH OBJECTIVES AND SIGNIFICANCE:

The objective of this research paper is to deal with the impacts of the administrative liquidation procedure according to the Saudi Bankruptcy Law 2018. This research article will draw attention to the appointment of a committee of bankruptcy, postponement creditors' claims, debtor maturity for postponed debt, termination of labor contracts, inventory, selling bankruptcy assets and the reason of the latest Saudi bankruptcy Law issued by Royal decree number (M/50) dated 14.022018 with reference to its implementing regulations issued by Council of Ministers' decision number (622) dated 05.09.2018.

The importance of this article comes from the fact that the Kingdom of Saudi Arabia issued Bankruptcy Law 2018 to keep pace with developments in comparative legislations and texted through it on the administrative

⁵ See articles 2 and 5 of the Saudi Bankruptcy Law; see also in the same sense, Adnan Saleh Alomar, Abbreviation in the Commercial Companies and the provisions of bankruptcy, 2ed edition, 1438H, P: 311 and next.

liquidation procedure which will be a step with the other procedures of bankruptcy to accomplish the Saudi Vision 2030 by the Kingdom of Saudi Arabia by encouraging local and international investment in the Kingdom. In this respect, the Saudi Bankruptcy Law 2018 determines some impacts of the administrative liquidation procedure which we will address it through this research paper.

RESEARCH PROBLEM:

The research problem is summarized in the following question: What are the impacts of the administrative liquidation procedure according to the Saudi Bankruptcy Law 14.02.2018? In addition, the research problem comes out from the impacts of the administrative liquidation procedure because they attached to the debtor's debt, postponement creditors' claims, inventory and sell the bankruptcy assets. This problem requires looking at the impacts of the administrative liquidation procedure according to the Saudi Bankruptcy Law issued by Royal decree number (M/50) dated 14.02.2018 with reference to its implementing regulations issued by Council of Ministers' decision number (622) dated 05.09.2018.

RESEARCH METHODOLOGY:

The study was drawn from an annalistic research carried out in the latest Saudi bankruptcy Law issued by Royal decree number (M/50) dated 14.02.2018 with reference to its implementing regulations issued by Council of Ministers' decision number (622) dated 05.09.2018 in order to identify the impacts of the administrative liquidation procedure according to the Saudi Bankruptcy Law 14.02.2018.

This study relies on the descriptive research with the goal of description the impacts of the administrative liquidation procedure.

Accordingly, the subject of this article will divide into two sections. The first section is the appointment of a committee of bankruptcy and Postponement creditors' claims. The second section is the preparation of a list of the creditor's claims, maturity Debtor's postponed debt, termination of labor contracts, inventory and sell of bankruptcy assets

Section 1: Appoint a committee of bankruptcy and Postponement creditors' claims

The administrative liquidation procedure produces several impacts. In this section, we will focus on two important impacts coming out from the administrative liquidation procedure as following:

A. Appoint a committee of bankruptcy to conduct the administrative liquidation procedure

The administrative liquidation procedure is a massive procedure for the debtor. In this context, the commercial court⁶ should, in its decision to commence the administrative liquidation procedure, appoint the bankruptcy committee to run the procedure. In addition, the commercial court will not appoint bankruptcy trustee⁷ because the bankruptcy assets whose sale earnings are doubtful to cover the expenses of the liquidation procedure or the small debtors' liquidation procedure. In this context, the article 167 of the Saudi bankruptcy Law states that ‘The administrative liquidation procedure aims to sell bankruptcy assets whose sale proceeds are unlikely to cover the expenses of the liquidation procedure or the small debtors' liquidation procedure’.

Accordingly, the bankruptcy committee is replaced by the debtor in managing his activity and in satisfying the debtor's duties during the procedure. Additionally, the bankruptcy committee should not hold any responsibility to third parties for its dispositions during the procedure's period. In this regard, the article 171/3 states that ‘the bankruptcy committee shall replace the debtor in managing his business and in fulfilling

⁶ See in the same sense, J.L. Herzog, L saisine d'Office du Tribunal de Commerce en matière de Faillite et de règlement Judiciaire, Revue Trim du Droit Commercial, XVII, 1964, 481.

⁷ **The first article of the Saudi bankruptcy Law defines the Bankruptcy Trustee or Trustee as:** “A person who is appointed by the court or the petitioner, as the case may be, to perform the tasks and duties assigned to him according to the type of procedure, including the financial restructuring trustee and the liquidation trustee”, see in more details, CH. Lyon-caen et L. Renault, *Traité de Droit Commercial*, Tom e 7, F. Pichon, Paris, P: 560; see also, Moawad Abdul-Tawab, *The New in the commercial judiciary*, Moshat Almaref, 2000, p: 93, Hussein Abdo Al-Mahi, *Bankruptcy Rulings under the New Trade Law*, Dar Alnahdah Alarabiyah, Cairo, 3ed edition 2009, P:261 .

his statutory duties during the procedure. The bankruptcy committee shall not be held liable to third parties for its actions⁷. The expression of this article regarding ‘‘ the Bankruptcy Committee shall not be held liable to third parties for its actions’’ should be eliminated from the article 171 /3 of the Bankruptcy Law because it constitutes supplementation not needed.

Furthermore, the implementing regulation of the bankruptcy Law permits the bankruptcy committee obtains support to fulfilling the administrative liquidation procedure. In same sense, the article 68 of the implementing regulations disposes that: ‘The Bankruptcy Committee may seek assistance in the performance of the administrative liquidation procedure’’.

Moreover, the bankruptcy committee is competent to send a notification⁸ to the debtor for any summon, notice, or order relating to him issued by the commercial court or any other competent authority. The paragraph 5 of the above article confirms that’’ The Bankruptcy Committee shall notify the debtor of any summons, notice, or order concerning him issued by the court or any other competent authority’’. Likewise, the bankruptcy committee could demand from the commercial court, debtor, creditor, or any other party to supply any data or document related to the administrative liquidation procedure⁹.

It should be noted here that the Saudi Bankruptcy Law take into consideration preventing a bankrupt debtor from managing his business¹⁰. In fact, the debtor should instantly refrain from running his business¹¹ after the

⁷ See in the same sense, Commercial Court, Jeddah, dated 17.09.1440H
⁸ Article 177/ 1 of the Bankruptcy Law disposes that’ The Bankruptcy Committee may request the court, debtor, creditor, or any other party to provide any information or document relevant to the procedure’’

⁹ See in the same sense, Adnan Saleh Alomar and Darwesh Abdullah Darwish, Explanation of Saudi Commercial Regulations, Commercial Works- Merchant- Goodwill-Commercial Contracts, Daralthaqafah, Amman, 2017, p: 69.

¹⁰ See in the same sense, Roger Houin, Faillites et Réglements Judiciaires, Revue Trimesrtielle de Droit (R.T.D), Commercial, 1963, p: 633, No 4.

appointment of the Bankruptcy Committee¹². It is observed that the purpose of preventing the debtor from managing his business is to protect the creditors' rights from the prejudice. In this context, the Saudi Bankruptcy Law sets the invalidity and nullity of the debtor's actions¹³. In other terms, the rule of the debtor's prevent¹⁴ is considered from the public order and rule bound which is not permissible to breach it. Hence, the paragraph 4 of the article 171 disposes that'' The debtor's disposition of any of his assets after the appointment of the Bankruptcy Committee shall be deemed null and void. The court may, upon the request of the Bankruptcy Committee, order the recovery of said assets or take any other action, without prejudice to the rights of good faith third parties. An aggrieved party may file a claim for compensation''¹⁵. This paragraph 4 of article 171 should not be wide regarding the term ''or take any other action''.

¹² See in this context, Hamadullah Mohammad, Refrain the debtor bankrupt trader, Dar Alnahdah, Cairo, 1992, p:7 and next ; see also, Hani Dowidar, Commercial Papers and Bankruptcy, The new University House, Egypt, 2005, p: 387, article 171/2 of the Saudi Bankruptcy Law confirms that ''the debtor's management of his business shall be suspended immediately after the appointment of the Bankruptcy Committee''.

¹³ See in the same sense, Mostafa Taha and Ali Albarodi, Commercial Law, Alahlabi for Publishing, Lebano, 2001, p: 335; see also, Mohammed Aleyed Alfike, Commercial Law, Bankruptcy and Commercial Contracts, Alahlabi for Publishing, Lebano, 2005, p: 343; Mostafa Kamal Taha and Wael Anwar Bondoq, Bankruptcy's Principles, Dar Elfikr, 2005, p: 87 .

¹⁴ See in the same sense, Hamada Mohamed Nassr and Hussein Shhadah Alhussein, Commercial Law, Commercial Works- Merchant- Goodwill- Companies, 2018, p:50; see also, Nihad Ahmed Alsyed and Hamood Atif Alqhtani, The rules and principles of Saudi commercial law, Commercial Works theory - Merchant theory, Commercial Companies, Almotanabi Book Shop, Riyadh, 1st edition, 2019, p:16 .

¹⁵ See in the same sense, Elias Nassif, The Complete in the Commercial Law, Awidatt for printing and publishing, 4th part, Lebanon, 1999, p: 221.

B. Postponement creditors' claims when applying for the administrative liquidation procedure

The administrative liquidation procedure produces another important impact which is related to moratorium the creditors' claims¹⁶. This important impact is a rule from the public order thus any disposition of the opposite will be deemed null and void. In addition, the moratorium' duration begins from the registration of a request for the opening of an administrative liquidation procedure or its opening shall result in a decision by the commercial court. The moratorium' duration shall end through the court's decision by rejecting such petition or terminates the procedure. In this context, Article 169/1 of the Bankruptcy Law states that 'Without prejudice to the provisions of Chapter 14 of this Law, the registration of a petition for the initiation of an administrative liquidation procedure or its initiation shall result in a moratorium pending a decision by the court to reject such petition or terminate the procedure. Any action to the contrary shall be deemed null and void''.

Furthermore, the commercial court is able to retrieve any asset disposed of during the moratorium period or takes any other action, while preserving the rights of good faith third parties. In this sense, article 169/2 disposes that 'The court may, upon the request of the Bankruptcy Committee, order the recovery of any asset disposed of during the moratorium period or take any other action, without prejudice to the rights of bona fide third parties. An aggrieved party may file a claim for compensation''. In this regards, Article 169 /2 should be changed from the new Saudi Bankruptcy Law 2018 regarding the sentence 'or take any other action'', should be clearly determined.

¹⁶ See in more details, Y.Guyon, Droit des Affaires, T.2, 5th Edition, Economica, No, 1238; see also, Abd al-Rahman al-Sayyid Karaman, al-Waseet in explaining the Egyptian Trade Law, Bankruptcy, Dar Al-Nahda Al-Arabiya, Edition 2000, page 260 and next.

It is also important to note that there are some exceptions concerning the petition of a creditor and the commercial court shall take it even during the period of the moratorium as the following:

1. The creditor's petition whose proper property is found in the possession of the debtor. In this case, the commercial court should, in the period of the moratorium, deem the creditor's demand whose correct property is found in the possession of the debtor, as precise in the implementing regulations. In this sense, paragraph 3 of article 169 confirms that'' During the moratorium period, the court shall consider the petition of a creditor whose exact property is found in the possession of the debtor, as specified in the Regulations''. In addition, article 30 of the implementing regulations sets some conditions to return the same property to the creditor. This article status that'' The court shall, during the moratorium period, consider the petition of a creditor whose exact property is found in the possession of the debtor, and shall rule to return the same to the creditor if:

- a) The value of the said property has not changed by increase, decrease, modification, or mixing with another property, thereby changing its nature;
- b) The creditor has not received any portion of the value of such property; or
- c) The creditor files his petition within five days from the date of commencement of the moratorium.

2. Postpone the moratorium period for some petitions which were subject of a procedure prior to its commencement. In this context, paragraph 4 of article 169 disposes that'' Notwithstanding paragraph (1) of this Article, the court may, upon the petition of a person with interest, suspend the moratorium period for certain claims which were subject of a procedure prior to its commencement, if the court establishes that such action is in the best interest of the debtor and the majority of creditors''. The expression of article 169 /4 regarding the '' upon the petition of a person with interest 'should be clearly precise the intention from it.

Section 2: Preparing a list of the creditor's claims, maturity Debtor's postponed debt and Termination of labor contracts, inventory and sell of bankruptcy assets

The impacts of the administrative liquidation procedure are not only limited to the appointment of a committee of bankruptcy and Postponement creditors' claims; but there are also more impacts. Hence, in this second section, we will addressing the preparation of a list of the creditor's claims maturity Debtor's postponed debt termination of labor contracts, termination of labor contracts, inventory and sell of bankruptcy assets.

A. Preparing a list of the creditor's claims, maturity Debtor's postponed debt and Termination of labor contracts

After the submission of the creditor's claims to the Bankruptcy Committee, within a period not exceeding 60 days from the date of announcement. This Committee should announce the court's decision to commence the administrative liquidation procedure within five days from the commencement date. In this context, the 172/1 of the Bankruptcy Law disposes that ' The Bankruptcy Committee shall announce, through the means specified by the Regulations, the court's decision to initiate the administrative liquidation procedure within five days from the initiation date, and shall invite the creditors to submit their claims within a period not exceeding 60 days from the date of announcement'¹⁴. The period of the 60 days under the previous article should be shortening to 30 days period in order to quickly stabilize the legal situation.

In addition, the Bankruptcy Committee should verify the creditor's debts to set a list of the creditor's claims and determine the creditors who will be

¹⁴ See also in more details, Repert. G et Roblot. R, Traité de Droit Commercial, Tome 2, édition 12 , L.G.D.J, n 2821.

distributed to them if there are funds of the debtor¹⁸. In same sense, the article 173 /1 states that ‘The Bankruptcy Committee shall prepare a list of claims as specified in the Regulations’¹⁹.

Moreover, in order to save time, the Bankruptcy Law confirms that when the administrative liquidation procedure starts, on rely of the court decision²⁰ to conclude any of the bankruptcy procedures and begin this procedure, the Bankruptcy Committee should adhere with the approved list of creditors. In this context, the article 173/2 disposes that ‘ If the administrative liquidation

¹⁸ See in more details, Saeed Albostani, The Provisions of Bankruptcy , op, cite, p: 314 and next and next.

¹⁹ The article 14 of the Implementing Regulations disposes that’’

1. The trustee or the Bankruptcy Committee, as the case may be, shall review the creditors' claims, taking measures to verify the validity and amount thereof, as well as the submitted information to establish such claims.
2. The trustee or the Bankruptcy Committee shall prepare a list of creditors' claims based on information submitted thereto, and shall present such list to the court for approval within 14 days from the date of expiration of the period specified for submission of claims. The list must include:

- a) creditor's name, address, and claim amount;
- b) an identification of secured creditors, details of securities held thereby, and an estimate of the value of assets subject of such securities;
- c) debts that may be set off;
- d) a recommendation regarding each submitted claim whether to accept, reject, or refer it to an expert; and
- e) required information and documents.

²⁰ See in the same context regarding the jurisdiction, Jehasse Philippe, La Faillite, Edipro, Belgique, 2008, p: 15; see also, Saeed Albostani, The Provisions of Bankruptcy and Preventive Composition in Arab Legislation, Dar Alhalbi, Lebanon, 2007, p: 118.

procedure is initiated, pursuant to a court decision to terminate any of the bankruptcy procedures and initiate this procedure, the Bankruptcy Committee shall observe the approved list of creditors, if any; otherwise, paragraph (1) of this Article shall apply’.

Besides, in order to determine the debtor's financial position, it should be all of his debts liquidated. In this regards, the Bankruptcy Law sets two impacts of the administrative liquidation procedure as following:

1. Debts that are not due and proven to be owed by the debtor shall be due and payable immediately after the initiation of the administrative liquidation procedure²¹. The reason of this impact is that the term of the debts depends on confidence in the debtor, and this confidence has collapsed with the beginning of the liquidation procedure.
2. The commercial court could, upon the demand of the Bankruptcy Committee, terminate the contracts of the debtor’s business employees according to the related laws²².

B. Inventory and sell of bankruptcy assets

After the determination of the debtor’s debt, it should also determine the debtor’s assets and rights which were with a third party in order to obtain a full image about the debtor’s financial position²³. In this context, the Bankruptcy Committee should prepare a complete inventory of bankruptcy assets, if any, includes full information. In addition, in order to determine the debtor’s budget, it is coming from the petition’s claims and the inventory’s assets list. In this regards, the article 177/ 2 disposes that ‘The Bankruptcy

²¹ See article 176.

²² See article 175; see also, Mohammed Mostafa Abdusadek, Commercial Papers and Bankruptcy in Arab Legislation, Dar Alfikr, 2011, p: 364 and next.

²³ See in more details, Saeed Albostani, The Provisions of Bankruptcy , op, cite, p: 313 and next.

Committee shall prepare a detailed inventory of bankruptcy assets, if any. The Regulations shall specify the provisions thereof²⁴.

Furthermore, to help the Bankruptcy Committee in fulfilling the inventory, the Bankruptcy Law permits this Committee to demand from the commercial court, debtor, creditor, or any other party to provide any information or document relevant to the procedure²⁵. It should be noted here that the Bankruptcy Law did not precise the concept of ‘any other party’. Accordingly, this expression should be clearly determined.

Besides, in order to finalize as soon as the administrative liquidation procedure, the bankruptcy Law confirms that the bankruptcy Committee should launch selling of bankruptcy assets²⁶ since the date of commencing the administrative liquidation procedure except if the selling of the bankruptcy assets are insufficient. In this context, article 178 disposes that ‘The Bankruptcy Committee shall initiate the sale of bankruptcy assets, if any, from the date of initiation of the administrative liquidation procedure, unless it decides that the sale proceeds are insufficient, as specified in the Regulations’. The article 70 of the Implementing Regulations determine two cases that the sale income of the bankruptcy assets should be considered deficient if: a) the expected cost of selling the asset is equivalent to or greater than the estimated value of the asset; or b) the asset cannot be sold within a reasonable period. In this context, it is highly recommended to precise the concept of ‘a reasonable period’.

Conclusion: This paper has discussed the impacts of the administrative liquidation procedure according to the Saudi Bankruptcy Law 14.02.2018. In conclusion, results and recommendations came out as the following:

²⁴ The article 69 of the Implementing Regulations status that ‘The Bankruptcy Committee shall prepare an inventory of the bankruptcy assets, including the estimated value of such assets’. - This article of the Implementing Regulations should design the criteria of ‘the estimated value’.

²⁵ See article 177/1.

²⁶ See in same sense, Akram Yamlyky, Commercial Law, Daralthaqafa for Publishing and Distribution, 1st edition 2010, p:119.

Firstly: Results

-The aim of the administrative liquidation procedure is to sell the bankruptcy assets those are deficient to cover the expenses of liquidation or liquidation for small debtors procedure.

- The debtor or the competent authority is allowed to apply for the administrative liquidation procedure if the debtor is financially stressed or bankrupt provided that the assets are insufficient to face the costs of liquidation or liquidation for small debtor's procedure.

- The Saudi Bankruptcy Law 2018 is considering the administrative liquidation procedure as one of the main goal and procedure of the bankruptcy.

- There are several impacts of the administrative liquidation procedure such as appointing a committee of bankruptcy, postponement creditors' claims, preparation a list of the creditor's claims, maturity debtor's postponed debt, termination of labor contracts, inventory and sell of bankruptcy assets.

- The commercial court should, in its decision commence the administrative liquidation procedure, appoint the bankruptcy committee to run the procedure. In addition, the commercial court will not appoint bankruptcy trustee

- The bankruptcy committee is replaced by the debtor in running his activity and in fulfilling the debtor's duties during the administrative liquidation procedure.

- The bankruptcy committee is competent to send a notification to the debtor for any summon, notice, or order relating to him issued by the commercial court or any other competent authority.

-The Saudi Bankruptcy Law takes into consideration preventing a bankrupt debtor from managing his business. In addition, the debtor should directly refrain from running his business after the appointment of the Bankruptcy Committee in order to protect the creditors' rights from the prejudice

-The moratorium of the creditors' claims is a rule from the public order.

- There are some exceptions concerning the petition of a creditor and the commercial court shall take it even during the period of the moratorium as following: The creditor's petition whose proper property is found in the possession of the debtor and Postpone the moratorium period for some petitions which were subject of a procedure prior to its commencement
- The Bankruptcy Committee should verify the creditor's debts to prepare a list of the creditor's claims and determine the creditors who will be distributed to them if there are funds of the debtor
- The Bankruptcy Committee should prepare a complete inventory of bankruptcy assets, if any, includes full information.
- The determination of the debtor's budget, it is coming from the petition's claims and the inventory's assets list.

Secondly: Recommendations

- Article 169 /2 should be changed from the new Saudi Bankruptcy Law 2018 regarding the statement "or take any other action", it should be clearly determine.
- Article 169 /4 of the Bankruptcy Law should be obviously determine the intended from the expression "upon the petition of a person with interest".
- The expression "the Bankruptcy Committee shall not be held liable to third parties for its actions" should be abolished from the article 171 /3 of the Bankruptcy Law because it constitutes supplementation is not needed.
- Article 171 /4 should be changed from the Saudi Bankruptcy Law regarding the term "or take any other action", it should not be wide.
- The period of the 60 days under 172/1/2 from the Bankruptcy Law which disposes that 'The Bankruptcy Committee shall invite the creditors to submit their claims within a period not exceeding 60 days from the date of announcement' should be shorten to 30 days period in order to rapidly stabilize the legal situation
- The expression of the article 177/1 from the Bankruptcy Law "or any other party" should be clearly determine.

- The article 69 of the Implementing Regulations should design the criteria of ‘‘the estimated value’’.
- The article 70 of the Implementing Regulations should be changed throughout the determination the concept of ‘a reasonable period’’.

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