



Executive Regulation

For Ozone-Depleting Substances and Hydrofluorocarbons

For the Environmental Law issued by the Royal Decree

No. (m/165), dated 19/11/1441 Hijri

***** Note: In the event of any discrepancy between the Arabic original version of this Executive Regulation and its English translation, the Arabic version prevails *****





Contents

Article (1) – Definitions	4
Article (2) – Scope of Application	5
Article (3) – Center’s Scope of Work Pertaining to ODS and Hydrofluorocarbons.....	6
Article (4) – Provisions on Activities Involving Controlled Substances	7
Article (5) – Obligations of Persons	7
Article (6) – General Controls for the Issuance of Licenses and Permits	8
Article (7) – Import Quotas	8
Article (8) – Coordination with the Gulf Cooperation Council	9
Article (9) – Apprehension of Violations and Imposition of Penalties	9
Table (1) – Violations and Penalties.....	10





Article (1) – Definitions

The following terms and expressions - wherever they appear in this Executive Regulation - shall have the meanings set forth below, except where it is therein expressly otherwise:

Law: Environmental Law.

Executive Regulation: Executive Regulation for ozone-depleting substances and hydrofluorocarbons.

Ministry: Ministry of Environment, Water and Agriculture.

Minister: Minister of Environment, Water and Agriculture.

Center: National Center for Environmental Compliance.

Inspectors: Employees designated by a decision issued by the Minister or the chairman of the Center's board of directors to undertake environmental monitoring and inspections, and to apprehend, investigate, and substantiate violations to the provisions of the law and Executive Regulations.

Person: Any public or private natural or legal person.

Ozone Layer: One of atmospheric layers, situated in the Earth's "stratosphere" containing a high concentration of ozone molecules, which protect life on Earth by absorbing most of the Sun's harmful ultraviolet radiation.

Permit: A document issued by the Center to a person before undertaking any activity with an adverse environmental impact related to ozone-depleting substances and hydrofluorocarbons.

License: A document issued by the Center authorizing a person to undertake an environmental activity pertaining to ozone-depleting substances and hydrofluorocarbons.

Activity: Any industrial, commercial, or service-related facility, project, business, or other activities that are expected to have an adverse environmental impact.

Permittee: A person who is granted a permit.

Licensee: A person who is granted a license.

Montreal Protocol: An international protocol aimed at protecting the ozone layer by gradually phasing out the production of numerous substances that are deemed responsible for ozone depletion. The protocol was open for signature on 16 September 1987 in Montreal, Canada, and entered into force on January 1, 1989.

Montreal Amendments: Amendments to the Montreal Protocol, adopted by Member States and ratified by the Kingdom of Saudi Arabia, regarding the enlisting of new controlled substances and the amendment of phase-out timelines.



Hydrofluorocarbons: Organic compounds that contain fluorine and hydrogen atoms in addition to carbon, commonly used in air-conditioning, refrigeration, freezing, and other appliances, and controlled under the Kigali Amendment to the Montreal Protocol.

Ozone-Depleting Substances: Substances, characterized by their chemical stability in the atmosphere near the surface of the earth, containing one or more atoms of chlorine or bromine or both, and triggering chain reactions in the “stratosphere” that lead to depletion of ozone.

Controlled Substances: All substances controlled by the Montreal Protocol, its annexes or amendments, and governed by its provisions, whether existing stand-alone or in a mixture of any concentration or percentage. The Center shall issue lists of these substances.

Recycled Substances: All controlled substances, as specified by the Center, previously used and purified from impurities and unwanted substances.

Controlled Appliances, Equipment, and Products: All appliances, equipment, and products that contain controlled substances, or require them for their functioning.

Alternative Technologies and Equipment: Technologies and equipment that do not contain controlled substances, nor require them for their functioning.

Substitutes of Ozone-Depleting Substances: All substances used as substitutes of controlled substances — and such substitutes do not have an adverse effect on the ozone layer.

Halons: Halogenated compounds (carbon-, fluorine- and bromine-based substances), of industrial origin and used in fire extinguishing systems and equipment, that are controlled under the Montreal Protocol.

Halon Stocks: Stocks of halons available in the fixed and portable fire extinguishing systems that are being dismantled and disposed of.

Total Phase-Out: Full suspension of the import or export of all controlled substances under the Montreal Protocol in accordance with the timelines set out therein, with the permitted use, however, of recovered, reclaimed, or recycled controlled substances to the extent that serves maintenance sectors, until the end of the lifespan of the various appliances and equipment used therefore.

Import Quotas: The annual y set quantity of controlled substances allowed for each importer having a permit from the Center. Such quotas shall be set on an annual basis by the Center based on the information available on the volume of importer’s activity.

Article (2) – Scope of Application

The provisions of the Executive Regulations shall apply to all persons and activities related to ozone-depleting substances and hydrofluorocarbons, in addition to controlled appliances, equipment, and products within the territory of the Kingdom of Saudi Arabia.



Article (3) – Center’s Scope of Work Pertaining to Ozone-Depleting Substances and Hydrofluorocarbons

The Center shall undertake the tasks related to the regulation, administration, and monitoring of the activities related to ozone-depleting substances and hydrofluorocarbons, including:

- (1) Implementing international and regional conventions pertaining to ozone-depleting substances and hydrofluorocarbons, in which the Kingdom of Saudi Arabia is a state party.
- (2) Developing lists of controlled substances, appliances, equipment, and products in accordance with the international and regional commitments of the Kingdom of Saudi Arabia.
- (3) Developing, monitoring, and executing the necessary phase-out plans and measures for the controlled substances, appliances, equipment, and products, in addition to substituting these with alternative substances, technologies, and equipment in line with the national interest and in accordance with the provisions of the Montreal Protocol and the amendments thereof in order to achieve total phase-out.
- (4) Developing and monitoring the implementation of rehabilitation plans for sectors whose operations rely on controlled substances, and providing them with support and assistance, to the extent possible, in order to abide by good practices in repair and maintenance operations and transition to suitable alternatives.
- (5) Regulating the import, export, re-export, trade, manufacturing, use, storing, and disposal of controlled substances, appliances, equipment, and products.
- (6) Developing the rules, controls, and requirements related to the handling of controlled substances, equipment, and appliances/products, including, but not limited to, their transport, storing, labelling, and maintenance.
- (7) Developing the rules, controls, and requirements for licenses and permits related to controlled substances, appliances, equipment, and products, and computing and collecting the related financial dues.
- (8) Issuing licenses and permits pertaining to activities involving controlled substances, appliances, equipment, and products.
- (9) Coordinating with the Saudi Customs regarding the qualification of their employees to monitor all controlled substances, appliances, equipment, and products, and prevent their illicit trade or illegal practices.
- (10) Coordinating with the Saudi Standards, Metrology and Quality Organization to develop and take the necessary measures to issue approved specifications of controlled appliances,



equipment, and products in accordance with the law, the Executive Regulations, and all other requirements and amendments adopted by the Center.

- (11) Inspecting, monitoring, and reporting all violations of these Executive Regulations, and coordinating with Ministry of Interior, whenever necessary, to apprehend violators.
- (12) Developing national reports on ozone-depleting substances and hydrofluorocarbons in the Kingdom of Saudi Arabia and publishing them in line with the Ministry's directives.
- (13) Organizing activities of environmental awareness on controlled substances, appliances, equipment, and products.

Article (4) – Provisions on Activities Involving Controlled Substances, Appliances, Equipment, and Products

- (1) It is prohibited to import, export, re-export, use, or store the controlled substances without a prior permit from the Center.
- (2) It is prohibited to import, export, re-export, use, or store the recycled controlled substances without a prior permit from the Center.
- (3) It is prohibited to import, export, re-export, or use the new controlled appliances, equipment, and products without a prior permit from the Center.
- (4) It is prohibited to import used controlled appliances, equipment, and products.
- (5) It is prohibited to export or re-export used controlled appliances, equipment, and products without a prior permit from the Center.
- (6) It is prohibited to transit controlled substances, appliances, equipment, and products, through any entry/exit point of the Kingdom of Saudi Arabia (sea, land, or air) without a prior permit from the Center.
- (7) It is prohibited to manufacture or use controlled substances, appliances, equipment, and products in new or existing facilities without a prior permit from the Center.
- (8) It is prohibited to dispose of controlled substances, appliances, equipment, and products without a prior approval of the Center.
- (9) It is prohibited to import, export, or re-export the controlled substances from or to any of the non-member states to the Protocol and Its amendments.
- (10) The Center shall issue lists of substances, appliances, equipment, products, and quantities exempted from the provision of this article in accordance with the international and regional commitments of the Kingdom of Saudi Arabia.

Article (5) – Obligations of Persons



Any person engaging in any activity that requires the use of controlled substances, appliances, equipment, or products, must adhere to the following:

- (1) Taking all necessary measures to implement the phase-out plans developed by the Center for the phase-out of controlled substances, or appliances, equipment, and products.
- (2) Adhering to the relevant rules, controls, and requirements issued by the Center.
- (3) Submitting semi-annual statements to the Center, highlighting the quantities of controlled substances, appliances, equipment, or products imported, exported, sold, stored, used, or disposed of, in addition to the names of the entities/associates involved in these activities, along with supporting documentations.
- (4) All persons working in maintenance and repair of appliances and equipment containing controlled substances must obtain a license or permit from the Center.
- (5) All persons working in the maintenance and repair of appliances and equipment containing controlled substances must adhere to using one or more recovery equipment when recovering such substances, and must refrain from discharging controlled substances from appliances and equipment to the surrounding environment.

Article (6) – General Controls for the Issuance of Licenses and Permits for the Activities Involving Controlled Substances, Appliances, Equipment, and Products

- (1) The Center shall set out the requirements and controls for the issuance of licenses and permits in line with the regional and international commitments of the Kingdom of Saudi Arabia.
- (2) The Center shall issue its decision on license and permit applications within thirty (30) working days as of registration date of each application which shall be inclusive of all the required data. The Center may extend this period for an additional twenty (20) working days.
- (3) The Center shall issue the license or permit after collecting the fixed financial dues.
- (4) The issued license or permit shall show its validity term and any requirements outlined by the Center.
- (5) The licensee or permittee must comply with the requirements of license or permit.

Article (7) – Import Quotas

- (1) The Center shall develop tables specifying all quotas and quantities of controlled substances permitted to be annually imported by each importer, and set forth all relevant requirements based on the information available in the import applications.
- (2) Subject to Center's approval, permitted quantities of controlled substances may be transferred from one importer to another, provided that transferred quantities are deducted from the quotas



allocated to original importer.

- (3) At the end of each year, the Center shall communicate with all the owners of allocated quotas to confirm their desire to continue importing within their remaining quotas. In the event they do not desire to utilize their quotas in the same year, the Center re-distributes these quotas to other persons registered in the quotas regime who wish to benefit therefrom.
- (4) The Center shall allocate five (5) percent of the total annual permitted amounts to be used in emergent and strategic cases. Such allocations shall be appropriated, with Center's knowledge, to the applications received from the Kingdom's governmental entities in order to ensure the business continuity of the Kingdom's authorities and facilities without disruptive implications from the phasing-out of controlled substances.

Article (8) – Coordination with the Gulf Cooperation Council

Pursuant to the coordination with the Gulf Cooperation Council, the Center, in coordination with the Ministry, shall:

- (1) Exchange information on halon stocks and regulate the exchanges of excess halons among GCC countries to benefit from it.
- (2) Exchange information of the trade between GCC countries on controlled substances, appliances, equipment, and products.
- (3) Provide the General Secretariat of the Gulf Cooperation Council with all the data and information on an annual basis.

Article (9) – Apprehension of Violations and Imposition of Penalties

Violations of the provisions of these Executive Regulations shall be apprehended, and the penalties set out in Table (1) shall be imposed in accordance with the Executive Regulations for Apprehension of Violations and Imposition of Penalties, of the Environmental Law, taking into consideration the following:

- (1) Serious violations shall be prescribed a penalty proportional to the degree of damage, size and inherent importance of the damaged site, and economic and social implications arising therefrom.
- (2) The estimation of the penalty for significant violations referred to in clause (1) of this article shall be made by a committee of experts and qualified persons, established by virtue of a decision of the Center's CEO.
- (3) Violations shall be deemed serious if they involve any of the following acts:
 - a. Acts stipulated in Article (35) of the law.



- b. Acts that lead to environmental degradation.
- c. Acts that harm sensitive receptors or environmentally sensitive areas.

Table (1) – Violations and Penalties

#	Violation	Penalty (Saudi Riyals)
1	Import, export, re-export, use, or storing of controlled substances or recycled substances without a permit	From 10,000 to 5,000,000
2	Import, export, or re-export of new controlled appliances, equipment, or products without a permit	From 10,000 to 5,000,000
3	Import of used controlled appliances, equipment, and products	From 10,000 to 5,000,000
4	Export or re-export of used controlled appliances, equipment, and products without a permit	From 10,000 to 5,000,000
5	Transit shipping of controlled substances, appliances, equipment, or products without a permit	From 10,000 to 5,000,000
6	Manufacture or use of controlled substances, appliances, equipment, or products in new or existing facilities without a permit	From 10,000 to 5,000,000
7	Disposal of controlled substances or appliances, equipment, and products without obtaining the Center's approval	From 10,000 to 5,000,000
8	Import, export, or re-export of controlled substances from and to any non-party states to the Protocol and amendments thereof	From 10,000 to 5,000,000
9	Failure to comply with the rules, controls, and requirements issued by the Center regarding controlled substances, appliances, equipment, or products	From 10,000 to 5,000,000
10	Failure to comply with the requirements of the permits and licenses related to controlled substances, appliances, equipment, or products	From 10,000 to 5,000,000
11	Discharge of controlled substances directly to the surrounding environment	From 1,000 to 100,000

