

# Electronic Wallets Rules

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The Saudi Central Bank (SAMA) has issued these Rules based on the powers granted under the Law of Payments and Payment Services issued by Royal Decree No. (M/26) dated 22/03/1443H and its Implementing Regulations issued on 24/11/1444H.



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## Article 1

(1) The terms and phrases referenced in these Rules shall have the same meanings prescribed to them in the Law of Payments and Payment Services and its Implementing Regulations.

(2) The following terms and phrases, wherever mentioned herein, shall have the meanings assigned thereto unless the context otherwise requires:

**SAMA:** Saudi Central Bank.

**Rules:** Electronic Wallets Rules.

**Company:** An entity that holds a micro or major electronic money institution license.

**Electronic Wallet:** A service provided by an electronic money institution to the payment service user to issue, store and manage electronic money.

**Freelance Certificate Holder:** A self-employed person (who gets paid per hour, day, or job) rather than working for an employer on the basis of a regular salary.

**Minor:** A male or female under the age of 18 Hijri years.

**Curator:** A person responsible for managing the affairs of a minor and representing them, as defined by the Family Law.

**Guardian:** A person responsible for managing the affairs of a minor and representing them, as defined by the Family Law.

**Custodial Person:** A person appointed by the court under a custody deed authorizing them to receive disbursements intended for the child in the form of subsidies or rewards from government or civil entities.

**Public Benefit Committees:** Committees licensed by local government bodies to serve the public (e.g. committees of patient friends, people with disabilities or blind people, committees of academic excellence awards, and the like).

**Endowment:** An endowment registered by the General Authority of Awqaf, including public, private (civil), and joint endowments as determined by the competent authority.

## Article 2

These Rules aim to set the relevant requirements for the opening, safeguarding, and managing of Electronic Wallets, which the company must comply with to safeguard participants in the sector in a manner that bolsters the sector's integrity and stability.

## Article 3

These Rules apply to the Company licensed by SAMA to provide Electronic Wallets services in the Kingdom.

## Article 4

Upon opening an Electronic Wallet, the company must comply with the following:

- (1) Review and classify Electronic Wallets and take the measures stipulated in these Rules in accordance with the time periods specified for each.
- (2) Classify payment service users and prevent any user from possessing e-money and carrying out transactions that exceed the financial limits per calendar month set by SAMA in accordance with the Implementing Regulations of Law of Payments and Payment Services.
- (3) Keep copies of documents, records, and data on all the amounts and dues per the regulatory period of record-keeping.
- (4) Keep detailed records of all Electronic Wallets that must include, as a minimum, the following:
  - a) Client's full name as shown in the identification document.
  - b) Client ID number.
  - c) Client's national address, residence address and contact information.
  - d) Any other data about the client, if available or necessary.
- (5) Keep personal and financial data in electronic records according to the technical specifications set by SAMA for easy reference, and in compliance with the provisions of the relevant laws and regulations.
- (6) Entrust the compliance department with a supervisory role throughout all phases and designated periods to ensure adherence to the Electronic Wallets Rules.

## Article 5

- (1) The company shall not overlook the professional aspects of the staff honed by the experience and training, which assist in to identify and assess the client's risk level.
- (2) The company shall ensure that the national ID, Iqama, commercial register and/or freelance certificate are linked to only one Electronic Wallet.
- (3) The company shall verify that the phone number registered in the Electronic Wallet is owned by the same user (i.e., the client's identical name and identification) through a trusted party.
- (4) The company shall apply the controls for verifying Clients of financial technology companies issued by SAMA and the relevant instructions to combat Electronic Wallet fraud.
- (5) The company shall use an automated control system to detect and prevent internal and external fraud and ensure that the system can take immediate and comprehensive action and process financial and non-financial operations.
- (6) The company shall periodically evaluate anti-fraud hypotheses and develop KPIs to ensure their effectiveness, assess fraud risks and establish the necessary preventive controls to mitigate them.
- (7) The compliance department shall have the authority to access Client's identification data, due diligence information, transaction records, and other relevant data in a timely manner.

## Article 6

(1) Requirements for opening Electronic Wallets for individuals:

- a) Citizens may open Electronic Wallets by providing their national ID or family register for minors and their national address or the client's national address, or the national address of the Guardian, Curator or Custodial Person.
- b) Foreign residents in the Kingdom may open Electronic Wallets by providing their Iqama and national address in the Kingdom, or the national address of the Guardian, Curator or Custodial Person and their address in their country.

(2) Minors may open Electronic Wallets under the following requirements:

- a) The Electronic Wallet shall be opened by the Guardian, Curator or Custodial Person, provided that it has the minor's national ID number or Iqama number, and at a maximum of one Electronic Wallet.
- b) The validity of the relationship between the Guardian, Curator or Custodial Person and the minor shall be verified. The company shall receive a copy of the custodianship deed issued by the competent court for the Curator, a copy of the guardianship deed where the Guardian is not the father, or a copy of the custody deed for the Custodial Person.
- c) This type of Electronic Wallet may not withdraw cash; transfer to someone other than the Guardian, Curator or Custodial Person; receive transfers from others; make international transfers; or add funds by any means without the approval of the Guardian, Curator or Custodial Person.
- d) SAMA shall determine the provisions for replenishing minors' Electronic Wallets, the maximum limit for monthly transactions, and the limits for monetary value per calendar month.
- e) Obtaining and verifying the data of the family register to which the client's information is added, as well as the national identity information of the Guardian, Curator or Custodial Person.
- f) When the minor reaches the age of (18) Hijri years and is still incompetent, the company must receive a copy of the legal deed that proves the minor's condition and a copy of the guardianship continuation deed for the Guardian or a copy of the custodianship deed for the Curator.

## Article 7

Electronic Wallets may be opened for legal persons and those licensed to practice a profession or activity under a government certificate according to the following:

(1) Licensed businesses:

- a) Obtaining a copy of the entity's commercial register, or license if only a license is required for practicing the entity's business without the need for a commercial register.
- b) Verifying the identity of the establishment's owner against their name in the commercial register or license, and checking the information and validity of the owner's ID.
- c) Identifying and verifying the IDs of the persons authorized to manage and operate Electronic Wallets.

d) If the owner of the entity is an endowment, the following must be provided in addition to the requirements above:

- A copy of a valid endowment registration certificate issued by the General Authority of Awqaf, including, at a minimum, the following: endowment name, endowment deed number and date, and administrators' names along with their ID numbers (for endowments).
- Copies of the IDs of administrators whose names are listed in the endowment registration certificate (for endowments).

(2) E-commerce businesses:

- The Electronic Wallet name shall be as shown in the commercial register, and the purpose of opening the Electronic Wallet shall be "e-commerce."
- The business's e-platform shall be verified through the e-commerce verification entities licensed by the Ministry of Commerce.
- The national address of the entity or its owner shall be obtained.

(3) Freelance Certificate Holders:

- A copy of the freelance certificate issued by the Ministry of Human Resources and Social Development.
- A copy of the national ID of the Freelance Certificate Holder.
- The national address of the Freelance Certificate Holder.
- The Electronic Wallet shall not be joint or have signatories.
- The Electronic Wallet validity shall mirror that of the freelance certificate.

(4) Resident companies:

- A copy of the commercial register.
- A copy of the articles of association or memorandum of association.
- A copy of the ID of the director in charge.
- Verifying IDs of board members.
- A power of attorney issued by a notary public or a notary (or the authorization made in the bank by the person/persons who, by the bylaw, articles of association, partners' decision, or board of directors' decision, has/have the power to authorize), authorizing natural persons to sign for and operate Electronic Wallets.
- Copies of the IDs of individuals authorized to sign and operate Electronic Wallets.
- Verifying the IDs of company owners listed in the latest update of the bylaw or articles of association.
- If all or any one of the company's owners is an endowment, according to the bylaw articles of association, the following additional requirements shall be fulfilled in addition to the requirements set above:
  - Obtaining a copy of a valid endowment registration certificate issued by the General Authority of Awqaf, including, at a minimum, the following: endowment name, endowment deed number and date, and administrators' names along with their ID numbers (for endowments).
  - Obtaining copies of the IDs of administrators whose names are listed in the endowment registration certificate (for endowments).

## Article 8

- (1) Electronic Wallets are opened for committees, endowments and clubs according to the following:
  - a) Public Benefit Committees:
    - (1) Obtaining a copy of the committee's license issued by the relevant official authority as per its jurisdiction, such as the Ministry of Education or the respective emirate of the region upon opening an Electronic Wallet.
    - (2) Copies of the IDs of the board of directors or the board of trustees and copies of the articles of association of the committee.
    - (3) Approval from the compliance department's director to open the Electronic Wallet.
  - (4) Joint signature of the committee chairman (or secretary) and the financial officer to open the Electronic Wallet.
  - (5) Electronic Wallets may be opened for annual or seasonal public benefit activities, such as festivals and celebrations, and the like, funded independently from the state budget upon obtaining the following requirements:
    - a) A formal request must be submitted from the concerned official entity organizing such activity for opening and managing Electronic Wallets.
    - b) Joint signature of the authorized individual managing the activity and the financial officer and obtaining copies of their IDs.
    - c) Copies of the IDs of the activity committee members.
    - d) The Electronic Wallet's validation period must be specified, after which it will be closed.
    - e) Approval from the compliance department's director to open the Electronic Wallet.
  - (6) Transferring funds from these types of Electronic Wallets to beneficiaries outside Saudi Arabia is prohibited.
- b) Endowments:
  - a) Endowments under the administration of the General Authority for Awqaf shall require the following:
    - (1) A letter submitted by the General Authority for Awqaf wherein a request is made for the opening of an Electronic Wallet under the name of "Revenues and Expenses", specifying individuals authorized to manage the Electronic Wallet under dual authorization that delineates these individuals' financial powers and delegation rights.
    - (2) Copies of the IDs of persons authorized to operate the Electronic Wallet.
  - b) Endowments not under the administration of the General Authority for Awqaf shall require the following:
    - (1) A copy of a valid endowment registration certificate issued by the General Authority for Awqaf, including, at minimum, the endowment name, endowment deed number and date, and administrators' names and ID numbers.
    - (2) A copy of the legal deed of the endowment.
    - (3) A letter from the authorized signatory as per the endowment deed, specifying the individuals authorized to operate the Electronic Wallet.
    - (4) Copies of the IDs of persons authorized to operate the Electronic Wallet.

(5) Copies of the IDs of administrators whose names are listed in the endowment registration certificate.

(6) Transferring funds from the endowment's Electronic Wallets to beneficiaries outside Saudi Arabia shall not be permissible, except for the purpose of managing the endowment's activities, for example, remittances for consultancy fees or participation in external symposiums and conferences, after obtaining official approval from the General Authority for Awqaf.

c) Clubs:

a) Opening of Electronic Wallets for clubs licensed by the Ministry of Sport shall require the following:

- (1) Approval from the Ministry of Finance.
- (2) A copy of the license issued by the Ministry of Sport.
- (3) A copy of the decision approving the formation of the club's board of directors.
- (4) An authorization letter from the board of directors, designating specific individuals to open and manage the Electronic Wallet under a joint signature.

(5) Copies of the IDs of the authorized individuals and board members.

b) Opening of Electronic Wallets for cultural and literary clubs under the supervision of the Ministry of Culture shall require the following:

- (1) Approval from the Ministry of Finance for opening the Electronic Wallet.
- (2) A copy of the license issued by the Ministry of Culture.
- (3) A copy of the decision approving the formation of the club's board of directors.
- (4) An authorization letter from the board of directors, designating specific individuals to open and manage the Electronic Wallet under a joint signature.

(5) Copies of the IDs of the authorized individuals and board members.

## Article 9

The Electronic Wallet shall be closed by the person authorized, as follows:

- (1) The client may choose to have the wallet closed by submitting a request to the company, and the company shall accept a client's closure request and notify them accordingly, provided that such Electronic Wallet is not seized, restricted, or contains outstanding amounts.
- (2) The company must allow clients from Saudi Arabia and GCC nationals resident in the Kingdom to close their wallets without requiring them to update their information, provided that the Electronic Wallet is not seized, restricted, or contains outstanding amounts.
- (3) The company shall not allow foreign residents in the Kingdom to close their wallets after the expiry of their Iqama or resident IDs unless they provide a renewed copy or a final exit visa, provided that such Electronic Wallet is not seized, restricted, or contains outstanding amounts.
- (4) If a client's Electronic Wallet remains at zero balance or no transactions were made by such client under the wallet for a period of one year, the company may close it after giving the client a (30) days' notice unless the Electronic Wallet is seized.

## Article 10

(1) Electronic Wallet information shall be updated as follows:

- a) The company shall request an update of the information used to open the Electronic Wallet at least once every three years from the date of the Electronic Wallet opening or in the event of any changes to such information. The company shall include this requirement in its internal procedures and policies.
- b) The company shall notify its clients of the impending expiration of documents used to open the Electronic Wallet ninety (90) calendar days before their expiry.
- c) The company shall prompt the Guardian, Curator or Custodial Person of a Saudi minor client to update the client's wallet information (90) calendar days before the minor reaches the age of (15) Hijri years. This entails providing the client's personal information and verifying its validity.
- d) The company shall inform the Guardian, Curator or Custodial Person of a Saudi minor client (90) calendar days before the minor reaches the age of (18) Hijri years of the requirement to update the client's wallet information, completing the client's personal information and verifying its validity. In addition, a new agreement to open a new wallet shall be signed with the client as soon as they reach the age of (18) Hijri years.

(2) Updating the client's ID:

Official identification cards and documents shall be updated based on the following timeframes:

- a) Identification cards and documents valid for under five years shall be updated upon expiration, such as commercial register or license.
- b) Identification cards and documents valid for more than five years shall be updated every five years or upon expiration of ID or official documents, whichever comes first.
- c) Electronic Wallets opened under official approvals or letters, such as those of embassies and international organizations or their representatives, or under open-term licenses and registrations, such as public welfare and endowments committees, shall be updated every five years maximum.

(3) Updating identity information online:

- a) Companies may, at their discretion, update identity information online for clients.
- b) Companies shall verify and document the validity of the identification documents by using documents, data or information obtained from reliable and independent sources.

(4) Updating client information:

In addition to the requirements of updating the client's ID stipulated in Paragraph (2) of the Article mentioned above, companies shall update the client's information related to the Electronic Wallet every three years at maximum. Client's data shall also be updated in cases where:

- a) The client's information becomes outdated (the period specified has expired) or has changed.
- b) A change occurs in the Client's transactional behavior in the Electronic Wallet.
- c) The company performs due diligence related to money laundering and terrorist financing risks.

## Article 11

- (1) The company shall comply with the execution of judicial orders for disclosure of Electronic Wallets information and enforcement actions (such as asset seizure and attachment of earnings) issued against clients, communicated through SAMA or the bank dealing with each respective company upon the request of the competent judicial authorities.
- (2) Upon receipt of a ban order issued by the competent judicial authority, the company must restrict the client from managing their Electronic Wallet, conducting debit transactions, or creating new Electronic Wallets. This restriction must be limited to the client's funds in a personal capacity and must not include cases in which the client is a Guardian, Curator, Custodial Person, agent, or person authorized to manage a wallet not opened under their name.
- (3) The company shall comply with legal provisions regarding the attachment of wages or salaries (For employees, the amount seized must not exceed one-third of net wage or monthly salary, excluding seizures related to alimony debt. For retirees, the seizure must not exceed one-quarter of their pension, excluding seizures related to alimony debt.) The company shall also comply with any instructions regarding amounts exempted from seizure.
- (4) The blacklisting of clients must be lifted upon the receipt of an order issued by the competent judicial authorities to revoke such blacklisting.
- (5) The company shall be responsible for taking necessary actions and procedures and providing human and technical resources to implement judicial decisions to execute the above.
- (6) The company shall verify the type and ID number of the client, against whom the order from the competent judicial authorities was rendered, against the information registered in the company's system.
- (7) The company shall maintain the confidentiality of all data and information, and refrain from divulging, publishing, or granting access to such data and information to any person for any reason whatsoever, except for cases where the inquirer is the client himself or their authorized agent by a power of attorney with verification of such authorization in accordance with relevant laws and regulations.

## Article 12

- (1) The company may accept a user's payment service order under a single payment contract, taking into account the provisions of the Anti-Money Laundering and Counter-Terrorism Financing Guide.
- (2) Upon processing a payment services order for a single payment contract, the company shall collect the required identity information of citizens or residents in the Kingdom; passport and (visit/tourism) visa information; or temporary residents, and record these details, including their respective numbers.

## Article 13

- (1) An Electronic Wallet is deemed inactive if it falls under any of the following classifications:
  - a) Dormant Electronic Wallet: An Electronic Wallet where the Client has not made any transactions for 12 calendar months (one year).

- b) Unclaimed Electronic Wallet: An Electronic Wallet where the Client has not made any transactions for 24 calendar months (two years).
- c) Abandoned Electronic Wallet: An Electronic Wallet where the Client has not made any transactions for 60 months (five years).

(2) Inactive wallets are treated as follows:

- a) Inactive Electronic Wallets are subject to senior management oversight to ensure dual oversight in line with established policies.
- b) Communication with the client must be carried out according to the company's relevant policy.
- c) If Electronic Wallets become unclaimed, their balances must be transferred to a suspense account designated for such wallets.
- d) Abandoned Electronic Wallets fall under the supervision and control of the CEO and the compliance department.

## Article 14

Without prejudice to Article (11) in these Rules, the company, when managing inactive Electronic Wallets, shall:

- (1) Continuously calculate Electronic Wallet commissions and profits according to the terms agreed upon in the framework contract.
- (2) Review and classify Electronic Wallets and implement measures set forth in the relevant instructions.
- (3) Submit an annual return to SAMA encompassing an inventory of inactive Electronic Wallets, along with all pertinent wallets data and any additional information requested by SAMA.
- (4) Maintain copies of documents and records detailing all amounts and receivables per the regulatory timeframe.
- (5) Maintain detailed records of Electronic Wallets, encompassing essential client data set forth in these Rules and any other relevant instructions.
- (6) Store personal and financial data in electronic records according to the technical specifications set forth by SAMA.
- (7) Entrust the compliance department with a supervisory role throughout all phases and designated periods to ensure adherence to Electronic Wallets instructions.
- (8) Develop policies and procedures for managing inactive Electronic Wallets, including a mechanism for communication with Electronic Wallet owners.
- (9) Without prejudice to Paragraph (2) (c) of Article (13), the balance of Electronic Wallets must be recorded as a financial liability in the company's balance sheet. The company may not take any action on these Electronic Wallets.
- (10) Verify the absence of debt obligations associated with the Electronic Wallet before transferring the balance to the pool account, deducting any outstanding debts accordingly.

## Article 15

These Rules shall come into effect after (90) calendar days from the date of their publication on SAMA's website.