



الهيئة العامة للصناعات العسكرية
General Authority for Military Industries

Military Industries Governance

As approved by General Authority for Military Industries Board of Directors Decision
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Introduction

Launched in 2016, the Saudi Vision 2030 aims to drive economic, technological, industrial and social development, to achieve economic prosperity and to create a better future for the Kingdom of Saudi Arabia. The vision includes a key objective for the military industries sector, namely to localize no less than 50% of spending on military equipment by 2030. A Royal Decree has been issued to establish the General Authority for Military Industries (GAMI), to embody the Kingdom's ambition – may Allah protect it – towards a more robust national military industry capabilities and further localization of the military industries sector in the Kingdom, to serve as a core national economy pillar. Therefore, GAMI acts as the legislator for the military industries sector in the Kingdom, and is competent in organizing, developing and monitoring sector performance. GAMI also plays a pivotal role in supporting the military industries sector to be a key source of job opportunities for Saudi youth, and to push development by increasing non-oil revenues, and raising sector direct contribution to gross domestic product, which in turn boosts the Kingdom's independence, military and security readiness, by building a local military and security industries sector. To that end, GAMI developed policies for organizing and empowering the Kingdom's military industries sector, and such policies do not repeal or supersede regulatory requirements of any law and regulation issued by relevant governmental entities , but rather seek to facilitate and foster compliance within military industries sector.



Chapter I: General Provisions

Article 1: Definitions

The following terms, wherever mentioned herein, shall have the meanings ascribed thereto unless the context requires otherwise:

Term	Definition
Kingdom	The Kingdom of Saudi Arabia
GAMI	The General Authority for Military Industries
Document	This Military Industries Governance Document
Military Industries Activities	The activities licensed by GAMI according to the Military Industries Activities Regulations
Facility	An entity that operates in any of the military activities supervised or licensed by GAMI.
Military and Security Agencies	The Ministry of Defense, Ministry of Interior, Ministry of National Guard, Presidency of Royal Guard, Presidency of State Security, and General Intelligence Presidency
Related Parties	The parties authorized to supervise the facilities operating in the military industries sector in accordance with the applicable laws, regulations, decisions and the like.
License	An authorization issued by GAMI authorizing Facilities to run any of the activities licensed by GAMI
Licensee facilities	A legal person who is licensed to practice any of the activities subject to the control and supervision of GAMI.
Administrative Penalty	A decision issued by GAMI for the Facility, which violates any of GAMI's policies, circulars or decisions.

Article 2: Objectives

1. Ensure adoption of an effective framework to monitor and regulate the military industries sector.
2. Enable GAMI to evaluate the performance and facilities operating within the military industries sector.
3. Facilitate and enhance compliance capacity in the military industries sector.

Article 3: Scope

Provisions set forth herein shall apply to all facilities operating in the military industries sector that practice any activities supervised or licensed by GAMI. This Document shall not apply to Military and Security Agencies.

Chapter II: Roles, Obligations and Responsibilities within the Military Industries Sector

Article 4: GAMI Role in the Military Industries Sector

GAMI competent in regulating, developing, and monitoring the performance of the military industries sector, in accordance with GAMI Statute.

Article 5: Relevant Government Entities Roles in the Military Industries Sector

The relevant parties shall, each within its competence, practice any activities related to military industries or in coordination or participation with GAMI as follows:

1. Higher Commission for Industrial Security (HCIS) shall be competent in requirements and conditions for security, safety and fire protection for GAMI-licensed factories and facilities.
2. National Cybersecurity Authority (NCA) shall be competent in cybersecurity requirements and conditions.
3. Saudi Authority for Intellectual Property (SAIP) shall be competent in IP protection requirements and procedures.
4. Saudi Data and Artificial Intelligence Authority (SDAIA) shall be competent in data classification and protection.
5. Any other roles, obligations or responsibilities assigned to any relevant governmental entity based on the decrees and decisions issued.

Article 6: Responsibilities of Facilities Operating in the Military Industries Sector

1. Local and foreign facilities shall obtain a license from GAMI to practice military industries activities in accordance with Regulations on Organizing Military Industries Activities in the Kingdom before commencing work inside the Kingdom.
2. Facilities desiring to practice military industry activities shall obtain the necessary licenses and approvals from relevant governmental entities before applying for GAMI license.
3. Licensees facilities shall comply with rules, regulations and the like issued by GAMI and relevant government entities with respect to the military industries sector.
4. Licensees facilities desiring to conclude partnerships or memorandums of understanding related to the military industries sector with facilities operating in that sector within or outside the Kingdom shall submit such memorandums to GAMI for approval before signing as per the mechanism adopted by GAMI.
5. Licensees facilities shall not impede the work of GAMI's representatives as to exercising their monitoring and supervisory assignments under GAMI Statute and provisions of Regulations on Organizing Military industries Activities.
6. Without prejudice to the local regulations and international agreements signed by the Kingdom, facilities operating in military industry sector shall submit their annual financial statements to GAMI upon request.
7. Without prejudice to the local regulations and international agreements signed by the Kingdom, GAMI may access data and information of licensees facilities, in coordination with relevant governmental entities.
8. Upon request, the licensees facilities shall provide GAMI with reports subject to procedures and deadlines specified by GAMI, including but not limited to, reports on compliance with Import and Export Trade Control Policy, in addition to facility's occupational safety and health program, human capital development plan, as well as financial performance.
9. Licensees facilities shall inform GAMI of all violations of the military industries sector policies.

Chapter III: Military Industries Sector Performance Measurement

Article 7: Military Industries Sector Performance Measurement:

1. **GAMI shall measure performance of the military industries sector in order to identify local capabilities. For such purpose, GAMI may:**
 - a) Examine market competitiveness of the military industries sector.
 - b) Require facilities to provide GAMI with relevant information to realize objectives.

Chapter IV: Violation of Policy

Article 8: Violations & Administrative Penalties

In case of violation by any facility of this Document or any regulated policies for the military industries sector, GAMI may apply the appropriate the administrative penalties according to type, nature and severity of violation, including for example:

1. Administrative warning to the violating facility, including details of the violation, the action to be taken by the facility, and the grace period granted by GAMI for making good such violation.
2. Suspension of the license for the period GAMI deems appropriate, renewable for other periods if the facility does not rectify the violation.
3. Disqualification from future military tenders and procurements.
4. Cancellation of license.

Article 9:

Facility shall be notified of administrative penalty decision issued by GAMI via any of the following ways:

1. Handing over administrative decision to facility, plus documenting receipt or rejection thereof.
2. Delivering administrative decision to facility at its location with proof of delivery by any of facility's personnel and documentation thereof.
3. Sending administrative decision via e-mail to the violating facility or CEO registered with GAMI.
4. Sending administrative decision via mobile number registered with GAMI.
5. Sending administrative decision to national address of the violating facility registered with GAMI.

Article 10:

Anyone against whom a decision has been issued with any of the administrative penalties provided for in this document, or any of regulations, policies, and the like issued by GAMI, may object to prescribed the administrative penalties and file a grievance to GAMI within sixty days from date of notification of such a decision.

Chapter V: Final Provisions

1. GAMI may interpret, review and update this Document when needed, and to submit the update proposal to GAMI's Board of Directors.
2. For matters not covered herein, the laws, regulations and the like issued by GAMI or the relevant legislative authorities in the Kingdom shall apply.
3. Without prejudice to the regulatory requirements contained in other laws and regulations, this Policy is binding and all parties and individuals working in the sector shall work to facilitate and enhance compliance herewith within the sector.
4. This Document shall enter into force as from its date of approval and publication.

