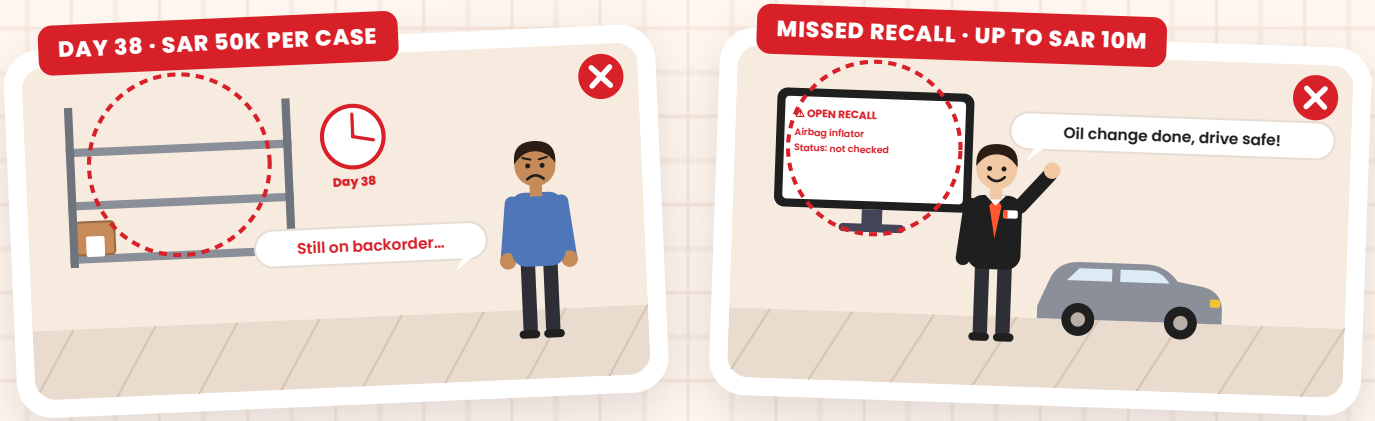
• FINES STACK PER CUSTOMER Vehicle agents, authorised distributors & their service centres

Commercial Agencies Compliance Guidebook for Automotive Companies

Spare parts, replacement cars, warranties, repair orders and recalls: what the Ministry of Commerce expects from every agent, **and what every missed obligation costs, one customer at a time.**



SAR 8.12M

fined to **one car agency** for 175 after-sales violations (Aug 2026), plus an import ban.

14 days

is the **legal limit** for supplying a rare spare part. One late part has cost a dealer SAR 50,000.

Brand lost

The Ministry started moving that agency's brand **to another distributor**.

5 standards | 15 checkpoints | Right way / wrong way | Real enforcement cases | Ideal fix time

Jun 2023 10 agencies fined → **Aug 2023** 13 agencies fined → **Dec 2023** SAR 50K for 1 part → **Aug 2026** SAR 8.12M + import ban → **Next could be your agency.**

WHY THIS GUIDEBOOK EXISTS

The Ministry doesn't fine the agency. It fines every customer you let down.

Holding a commercial agency for a vehicle brand comes with after-sales duties set by the Ministry of Commerce. Fines are counted **per violation**, so one late part, one refused warranty claim or one customer left without a car can each be **up to SAR 50,000**. In August 2026, one agency's 175 violations added up to **SAR 8.12 million**, an import ban and the loss of its brand.

This guidebook turns the checklist into a shared picture of what good looks like, and what failure costs, so after-sales teams and auditors work from the same page.

YOUR SIX OBLIGATIONS AT A GLANCE

Always
IN STOCK
Continuous-demand parts for every model you sell
SEC-025

14 days
MAX
To deliver a rare part a customer has ordered
SEC-025

Replacement
CAR
Or compensation, when parts or repairs are delayed
SEC-026

2 years
MINIMUM
Written warranty, with an Arabic booklet at delivery
SEC-027

In writing
BEFORE WORK
The completion period, then a completion document
SEC-028

Every VIN
EVERY VISIT
Checked for open recalls, owner told, repair logged
SEC-029

THE CUSTOMER'S AFTER-SALES JOURNEY, AND THE STANDARD THAT PROTECTS EACH STEP

1. **Sale & delivery** — SEC-027
2. **Service booking** — SEC-029
3. **Diagnosis & ETA** — SEC-028
4. **Parts ordered** — SEC-025
5. **Delay** — SEC-026
6. **Handover** — SEC-027 · 028

WHO IT'S FOR

Agency principals & GMs
Protect the agency, the import licence and the brand itself.

After-sales & service managers
Know exactly what each customer is owed, and by when.

Auditors & OEM teams
Sample the right records and score every branch the same way.

ENFORCEMENT IS PER CUSTOMER, AND IT IS RISING

175 unhappy customers. SAR 8.12 million. One brand lost.

In August 2026 the Ministry of Commerce investigated one agency, contacted the affected customers, made sure they received replacement cars and compensation, **fined the agency SAR 8.12 million, suspended its imports and started moving its brand to another distributor**.

THE PENALTY LADDER

LEVEL 1
SAR 5,000
Minimum fine for each violation of the Commercial Agencies Law (Art. 4).

LEVEL 2
SAR 50,000
Maximum per violation, with the decision published in a newspaper at your cost.

LEVEL 3
Import ban
Imports suspended and the brand moved to another distributor.

LEVEL 4
SAR 10M + prison
Product Safety Law: SAR 10M, closure up to 1 year, up to 10 years prison for knowingly unsafe products.

WHAT CAR AGENCIES HAVE ALREADY PAID

WHO	FINE	WHAT THEY GOT WRONG
One car agency Aug 2026	**SAR 8.12M** 175 violations · ≈ SAR 46,400 each	Spare parts, replacement cars, maintenance, quality guarantees and after-sales. Import ban; brand transfer started
Khamis Mushait dealer Dec 2023	**SAR 50,000** 1 violation · the maximum	One rare spare part not supplied within 14 days
13 car agencies Aug 2023	**Fined** British, Italian, US, Korean, Chinese brands	No replacement car or compensation, late rare parts, refused warranty work, unclear warranty terms
10 car agencies Jun 2023	**Fined** German, US, Japanese, Chinese brands	Repair delays, no substitute vehicle, no compensation, defects not disclosed, late new-car delivery

The Ministry did not publish amounts for the 2023 group actions. Customers report agencies through the Ministry's complaint channels, and each report can start an investigation.

AVERAGE FINE PER VIOLATION
≈ SAR 46,400
From the Aug 2026 case: SAR 8.12M ÷ 175 violations. **Close to the SAR 50,000 maximum**, every time.

WHAT IT COULD MEAN FOR ONE BRANCH
SAR 12M / yr
20 late parts or delayed repairs a month × 12 months × SAR 50,000. **Before any import ban.**

HOW TO USE THIS GUIDE

One page per standard. One price per customer.

1. **Header**: code, area, owner and the maximum penalty
2. **The law**: the article the Ministry will cite
3. **The cost**: fine, what else can happen and a real case
4. **Right / wrong**: illustrated pass and fail, plus how to audit

THE 5 STANDARDS

SEC-025	Spare Parts Availability & Supply Time	SEVERE	SAR 50K / case	7 days	5
SEC-026	Replacement Vehicle During Delayed Repairs	SEVERE	SAR 50K / case	24 hours	6
SEC-027	Vehicle Warranty Terms & Service	SEVERE	SAR 50K / case	72 hours	7
SEC-028	Repair Order Completion Period & Documentation	SEVERE	SAR 50K / case	24 hours	8
SEC-029	Vehicle Recall Campaign Handling ⛓ PRISON	CRITICAL	SAR 10M	Immediate	9

IDEAL FIX TIME · COUNTED FROM AUDIT SUBMISSION

Immediate	Fix before end of shift · a safety risk leaves the workshop	1 standard
24 hours	Fix within 1 working day · a customer is being let down today	2 standards
72 hours	Fix within 3 working days · documents customers are owed	1 standard
7 days	Fix within 1 week · stock and logging gaps	1 standard

SCORING EACH CHECKPOINT

PASS

Every criterion met for every sampled record, with evidence captured.

FAIL

Any sampled customer not served as required. Count them: each is a potential fine.

N/A

Only for sites that aren't a registered agent or authorised service centre. Record why.

Audit tip. These standards are scored on samples of real customers. Always count the failures, not just mark the standard: **7 failed repair orders out of 10 is 7 potential violations**, and that's how the Ministry counts them too.

SEC-025 COMMERCIAL AGENCIES · STANDARD 01 OF 05

Spare Parts Availability & Supply Time

Area **Parts warehouse · Service** | Person in charge **Service Manager · Warehouse Manager**

Regulator **Ministry of Commerce**

MAXIMUM PENALTY

SAR 50,000

per violation · minimum SAR 5,000 · every case counts separately

Decision **published in a newspaper at your expense**

• SEVERE

THE LAW

AGENCIES

Commercial Agencies Law (Royal Decree M/11 of 1382H, amended by M/32 of 1400H) and its **Implementing Regulations (amended 2021)** · Ministry of Commerce · Penalty: **Art. 4** · Implementing Regulations: continuous-demand parts **permanently available**, rare parts delivered **within 14 days**

WHAT WE CHECK

Parts that customers regularly need are always in stock. Rare parts a customer orders arrive within 14 days, and every order is logged so the 14 days can be proved.

Applies when: Registered commercial agents and authorised distributors of vehicles, and their service and parts branches.

CHECKPOINTS IN THE AUDIT

- **Q1** Are continuous-demand spare parts for the models sold available in stock at the branch or central warehouse?
- **Q2** Are rare-demand spare parts ordered by customers delivered within 14 days of the customer's order?
- **Q3** Is each customer parts order logged with order date and delivery date so the 14-day limit can be verified?

WHAT NON-COMPLIANCE COSTS YOU

THE FINE

SAR 5,000 to SAR 50,000 per violation (Art. 4). Every affected customer or repair order can be a separate violation, so fines stack fast.

BEYOND THE FINE

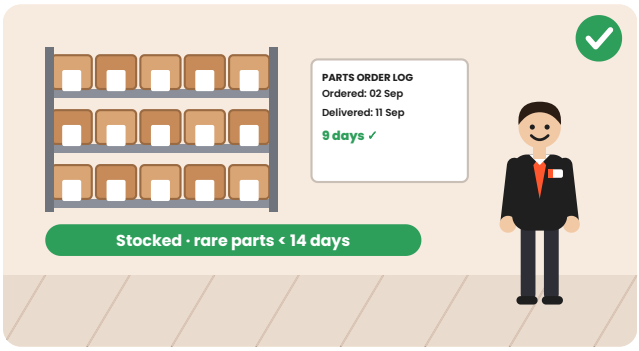
Import licence suspended, the **brand transferred to another distributor**, and for foreign violators, liquidation of the agency and a trading ban.

REAL ENFORCEMENT

SAR 50,000

fine on a Khamis Mushait dealership (Dec 2023) for **one rare spare part** not supplied within 14 days. One part, the maximum fine.

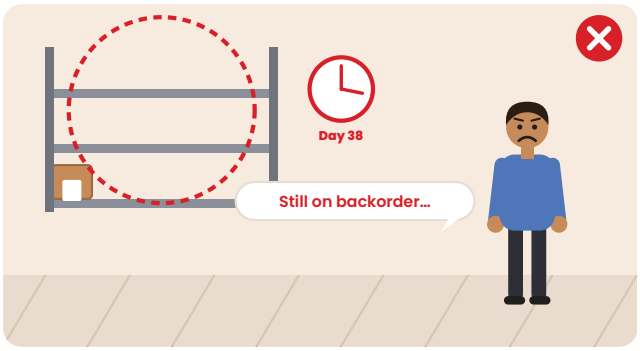
✔ RIGHT WAY



Fast-moving parts on the shelf, and a rare part delivered in 9 days with both dates logged.

✖ WRONG WAY

SAR 50K EACH



Empty shelves, and the customer's car has waited 38 days for one part.

PURPOSE

Parts delays are the single most common reason the Ministry fines car agencies. The 14-day log is your only proof when a customer complains.

FIX IT WITHIN

◷ 7 days

AUDIT CRITERIA · PASS WHEN

- Continuous-demand parts for all current models in stock
- Every rare-part order delivered within 14 days
- Order log shows order and delivery dates for each

IDEAL WAY OF AUDITING

1. Pick 10 fast-moving part numbers and check stock
2. Pull 10 rare-part orders from the last 90 days
3. Count the days between order and delivery for each

Evidence: Stock report + parts order log extract with dates.

WORST CASE A dealership was fined **SAR 50,000 for a single late part**. Ten late parts a month is up to **SAR 6 million a year**.

SEC-026 COMMERCIAL AGENCIES · STANDARD 02 OF 05

Replacement Vehicle During Delayed Repairs

Area **Service reception** | Person in charge **Service Manager**

Regulator **Ministry of Commerce**

MAXIMUM PENALTY

SAR 50,000

per violation · minimum SAR 5,000 · every case counts separately

Decision **published in a newspaper at your expense**

• SEVERE

THE LAW
AGENCIES

Commercial Agencies Law (Royal Decree M/11 of 1382H, amended by M/32 of 1400H) and its **Implementing Regulations (amended 2021)** · Ministry of Commerce · Penalty: **Art. 4** · Implementing Regulations (2021): substitute vehicle or compensation where parts are unavailable, or maintenance is delayed

WHAT WE CHECK

When a repair is held up because a part isn't available, or runs past the completion date given to the customer, the customer gets a replacement vehicle or financial compensation, and it's recorded.

Applies when: Registered commercial agents and authorised distributors of vehicles, and their service and parts branches.

CHECKPOINTS IN THE AUDIT

- **Q1** Is a replacement vehicle or financial compensation provided when repair is delayed due to unavailable spare parts?
- **Q2** Is a replacement vehicle or compensation provided when maintenance exceeds the completion period given to the customer?
- **Q3** Are replacement-vehicle/compensation cases recorded against the repair order?

WHAT NON-COMPLIANCE COSTS YOU

THE FINE

SAR 5,000 to SAR 50,000 per violation (Art. 4). Every affected customer or repair order can be a separate violation, so fines stack fast.

BEYOND THE FINE

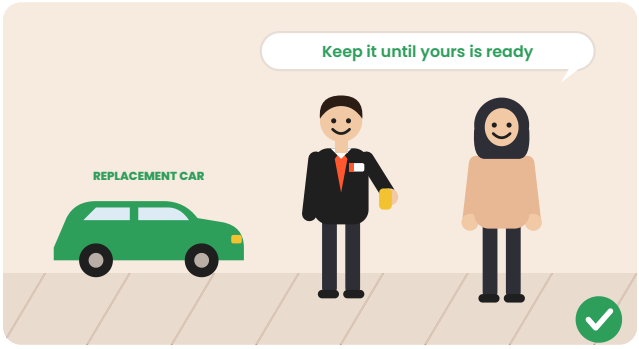
Import licence suspended, the **brand transferred to another distributor**, and for foreign violators, liquidation of the agency and a trading ban.

REAL ENFORCEMENT

10 agencies

fined by the Ministry (Jun 2023) for repair delays, **no substitute vehicle**, no compensation during waiting periods and late parts.

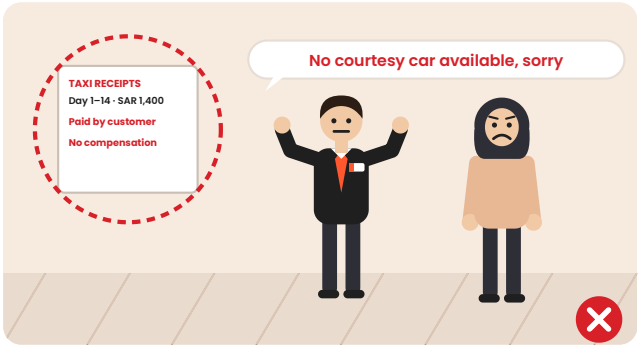
✔ RIGHT WAY



Customer drives away in a replacement car while hers waits for parts.

✖ WRONG WAY

SAR 50K EACH



No courtesy car. The customer has paid SAR 1,400 in taxis over two weeks.

PURPOSE

A customer without a car and without compensation doesn't wait quietly. They file a complaint, and each one is a potential violation.

FIX IT WITHIN

24 hours

AUDIT CRITERIA · PASS WHEN

- Replacement car or compensation for every parts delay
- Same for every repair past its promised date
- Each case recorded against the repair order

IDEAL WAY OF AUDITING

1. List repairs open longer than their promised date
2. Check each for a replacement car or compensation record
3. Check the courtesy fleet is available and bookable

Evidence: Delayed-repair list + replacement / compensation records.

WORST CASE Every customer left without a car is a separate case. Twenty a month is up to **SAR 1 million a month**, plus the risk of an **import ban**.

SEC-027 COMMERCIAL AGENCIES · STANDARD 03 OF 05

Vehicle Warranty Terms & Service

Area **Sales delivery · Service** | Person in charge **Service Manager · Branch Manager**

Regulator **Ministry of Commerce**

MAXIMUM PENALTY

SAR 50,000

per violation · minimum SAR 5,000 · every case counts separately

Decision **published in a newspaper at your expense**

• SEVERE

THE LAW
AGENCIES

Commercial Agencies Law (Royal Decree M/11 of 1382H, amended by M/32 of 1400H) and its **Implementing Regulations (amended 2021)** · Ministry of Commerce · Penalty: **Art. 4** · Implementing Regulations (2021): **minimum two-year warranty**, extended where defects are not handled

WHAT WE CHECK

Every new vehicle comes with a written warranty of at least two years and an Arabic warranty booklet and owner's guide. Warranty repairs are done free, and never refused.

Applies when: Registered commercial agents and authorised distributors of vehicles, and their service and parts branches.

CHECKPOINTS IN THE AUDIT

- **Q1** Is a written warranty of at least two years provided for new vehicles sold?
- **Q2** Is an Arabic warranty booklet and owner's instructions handed to the customer at vehicle delivery?
- **Q3** Are warranty-covered repairs carried out without charge and without refusal during the warranty period?

WHAT NON-COMPLIANCE COSTS YOU

THE FINE

SAR 5,000 to SAR 50,000 per violation (Art. 4). Every affected customer or repair order can be a separate violation, so fines stack fast.

BEYOND THE FINE

Import licence suspended, the **brand transferred to another distributor**, and for foreign violators, liquidation of the agency and a trading ban.

REAL ENFORCEMENT

13 agencies

fined by the Ministry (Aug 2023) for **refusing warranty work**, unclear warranty terms, no replacement car and late rare parts.

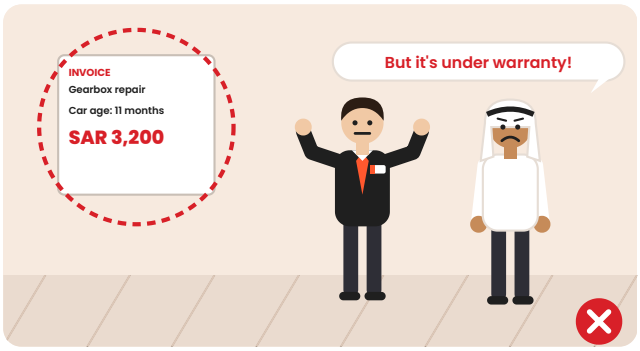
✔ RIGHT WAY



Customer takes delivery with the 2-year warranty booklet and owner's guide in hand.

✖ WRONG WAY

SAR 50K EACH



An 11-month-old car's gearbox repair is invoiced at SAR 3,200.

PURPOSE

Charging for, or refusing, warranty work is the fastest way to a Ministry complaint, and the regulations can extend the warranty when defects aren't handled.

FIX IT WITHIN

72 hours

AUDIT CRITERIA · PASS WHEN

- Written warranty of at least 2 years for every new vehicle
- Arabic warranty booklet and owner's guide handed over at delivery
- No charge or refusal for covered repairs in the last 90 days

IDEAL WAY OF AUDITING

1. Check 5 recent delivery files for the warranty booklet
2. Pull invoices on vehicles under 2 years old
3. Ask for any refused warranty claims and the reasons

Evidence: Delivery checklists + invoice sample + refused-claims log.

WORST CASE Each wrongly charged or refused warranty repair is a violation, **up to SAR 50,000**, and the Ministry can **extend your warranty obligation** on top.

SEC-028 COMMERCIAL AGENCIES · STANDARD 04 OF 05

Repair Order Completion Period & Documentation

Area **Service reception** | Person in charge **Service Manager** | Regulator **Ministry of Commerce**

MAXIMUM PENALTY

SAR 50,000

per violation · minimum SAR 5,000 · every case counts separately

Decision **published in a newspaper at your expense**

• SEVERE

THE LAW

AGENCIES

Commercial Agencies Law (Royal Decree M/11 of 1382H, amended by M/32 of 1400H) and its **Implementing Regulations (amended 2021)** · Ministry of Commerce · Penalty: **Art. 4** · Implementing Regulations (2021): maintenance periods **specified in advance**, written documentation with warranty on completion · MoC consumer guidance on return of old parts

WHAT WE CHECK

Before work starts, the customer is told how long the repair will take, in writing. At handover they get a completion document with the repair warranty, and their old parts.

Applies when: Registered commercial agents and authorised distributors of vehicles, and their service and parts branches.

CHECKPOINTS IN THE AUDIT

- **Q1** Does each repair order state the expected completion period communicated to the customer before work starts?
- **Q2** Is a written completion document, including the repair warranty details, given to the customer at vehicle handover?
- **Q3** Are replaced parts offered back to the customer, unless covered by warranty or environmentally unsafe?

WHAT NON-COMPLIANCE COSTS YOU

THE FINE

SAR 5,000 to SAR 50,000 per violation (Art. 4). Every affected customer or repair order can be a separate violation, so fines stack fast.

BEYOND THE FINE

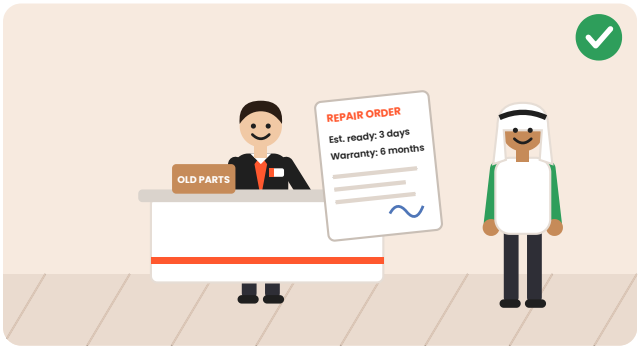
Import licence suspended, the **brand transferred to another distributor**, and for foreign violators, liquidation of the agency and a trading ban.

REAL ENFORCEMENT

SAR 8.12M

fine on one car agency (Aug 2026) for **175 after-sales violations**: about SAR 46,400 each. Import ban, and the brand moved to another distributor.

✔ RIGHT WAY



Advisor hands over a signed repair order with an ETA and warranty, and returns the old parts.

✖ WRONG WAY

SAR 50K EACH



Car has been in the workshop 12 days with no ETA and nothing in writing.

PURPOSE

A written ETA and warranty turn a complaint into a documented, defensible case. Without them, it's the customer's word against yours.

FIX IT WITHIN

◷ 24 hours

AUDIT CRITERIA · PASS WHEN

- Every repair order shows an ETA agreed before work began
- Signed completion document with warranty terms on file
- Old parts returned, or the reason they weren't recorded

IDEAL WAY OF AUDITING

1. Pull 10 closed repair orders from the last 30 days
2. Check each for ETA, completion document and warranty
3. Ask 2 customers at handover what they were told

Evidence: Photos of 10 repair orders + completion documents + old-parts log.

WORST CASE Fines are counted per violation. One agency collected **175 of them: SAR 8.12 million**, an import ban, and its brand **handed to a competitor**.

SEC-029 COMMERCIAL AGENCIES · STANDARD 05 OF 05

Vehicle Recall Campaign Handling

Area **Service reception** | Person in charge **Service Manager · Legal & Compliance** | Regulator **Ministry of Commerce**

MAXIMUM PENALTY

SAR 10,000,000

maximum fine under the Product Safety Law

Closure up to **1 year** · prison up to **10 years** for knowingly placing unsafe products

• CRITICAL | ⛓ PRISON RISK

THE LAW

SAFETY

Product Safety Law (Cabinet Decision 93/1446) · Ministry of Commerce · SASO · Penalties chapter of the Product Safety Law · MoC recall campaigns published on **Recalls.sa**

WHAT WE CHECK

Every vehicle that comes in is checked by VIN for open recalls. Owners of affected vehicles are notified and the notice recorded, and every completed recall repair is logged against the VIN.

Applies when: Registered commercial agents and authorised distributors of vehicles, and their service and parts branches.

CHECKPOINTS IN THE AUDIT

- **Q1** Is every vehicle checked against open recall campaigns (by VIN) at service reception?
- **Q2** Are owners of affected vehicles notified of open recalls and the notification recorded?
- **Q3** Is completion of each recall repair recorded against the vehicle VIN?

WHAT NON-COMPLIANCE COSTS YOU

THE FINE

A warning, or a fine of **up to SAR 10 million**. The establishment can be **closed for up to one year**.

BEYOND THE FINE

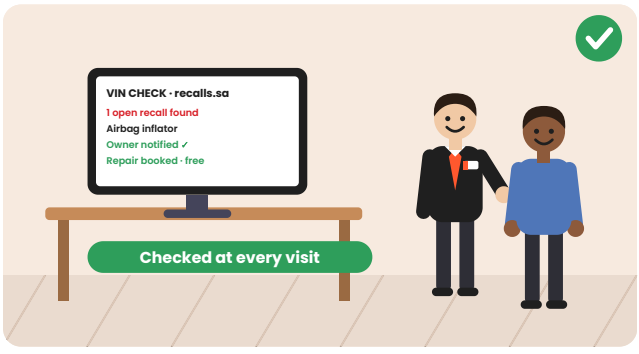
Knowingly placing products that may harm consumers: **imprisonment of up to 10 years**. A recall missed on purpose is exactly that risk.

THE SCALE OF RECALLS

84,639

Toyota Camry vehicles recalled in Saudi Arabia in Aug 2026 alone. Every one that comes through your workshop **must be caught by its VIN**.

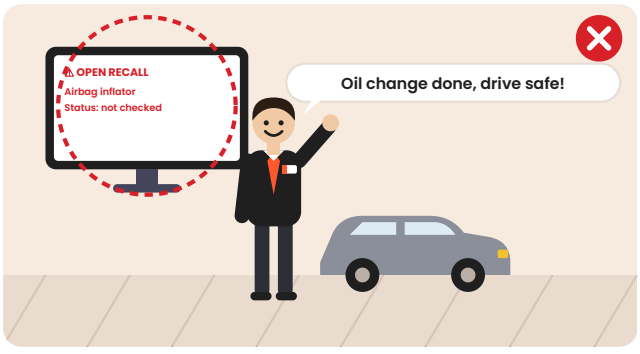
✔ RIGHT WAY



VIN check finds an open airbag recall. The owner is told and the free repair is booked.

✖ WRONG WAY

SAR 10M + PRISON



Open airbag recall on screen, ignored. The car leaves after an oil change.

PURPOSE

Recalls exist because a defect can injure or kill. A car that leaves your workshop with an open recall is a risk you knowingly released.

FIX IT WITHIN

◷ Immediate

AUDIT CRITERIA · PASS WHEN

- VIN recall check done on every vehicle at reception
- Owner notifications sent and recorded
- Completed recall repairs logged against each VIN

IDEAL WAY OF AUDITING

1. Pull 10 recent repair orders and re-check the VINs
2. Match open recalls to owner notifications
3. Check completion records against the OEM recall list

Evidence: VIN check log + notification records + recall completion report.

WORST CASE A missed airbag recall that injures someone is no longer about SAR 50,000: the Product Safety Law allows **SAR 10 million, closure for a year and up to 10 years in prison**.

CLOSE THE GAPS BEFORE A CUSTOMER COMPLAINS

Your 30-day after-sales action plan.

Start on the left: these are customers being let down, or put at risk, **right now**. Tick a standard off only when every sampled record passes.

Today

- ☐ **SEC-029** Vehicle Recall Campaign Handling
  ◷ **Immediate**
- ☐ **SEC-026** Replacement Vehicle During Delayed Repairs
  ◷ **24 hours**
- ☐ **SEC-028** Repair Order Completion Period & Documentation
  ◷ **24 hours**

This week

- ☐ **SEC-027** Vehicle Warranty Terms & Service
  ◷ **72 hours**
- ☐ **SEC-025** Spare Parts Availability & Supply Time
  ◷ **7 days**

This month

Keep today and this week closed, then re-audit.

?/5 Count your passes, then count the failed records. **Each failed record can be its own SAR 50,000 fine**, and a missed recall can reach SAR 10 million.

SOURCES

- Asharq Al-Awsat: Saudi Arabia tightens auto dealer obligations, SAR 8.12M fine (11 Aug 2026) · english.aawsat.com
- ArabWheels: Saudi Arabia bans car dealer imports after 175 violations (Aug 2026) · arabwheels.sa
- Argaam: SAR 50,000 fine on car agency for delaying spare parts (Dec 2023) · argaam.com
- Ministry of Commerce: fines imposed on 13 car agencies (Aug 2023) · mc.gov.sa
- Argaam: Ministry of Commerce fines 10 auto agencies (Jun 2023) · argaam.com
- Khaleej Times: Saudi Arabia recalls 84,639 Toyota Camry vehicles (Aug 2026) · khaleejtimes.com
- Amereller: New product recall legal framework for Saudi Arabia (Product Safety Law) · amereller.com
- Commercial Agencies Law (M/11, 1382H, amended M/32, 1400H) and Implementing Regulations (2021) · mc.gov.sa

Disclaimer. For compliance-audit guidance only; not legal advice. Penalty amounts are statutory maximums. A new Commercial Agencies Law is under discussion and may change obligations and penalties. Confirm against the latest official publications.

AUDIT SIGN-OFF

AGENCY / BRANCH	AUDITOR	DATE	SCORE __ / 5

SERVICE MANAGER SIGNATURE	AFTER-SALES DIRECTOR SIGNATURE