

The Saudi Commercial Franchise Contract "Franchise" under the Law No. M/22, dated 09/02/1441AH

The franchise contract is deemed to be an important, modern contract, which is now widely used in many countries, because this contract constitutes a successful means for the transfer of technical knowledge and production projects, in such a way as to realize the objectives of the parties thereof. This contract gives the franchise donor the chance for rapid expansion, as well as enabling him to have access to markets very quickly. The Kingdom is now witnessing a stage of restructure, needing the enactment of laws which can help to diversify the sources of revenues and to further boost the Saudi economy; accordingly, the Royal Decree No. M/22 for the year 1441, was issued to enhance the legislative system of commercial laws which is intended to be in line with the Kingdom's 2030 Vision, as well as to improve the commercial and investment environment in the country.