



الهيئة السعودية للمياه
Saudi Water Authority

Regulations Governing the Licensee's Compliance in Providing Water Services

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Version (1)

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Introduction

The Regulations for verifying the Licensee's compliance aim to raise awareness of the service providers about the procedures for verifying the compliance with the terms of the license and the relevant laws, regulations, and resolutions, in implantation of the Water Law and its Implementing Regulations.

Article 1: Definitions:

The following words and expressions, wherever they appear in these Document, shall have the meanings hereby ascribed thereto, unless otherwise required by the context:

- The Authority/SWA: Saudi Water Authority.
- President: The President of the Authority.
- Law: The Water Law and its Amendments.
- Regulations: the Implementing Regulations of the Water Law Concerning the Organization of Service Provision Activities and the Regulations contained in Article 76 of the Water Law.
- Licensee: A person or entity licensed to practice a service provision activity.
- Verification Documents: Assessment Forms for the Licensee's Compliance with Laws and Regulations
- Authority Inspector: Individuals legally authorized to detect violations of the provisions of the Law and to investigate them. They shall have the status of enforcement and shall also have the powers of inspection, seizure, and examine of the violator's books and records, as well as the right to obtain copies of relevant supporting documents.
- Preliminary Report on the Licensee's Compliance Verification: A report prepared immediately after the Authority inspector's visit and the commencement of monitoring and inspection activities. It includes an assessment of the Licensee's compliance with applicable laws, regulations, resolutions, and approved standards. It is prepared by the Authority's concerned personnel and sent to the Licensee to provide any required additional data or documents, through the means deemed appropriate by the Authority, within five (5) days.
- Final Report on the Licensee's Compliance Verification: A report that assesses the Licensee's level of compliance after receiving the data and documents related to the visit, including the Licensee's response to the Preliminary Report. It is finalized based on a comprehensive review and analysis of all data and documents, resulting in a final determination that either confirms corrective actions and initiates the framework and timeline for corrective action plans in cases of non-compliance, or confirms the Licensee's full compliance.

Article 2: Licensed Activities Subject to Compliance Verification in accordance with Laws and Regulations:

1. Activity: Principal Buyer.
2. Activity: Trading in Desalinated and Purified Water.
3. Activity: Trading in Wastewater.
4. Activity: Production of Desalinated Water.
5. Activity: Production of Purified Water
6. Activity: Transport of Desalinated and Purified Water.
7. Activity: Strategic Storage.
8. Activity: Distribution and Retail Sale of Desalinated and Purified Water.
9. Activity: Collection and Transport of Wastewater.
10. Activity: Wastewater Treatment.
11. Activity: Transport, Distribution and Retail Sale of Treated Water.
12. Activity: Production of Desalinated Water for Drinking Water Fountains.
13. Activity: Production of Purified Water for Drinking Water Fountains.
14. Activity: Any new types of service provision licenses as determined by the Authority's regulations.

Article 3: Types of Compliance Verification Documents:

Compliance Verification Documents:

1. Compliance Verification Document for the License to Engage in the Activity of: Principal Buyer.
2. Compliance Verification Document for the License to Engage in the Activity of: Trading in Desalinated and Purified Water.
3. Compliance Verification Document for the License to Engage in the Activity of: Trading in Wastewater.
4. Compliance Verification Document for the License to Engage in the Activity of: Production of Desalinated Water.
5. Compliance Verification Document for the License to Engage in the Activity of: Production of Purified Water
6. Compliance Verification Document for the License to Engage in the Activity of: Transport of Desalinated and Purified Water.
7. Compliance Verification Document for the License to Engage in the Activity of: Strategic Storage.
8. Compliance Verification Document for the License to Engage in the Activity of: Distribution and Retail Sale of Desalinated and Purified Water.
9. Compliance Verification Document for the License to Engage in the Activity of: Collection and Transport of Wastewater.

10. Compliance Verification Document for the License to Engage in the Activity of: Wastewater Treatment.
11. Compliance Verification Document for the License to Engage in the Activity of: Transport, Distribution and Retail Sale of Treated Water.
12. Compliance Verification Document for the License to Engage in the Activity of: Production of Desalinated Water for Drinking Water Fountains.
13. Compliance Verification Document for the License to Engage in the Activity of: Production of Purified Water for Drinking Water Fountains.
14. Any new types of service provision licenses as determined by the Authority's Regulations.

Article 4: General Provisions:

- 1) The Authority shall monitor the Licensees' compliance with the provisions of all applicable laws and regulations, as well as the rules, regulations, and instructions issued by the Authority. The Authority inspectors shall have the right to enter the licensees' facilities and any related facilities, obtain information and documents, inspect facilities and equipment, take samples, read meters, test water and treated water and verify their compliance with approved quality standards, inspect the quality of infrastructure to ensure conformity with technical specifications, regulatory controls, requirements, and regulations, and assess the Licensee's performance in managing and maintaining infrastructure and providing services.
- 2) The Licensee shall, as determined by the Authority, establish an administrative unit responsible for monitoring the licensee's compliance with the provisions of applicable laws, regulations, instructions, licenses, and all guidelines, rules, codes, and other materials issued by the Authority, as well as ensuring operational integrity and effective risk management.
- 3) The Licensee shall designate a member of the mentioned unit to be responsible for:
 - a. Providing the Authority with any requested information or data; and
 - b. Receiving notifications, communications, and requests issued by the Authority to the Licensee.
- 4) If the Authority identifies indicators of non-compliance, it may appoint an external consultant—at the Licensee's expense—to conduct a detailed compliance assessment. The Licensee shall fully cooperate with and facilitate the consultant's assignment. The Licensee may submit an objection to the assessment results within fifteen (15) days from the date of receipt thereof.
- 5) The Licensee shall implement, within the period specified by the Authority, the recommendations arising from the assessment referred to in the Paragraph (4) of this Article following their approval by the Authority.

- 6) The Authority inspectors may take photographs at the facility subject to assessment, provided that this does not conflict with the principles and controls for protecting individuals' freedoms, property and privacy.

Article 5: Compliance with Laws:

The licensee shall comply with all laws applicable in the Kingdom of Saudi Arabia, including the executive regulations and resolutions related to such laws, and in particular the following:

- a. Laws, Regulations, and Resolutions related to water.
- b. Laws, Regulations, and Resolutions related to the environment.
- c. Laws, Regulations, and Resolutions related to health and safety.
- d. Laws, Regulations, and Resolutions related to industrial security.

Article 6: Competencies of the Authority Inspectors

Without prejudice to the competencies of Authority inspectors regarding the detection of violations of the Law, the Authority inspectors, in relation to monitoring the Licensees' compliance with laws and regulations, shall have the following:

- a. Verifying compliance with all relevant laws, regulations, and resolutions.
- b. Verifying compliance with the terms of water service provision licenses.
- c. Verifying compliance with technical standards.
- d. Verifying compliance with operational plans of the facility, maintenance plans, and operating systems.
- e. Verifying compliance with environmental standards.
- f. Verifying the accuracy of the data submitted in performance indicators by the licensee.
- g. Verifying compliance with safety standards.

Article 7: Duration for Addressing Non-Compliance Cases Issued by the Authority

- 1) The Licensee shall comply with the duration specified by the Authority to prepare a corrective action plan for non-compliance cases, provided that the plan includes a timeline for each non-compliance case and shall obtain the Authority's approval thereof.
- 2) In case the Licensee is unable to prepare corrective action plans, he may request the Authority's support in studying and preparing the plan, provided that the plan includes corrective action plan and the timeframes for addressing the non-compliance cases. The Licensee shall commence implementation in accordance with the corrective action plan.
- 3) If the Licensee fails to respond by providing any data or documents requested by the Authority within ten (10) working days, the procedure shall be escalated by recording a violation and

referring it to the committee responsible for reviewing and adjudicating violations of the Water Law.

- 4) If the Licensee fails to comply with the implementation of the compliance plan or exceeds the timeframe approved by the Authority without acceptable justification, the procedure shall be escalated by recording a violation and referring it to the committee responsible for reviewing and adjudicating violations of the Water Law.
- 5) The Licensee shall exercise due diligence and provide evidence demonstrating the continuous implementation of corrective action plans.

Article 8: Monitoring Non-Compliance Cases:

Non-compliance cases shall be monitored by the Authority until such cases are resolved in accordance with the corrective action plan.

Article 9: Providing Information to the Authority:

- a. The Licensee shall provide the Authority with the information it requests within the specified timeframe and in accordance with the mechanisms and forms approved of the Authority. Also, the Licensee shall periodically submit the reports and information required under the Law, Regulations, or any related document, within the approved timeframe for submission.
- b. The Licensee shall provide the Authority, within the specified timeframe, with copies of any agreement concluded with other licensees, or any agreements related to the sale or purchase of desalinated, purified, or treated water, or agreements related to connection to, use of, or reliance on the Licensee's distribution network or infrastructure, as well as any other agreements for which the Authority deems it necessary to obtain a copy.

Article 10: Obligations of the Licensee Compliance Monitoring Unit:

- a. The Compliance Monitoring Unit shall provide the Authority with all information, data, and contracts it requests within a period not exceeding ten (10) working days.
- b. The Licensee shall prepare an organizational structure for the Compliance Monitoring Unit, along with job descriptions for its managers and senior staff.
- c. The Compliance Monitoring Unit shall ensure the provision of periodic reports on the status of services, including achievements, challenges, and developments, in accordance with the Authority's requirements.
- d. The Compliance Monitoring Unit shall ensure the implementation of all relevant laws and regulations.

Article 11: Violation Detection and Escalation Mechanism

The following shall be considered a violation that shall be referred to the committee responsible for reviewing and adjudicating violations of the Law:

- a. Failure of the Licensee to respond to the Authority within ten (10) working days.
- b. Expiry of the approved corrective period granted by the Authority without the Licensee addressing the findings and non-compliance cases.

Article 12: Reconsideration

- 1) Any Licensee adversely affected by a resolution of the Authority may submit a request for reconsideration of such resolution within five (5) working days from the date of being notified of the corrective action plan.
- 2) The reconsideration request shall explain the substantive reasons on which the Licensee relies to challenge the validity of the corrective action plan, and shall be accompanied by all supporting information and documents that enable the Authority to reconsider the request.

Article 13: Effectiveness and Review

These Regulations shall come into force as of the date of their publication. The Authority shall review these Regulations whenever necessary.