

# Umrah System of Regulation

## Introduction

In today's complex world, a new industry has emerged to service the mu'tamirs (Umrah performers from abroad). To ensure the safety and comfort of Umrah performers, the Saudi Arabian Council of Ministers decided that a system of regulation should be established to provide a sound basis for contractual relations between service providers and Umrah performers and to outline the rights, duties and responsibilities of all those involved.

As a result, a number of companies in the Saudi private sector were licensed to provide Umrah-related services through clearly defined service contracts that state the prices for various "packages" of service. The licensing provisions also required the appointment through contractual arrangements of approved overseas travel agents to market Umrah-related "packages".

## Benefits of the System

The new Umrah System of Regulation has brought many benefits:

- ❑ Mu'tamirs receive the agreed services for which the service provider has contracted. This has eliminated "living on the street" in the vicinity of the two Holy Mosques.
- ❑ The competitive environment in which the service providers operate has generated a marked improvement in the services provided.
- ❑ The process of issuing Umrah visas and associated procedures has been streamlined to meet the objective of welcoming 10 million mu'tamirs by the end of the fifth year of operation.
- ❑ The system has facilitated visits by mu'tamirs to other Saudi cities, thus enhancing the Kingdom's tourism industry.
- ❑ Those who are able can perform any number of Umrahs in the course of the year without restriction.
- ❑ Transit passengers are granted 72 hour visas to enable them to perform Umrah.
- ❑ Because Umrah companies are obliged to ensure their customers leave the Kingdom when their "package" is completed, there has been a marked reduction in the number of "over-stayers".
- ❑ Dedicated supervisory and administrative committees deal with any shortcomings, with the Ministry of Hajj providing any services on which the Umrah company has defaulted at the expense of the defaulting company.

## **Global Electronic Network for Umrah**

The goals of the Umrah System of Regulation were exceedingly ambitious and called for the application of an automated, electronic approach, employing state of the art technology which could accommodate scaling up and upgrading. The Ministry entered into partnerships with the most advanced companies in the fields of system infrastructure, communications, information security, and database management. Working together, each in its own sphere of expertise and under the supervision of the Ministry, these companies produced the Global Electronic Network for Umrah with, at its heart, the Hajj and Umrah Data Center.

Using the latest technologies including Digital Telephone Lines (DDN), Fiber Optics, wireless data communications and V-Satellites, the Hajj and Umrah Data Center links all Ministry offices in all cities, serving as the central hub of the network. The Center connects to:

- ❑ Umrah companies and overseas travel agents
- ❑ The National Data Center at the Ministry of Interior
- ❑ The Data Center at the Ministry of Foreign Affairs

The Center holds databases on:

- ❑ All pilgrims including mu'tamirs
- ❑ Hotels and furnished apartments
- ❑ Car companies
- ❑ Airlines
- ❑ Restaurants and food caterers
- ❑ Other service providers

Online data is provided for the Ministry's senior personnel so that they can monitor and act if there is any violation of pilgrim rights.

## **Umrah Application Service Providers (UASP)**

The Ministry of Hajj has licensed five Umrah Application Service Providers (UASPs) for the following purposes:

- ❑ to organize and facilitate data communication between the Hajj and Umrah Data Center, Umrah companies and overseas travel agents.
- ❑ to ensure best business practice and provide accurate and timely transaction of data
- ❑ to enable companies to concentrate on their core business objectives, such as planning and supervision, analyzing operational data, and pin-pointing market needs and future operational requirements.

All Umrah companies are required to subscribe to one of the five UASPs.

- ❑ Before subscribing, all Umrah companies must fulfill all technical qualification requirements.
- ❑ Once they have selected and been accepted by a UASP, the Umrah company can post its Umrah "packages" on the internet, thus giving mutamirs a wide choice.
- ❑ The personal details and chosen package for each mu'tamir is then entered online by the travel agents and transmitted to the Hajj and Umrah Data Center via the relevant UASP.
- ❑ The Ministry of Hajj checks and verifies the information and returns the information to the Data Center.
- ❑ The verified information is then transmitted to the Ministry of Foreign Affairs Data Service Provider which, in turn, forwards the information to the relevant consulate in the mu'tamir's country for the issuing of an electronic visa bearing the mu'tamir's personal details and photograph.

### **Role of the Private Sector**

The private sector now owns an expanding infrastructure built on sound economic projections.

The private sector now shares in the responsibility of ensuring the mu'tamirs are well served. As a result, the private sector has been able to redirect a large share of Umrah-related revenues to the domestic Saudi economy, revenues which previously went elsewhere.

There are now some 224 Umrah companies registered with the five UASPs and these Umrah companies have association with 3,500 overseas travel agents. There is increased service sector activity benefiting airlines, land transportation, hotels and furnished accommodation and restaurants.

The private sector is also expanding the tourism sector. The Umrah System of Regulation has created more than 2,000 jobs, including managerial and financial. In the specific area of tourism, jobs have been created for "package" designers, tour planners, marketeers, public relations staff and accommodation specialists. In the technical field, there is work for database managers, programmers and network engineers.

## **Training for Umrah System**

In order to ride the technology wave and benefit from the employment opportunities created by the Umrah System, an urgent need has arisen for specialists capable of operating the new system from both technological and operational standpoints. We are witnessing the simultaneous growth and development of another industry, namely the training industry. There is now a race amongst training centers to offer specialized and customized training courses for the Umrah System.

The Ministry of Hajj was yet again at the forefront, establishing a Hajj and Umrah Workers Training Center which is currently developing highly specialized courses in conjunction with experts in this industry, as well as with Saudi universities and vocational centers.

## **Umrah Regulations and By-Laws**

**ARTICLE 1:** Services for Umrah performers and visitors to the Prophet's Mosque – hereafter referred to as Mu'tamirun – are provided by Saudi institutions/companies, including groups or individuals attending to pilgrims, after obtaining a commercial registration as per bylaws and regulations without any exception, provided that they obtain the require authorization from the Ministry of Hajj

**ARTICLE 2:** The Ministry of Hajj monitors the authorized institutions/companies, to ensure the quality of their performance, checking the accuracy in carrying out their duties and improving the performance of their personnel. Licenses to these institutions/companies are issued by the Ministry according to the following criteria:

1. The capital of the institution/company must be totally owned by Saudi citizen(s).
2. The company must provide a guarantee letter of SR 200,000 (Two Hundred Thousand Saudi Riyals) from an authorized local bank in favor of the Ministry of Hajj. The guarantee letter should be valid during the license period and cannot be revoked except with the approval of the Ministry in case the licensee terminates his services. The license must then be returned to the Ministry following an application by the licensee and after ensuring that the latter has fulfilled all his obligations.
3. The license should be valid for five renewable years.

**ARTICLE 3:** The licensed institution/company must observe the following conditions:

1. Attend to the Mu'tamirun with all sincerity and trustworthiness according to the stipulations of this Decree
2. The Director General of the company, its branch Directors and customer service personnel must be Saudi nationals of good conduct and character.
3. The company must have branches in Makkah, Madinah and Jeddah.

**ARTICLE 4:** The Kingdom's Legations shall issue visas to the Mu'tamirun according to the following conditions:

1. Umrah journeys must be organized by authorized parties in the countries where the Mu'tamirun reside.
2. The person applying for Umrah visa must satisfy the conditions stipulated by the Health Ministry.
3. Providing a round trip ticket and check issued by any bank accredited by the Saudi Arab Monetary Establishment in favor of the company that will attend to the Mu'tamir during his stay in the Kingdom as required in Clause 3 of Article 5.
4. The institutions/companies authorized to attend to the Mu'tamirun in the Kingdom must be engaged with the authorized organizers of Umrah journeys by an agreement certified by the Ministry of Hajj and the Ministry of Foreign Affairs. The terms and conditions of this agreement are specified by The Executive By-law of this Decree.
5. The name of the institution/company attending to the Mu'tamir in the Kingdom must be indicated in the Umrah visa.

**ARTICLE 5:**

1. The institution/companies authorized to attend to the Mu'tamirun are responsible for the following:
  - a. Receiving the Mu'tamirun and ensuring their accommodation in hotels and furnished apartments approved by the Ministry of Commerce; attending to their transportation and any other services required by the Mu'tamir according to the terms of agreement; securing the comfort and well-being of the Mu'tamirun during their stay; including their traveling to the various places of the Kingdom; confirming their flight bookings as scheduled in the visa, and notifying the Ministry of Hajj of that.
  - b. Recording the data concerning the Mu'tamirun, including their names, nationalities, tickets, passport numbers, conveyance they have used, dates of their arrivals, names of their carrier and its agent, as well as the name of the person responsible for land Umrah journeys, and any of the information required by the Executive By-law.
2. Execution of the procedures and regulations that ensure that Mu'tamirun's departure from the Kingdom as stipulated by the Executive By-law.
3. Together with the Ministry of Commerce, the Ministry of Hajj shall provide, after the consent of the Minister of Interior and the chairman of the Supreme Hajj Committee, a detailed list – to be reconsidered every three years or whenever needed – of the required services: their categories, standard, quality and cost.

**ARTICLE 6:** The Executive By-law determines the proper arrangements needed to enable transit passengers to perform Umrah.

**ARTICLE 7:**

1. Provided no violation of a stronger penalty specified by the law of the land is made, a licensed institution/company violating any rule of this Decree and its Executive By-law shall be liable to one or more of the following sanctions:
  - a. A maximum fine of SR 50,000
  - b. Suspension of the license for a period of not exceeding six months from the date of the Umrah visas.
  - c. Cancellation of the license granted to the institution/company.
2. Provided no violation of civil rights claim is made, an authorized foreign party failing to fulfill its contractual obligations shall be forbidden from dealing with licensed institutions/companies in the Kingdom.
3. Any party attending to the Mu'tamirun without the required license shall be fined to a maximum of SR 100,000.

**ARTICLE 8:** A permanent committee in the Ministry of Hajj representing the Ministry of Interior, the Ministry of Commerce and the Ministry of Hajj and one of whose members must be a Shariah expert, shall be responsible to receive complaints by the Mu'tamirun or official complaints, to investigate them and recommend the proper sanction(s) as stipulated in Article 7, and to recover the monetary value of services not provided by the authorized party and return it to the plaintiff(s), according to the stipulations of the Executive By-law.

**ARTICLE 9:** The sanctions stipulated in Article 7 of this Decree shall be executed based on a decision by the Ministry of Hajj.

**ARTICLE 10:** Any party subject to penalty has the right to appeal to the Diwan al-Mazalim within 60 days from notification of the sanction.

**ARTICLE 11:** The Ministry of Hajj is responsible for the collection of fines stipulated in their Decree in favor of the State Treasury.

**ARTICLE 12:** Political personalities are exempted from the provisions of Article 12. The Chairman of the Saudi diplomatic commissions abroad may exempt prominent Islamic personalities from all or some of the provisions of Article 12. No other exceptions can be made except according to what is stipulated by the Executive By-law.

**ARTICLE 13:** By mutual agreement with the Minister of Interior, the Minister of Hajj issues the Executive By-law of this Decree, which includes the rules regulating the movement of the Mu'tamirun during a period not exceeding six months.

**ARTICLE 14:** This Decree shall be published in an official Government Gazette, and shall be effective 90 days after the issuance of its Executive By-law, thus nullifying any provisions conflicting with it.