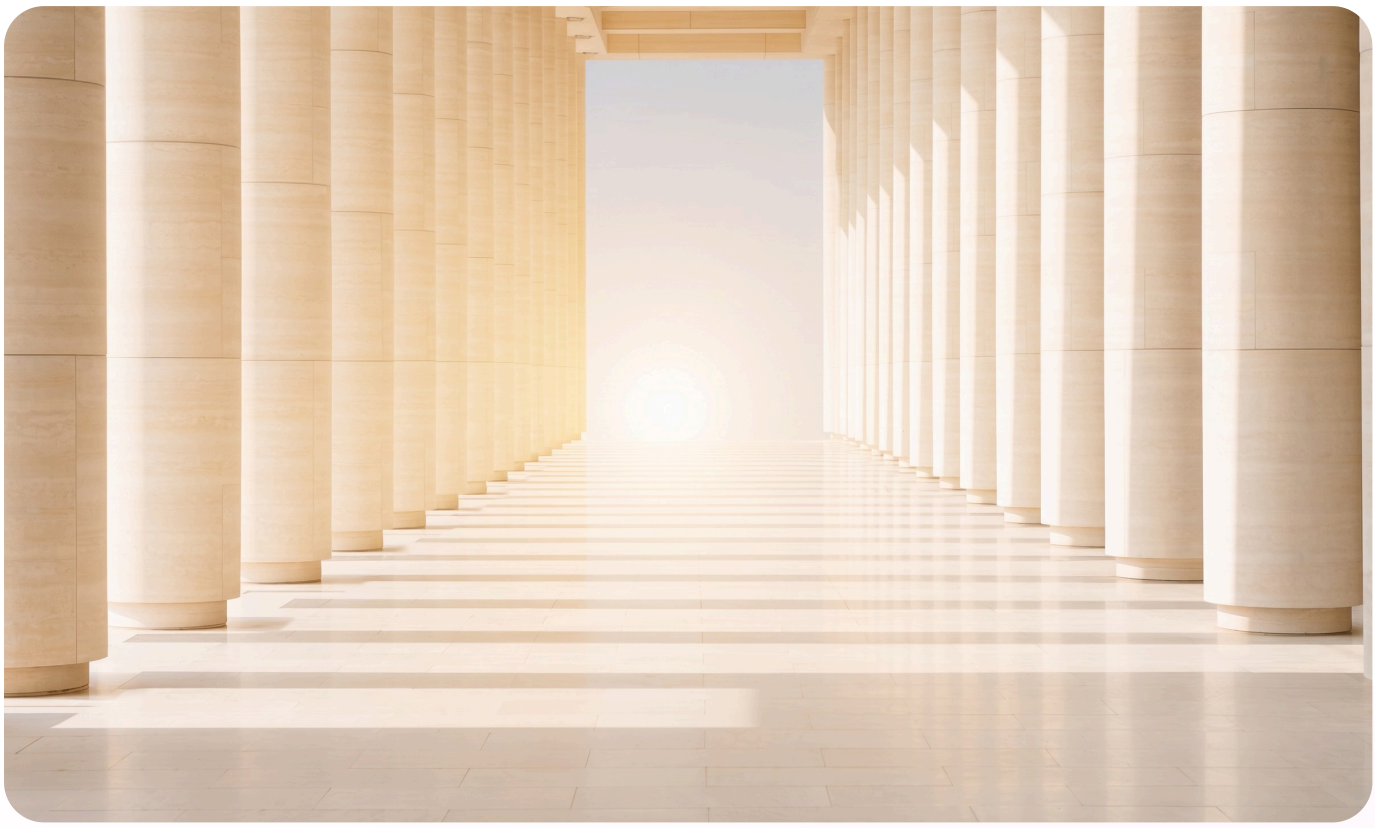
Z&Co.
الزمخشري ومشاركوه



INSIGHT 3 November 2026 · 8 min read

LITIGATION AND DISPUTE RESOLUTION

Debt recovery in Saudi Arabia: how creditors get paid faster



Sarah Gonem
Partner, Litigation & Contentious (Disputes)



Abdullatif Alharthi
Partner, Litigation & Contentious (Disputes)

29 October 2026
NEW ENFORCEMENT LAW IN FORCE

10 days
PERFORMANCE ORDER DECIDED

5 business days
FOR THE DEBTOR TO DISCLOSE ASSETS

Contents

	At a glance	3
01	How can a contract be made directly enforceable in Saudi Arabia?	4
02	Can a settlement agreement be enforced directly in Saudi Arabia?	5
03	What is a performance order under the Saudi Commercial Courts Law?	5
04	How does the new Saudi Enforcement Law help creditors reach a debtor's assets?	7
05	What happens to existing judgments and promissory notes under the new law?	9
06	What should creditors in Saudi Arabia do now?	10

KEY NUMBERS IN THE NEW FRAMEWORK

10 days

For the Commercial Court to decide a performance order on the papers

5 business days

For the debtor to disclose all of its assets

SAR 5,000

Maximum daily penalty for failure to comply with an enforcement order to pay

At a glance

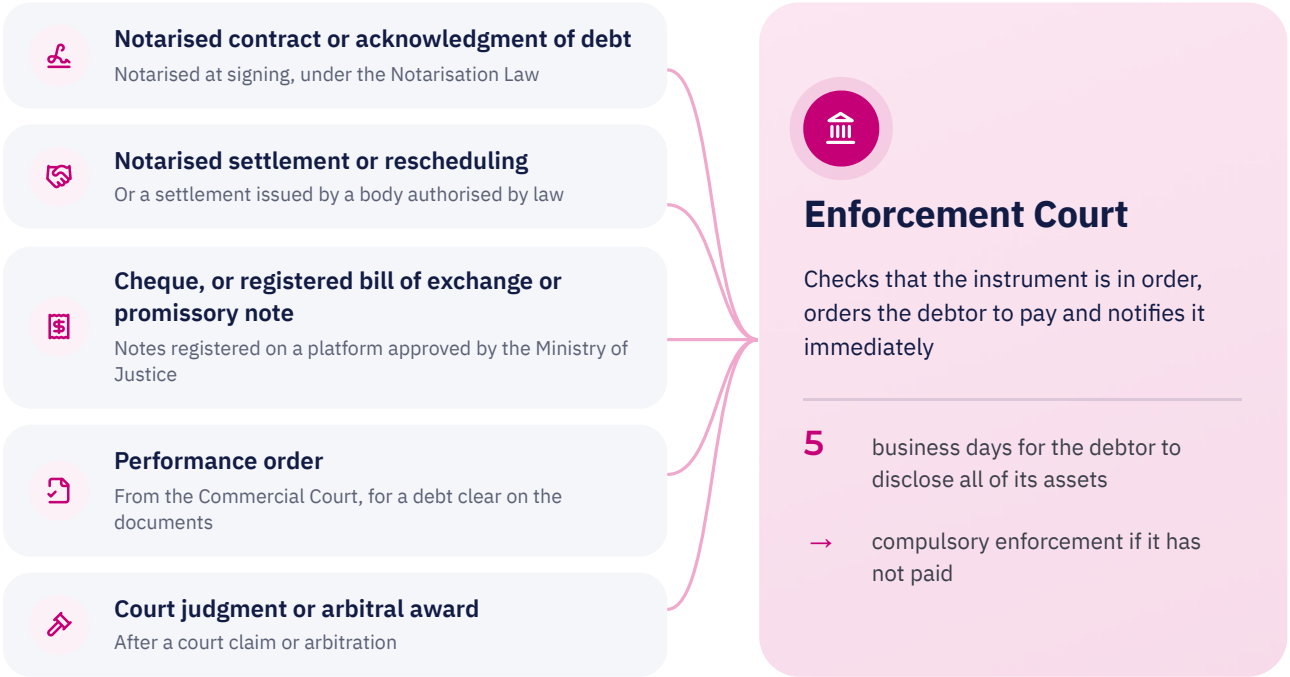
Debt recovery in Saudi Arabia works best for creditors who plan for enforcement before a payment is ever missed. The Kingdom's framework offers several complementary routes to an enforceable instrument and the right one depends on the paperwork the creditor holds.

A creditor who notarises its contract when it is signed, or notarises a later settlement, can go directly to the Enforcement Court without any court claim. Where a debt is clear on the documents but not notarised, a performance order from the Commercial Court is usually the quickest way to obtain an enforceable instrument. Whichever route applies, the Enforcement Court then has wide powers to locate and reach the debtor's assets, and the new Saudi Enforcement Law, approved by Royal Decree No. M/237 which came into force on 29 October 2026 together with its Implementing Regulations, strengthens those powers considerably.

This brief explains each of these routes, how they meet at the Enforcement Court, and the practical steps that creditors and their in-house teams can take now.

EXHIBIT 1

Every route ends at the Enforcement Court





01 How can a contract be made directly enforceable in Saudi Arabia?

Under the Enforcement Law, compulsory enforcement is available on the basis of an "enforceable instrument", and that category goes well beyond court judgments to include contracts and acknowledgments of debt notarised under the Notarisation Law. A creditor whose supply, services, financing or lease agreement is notarised at signing therefore holds a document that can be taken straight to the Enforcement Court if the counterparty fails to pay, without first bringing a substantive claim before the courts. The Enforcement Court checks only that the instrument meets its formal requirements and does not reopen the underlying commercial dispute, which makes this the fastest route to recovery available to a Saudi creditor.

Many payment obligations only arise once the creditor has delivered goods or completed works, and the law caters for that situation as well. Where payment under a notarised contract depends on something that cannot be confirmed from the document itself, the creditor can apply for enforcement with a report from an expert body approved by the Ministry of Justice confirming that its side of the bargain was performed. The creditor chooses the expert body from the approved list unless the parties have already agreed on one, so it is worth naming that body in the contract and settling the point before any dispute arises.

Payment security can be structured in the same way, since cheques are enforceable instruments in their own right and bills of exchange and promissory notes qualify once they are registered on a national electronic platform approved by the Ministry of Justice. Registration needs the consent of the person who signs the note, and the easiest time to obtain that consent is when the security is first given.

02 Can a settlement agreement be enforced directly in Saudi Arabia?

It can, provided it is properly documented. When a payment problem is resolved commercially, whether through a rescheduling, a part-payment plan or a full settlement, notarising the agreement under the Notarisation Law turns it into an enforceable instrument, and the same applies to settlements issued by bodies authorised by law to do so. Any later change to the terms of an existing enforceable instrument should also be notarised. If the debtor then misses the agreed instalments, the creditor can go straight to the Enforcement Court on the settlement itself instead of starting again with the original debt.

EXHIBIT 2

From a missed instalment to enforcement, without starting again

01 Settle commercially
A rescheduling, a part-payment plan or a full settlement

02 Notarise the agreement
Under the Notarisation Law, and any later change to its terms

03 An instalment is missed
The debtor fails to pay as agreed

04 Go straight to the Enforcement Court
On the settlement itself, not the original debt

03 What is a performance order under the Saudi Commercial Courts Law?

Where a debt is not covered by a notarised contract or settlement, the Commercial Courts Law offers a fast summary procedure that sits alongside ordinary litigation. A creditor can ask the Commercial Court for an order requiring the debtor to pay if the debt is evidenced in writing, has fallen due and is for a fixed amount, meaning an amount the court can identify from the documents without having to assess it. The procedure is not available against a debtor residing outside the Kingdom, and where both parties owe obligations under the contract the creditor needs written evidence that it has performed its own.

THE THREE CONDITIONS

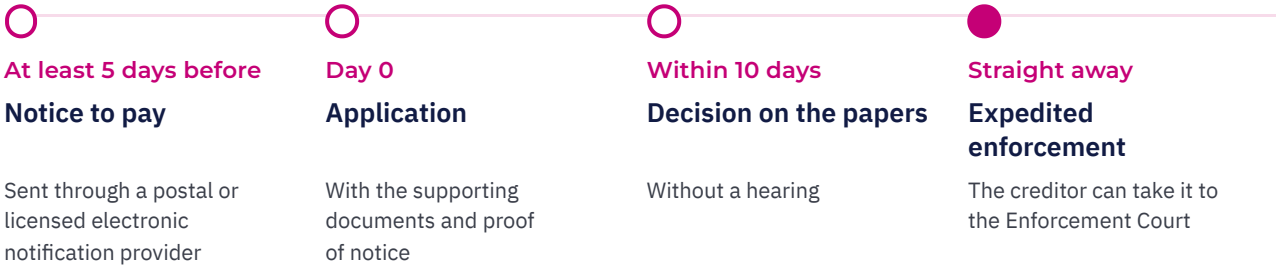
- **Evidenced in writing**
- **Fallen due**
- **For a fixed amount**

The process is quick and largely paper-based. The creditor first sends the debtor written notice to pay, through a postal or licensed electronic notification provider, at least five days before applying, and the application then goes to the court with the supporting documents and proof of notice. The court decides on the papers within ten days of registration, without a hearing. A performance order carries expedited enforcement automatically, so the creditor can take it to the Enforcement Court straight away. The debtor may appeal the performance order for procedural grounds only, or it has fifteen days from notification to challenge the order substantively through ordinary proceedings. The court will only pause enforcement in the meantime if it would cause serious harm.

If the application is refused, the creditor can still bring an ordinary claim, and nothing prevents it from seeking precautionary measures such as an asset freeze at the same time.

EXHIBIT 3

How a performance order works



The debtor may appeal on **procedural grounds** only, or challenge the order substantively through ordinary proceedings within **15 days** of notification. Enforcement is paused only if it would cause serious harm.

In our experience as litigation lawyers in Saudi Arabia, performance orders work best for accepted invoices, signed statements of account, repayment letters that were not notarised and similar documents where the amount and due date speak for themselves. Claims for damages, disputed deliveries or anything that requires the court to weigh evidence are better pursued through an ordinary commercial claim.

SUITED TO A PERFORMANCE ORDER

- Accepted invoices
- Signed statements of account
- Repayment letters that were not notarised

BETTER AS AN ORDINARY COMMERCIAL CLAIM

- Claims for damages
- Disputed deliveries
- Anything that requires the court to weigh evidence



04 How does the new Saudi Enforcement Law help creditors reach a debtor's assets?

Every route described above ends at the Enforcement Court, whether the creditor holds a notarised contract or settlement, a registered note, a performance order, a court judgment or an arbitral award. Once the court is satisfied that the instrument is in order, it orders the debtor to pay and notifies it immediately.

The debtor then has five business days to disclose all of its assets, including unregistered assets, assets abroad and sums owed to it by others. If it has not paid by the end of that period, compulsory enforcement begins at once (unless the debtor offers a bank guarantee, which buys it a further ten business days). The non-payment is reported to the credit bureaus, and the debtor's present and future assets, including sums owed to it by government bodies, can be attached.

EXHIBIT 4

From the order to pay to compulsory enforcement

Day 0	5 business days	If unpaid	Then
Order to pay	**Full disclosure**	**Compulsory enforcement**	**Reporting and attachment**
The debtor is notified immediately	All assets, including unregistered assets, assets abroad and sums owed to it	Begins at once, or after 10 more business days with a bank guarantee	Credit bureaus notified; present and future assets attached

On top of these measures, the Enforcement Court can impose a daily penalty of up to SAR 5,000 for every day the debtor fails to pay, up to a total equal to the value of the debt. The penalty is paid to the State rather than to the creditor, but it is still valuable to creditors because the cost of delay keeps rising for as long as the debt is unpaid, and because the court can cancel all or part of the penalty once the debtor pays, which gives the debtor a strong reason to settle quickly. Creditors also need not worry that the penalty will compete with their own claim, since it is collected only after the proceeds of enforcement have been distributed.

For creditors, the most valuable part of the new law is likely to be the access it gives to information about the debtor's assets. Where there are signs that assets are being hidden or moved, the court can order disclosure from the debtor's agents, employees, banks and other financial counterparties, its own debtors and anyone suspected of receiving favourable treatment from it, and public registries must respond to the court within three business days. Once compulsory enforcement has started, the creditor can ask the court to order asset tracing, carried out either by the court's own staff or by a licensed private-sector asset tracer who can question the debtor and connected persons. Bringing private-sector tracers into the enforcement process for the first time gives creditors in the Kingdom a practical tool for locating assets that may not appear in any register.

> "Bringing private-sector tracers into the enforcement process for the first time gives creditors in the Kingdom a practical tool for locating assets that may not appear in any register.

The law also protects creditors against a debtor who tries to strip its assets once it sees trouble coming. From the date the debtor receives a demand to pay or the enforcement order, all of its assets stand as security for its debts, and gifts, early repayments to other creditors and unusual transactions made after that date can be set aside. Any dealing with assets after they have been attached is void, and suspected concealment or misleading information can be referred for criminal investigation without halting the enforcement.

Travel bans remain available within a clear framework. On the creditor's request, the court can prevent the debtor from leaving the Kingdom for up to three years, extendable to a maximum of six, where sufficient assets cannot be attached or recovery from them is obstructed, although a ban will be lifted where the outstanding debt is SAR 50,000 or less.

EXHIBIT 5

The creditor's toolkit under the new Enforcement Law

Daily penalty

Up to SAR 5,000

A day, up to the value of the debt; paid to the State

Disclosure orders

3 business days

For public registries to respond to the court

Asset tracing

Court or private sector

A licensed tracer can question the debtor and connected persons

Set-aside

From the demand

Gifts, early repayments and unusual transactions

Travel bans

Up to 3 years

Extendable to 6; lifted at SAR 50,000 or less

Two procedural points are worth building into any recovery plan. Where the debtor is a company, or where the parties have agreed on notice, the creditor must give at least five business days' written notice to pay before filing for enforcement, and since most commercial debtors are companies, this should be treated as a standard first step. An enforcement request will also not be accepted on an instrument that fell due more than ten years earlier, although for instalment debts that period runs separately for each instalment.

05 What happens to existing judgments and promissory notes under the new law?

EXISTING JUDGMENTS

Judgments, orders and decisions issued before the new Enforcement Law took effect remain valid under the rules that applied when they were made.

UNREGISTERED NOTES

Unregistered bills of exchange and promissory notes issued before that date will continue to count as enforceable instruments for one year after the law comes into force, after which only registered notes will support direct enforcement.

OTHER RULES

The existing rules on precautionary attachment and civil insolvency continue to apply until they are replaced by new legislation.

06 What should creditors in Saudi Arabia do now?

Important steps to more efficient debt recovery involve:

1. **notarising key contracts and acknowledgments of debt when they are signed;**
2. **naming an approved expert body in the contract to verify performance;**
3. **registering promissory notes on an approved platform and reviewing any unregistered notes well before the one-year transitional period ends; and**
4. **notarising every settlement or rescheduling agreement.**

Where a debt is clear on the documents but not yet covered by an enforceable instrument, a performance order is usually the quickest way to obtain one. Credit control teams should also keep a record of how and when the pre-application and pre-enforcement notices are served, and note any signs that a debtor is moving assets, because that evidence is what opens up the Enforcement Court's disclosure, tracing and set-aside powers.

Taken together, notarisation, performance orders and the new Enforcement Law give creditors in the Kingdom a clear and efficient path from an unpaid invoice to recovered funds.

Zamakhchary & Co's litigation and dispute resolution team advises local and international clients on debt recovery, commercial litigation and enforcement in Saudi Arabia, and would be pleased to review your contract templates, security documents or outstanding receivables in light of the new law.

AUTHORS

For further advice and information



Sarah Gonem

Partner, Litigation & Contentious (Disputes)

sarah.gonem@zamakhchary.com



Abdullatif Alharthi

Partner, Litigation & Contentious (Disputes)

Abdullatif.Alharthi@zamakhchary.com

For other questions about this article or the firm, contact us at **info@zamakhchary.com**.

Z & Co.

الزمخشري ومشاركوه

Zamakhchary.com · info@zamakhchary.com

This brief is for general information only and does not constitute legal advice.

© 2026 Zamakhchary & Co. All rights reserved.