



Saudi Arabia

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Official Language:	Arabic
Monetary Unit:	Riyal
Stock Exchanges:	Saudi Arabian Monetary Authority
Regulatory Authority:	Saudi Arabian Monetary Agency

Forms of Business Enterprise

Limited liability company
Corporation
Partnership limited by shares
Limited liability partnership
General partnership
Joint venture -- not a legal form
Company with variable capital
Cooperative company

Disclosure Practices and Requirements

All foreign investments are subject to and controlled by the Foreign Capital Investment Code.

Audited Statements

All limited liability companies and corporations — including foreign companies — must submit audited financial statements to the Department of Zakat and Income Tax, the Ministry of Commerce and the Ministry of Industry and Electricity.

Financial statements include the balance sheet, statement of income and retained earnings, statement of changes in financial position or cash flows and footnotes. Companies may choose the date for their fiscal year-end, which must be approved by the Ministry of Commerce.

Consolidated Statements

Consolidated financial statements are seldom prepared.

Additional Information

Because Saudi Arabia is an Islamic country, it considers the law of the land to be the *Shari'a*, which comprises the *Qur'an* and its various interpretations made over the past 14 centuries. The government has promulgated "regulations" which bridge the gap between the general principles of the *Shari'a* and the need for rules to govern today's complex commercial transactions.

There is no recognized body of standard accounting practices in Saudi Arabia. In general, business entities follow either U.S., U.K. or international standards for accounting purposes.

The Saudi Arabian Monetary Authority is encouraging the development of the Saudi equity market through the promotion of domestic mutual funds (only Saudi nationals may subscribe). Foreigners may invest in Saudi Arabia through joint ventures only.