



**Bureau of Experts at the Council of Ministers  
Official Translation Department**

**Law of Commercial Books**

Royal Decree No. M/61  
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**NOTE:**

The translation of Saudi laws takes the following into consideration:

- Words used in the singular form include the plural and vice versa.
- Words used in the masculine form include the feminine.
- Words used in the present tense include the present as well as the future.
- The word “person” or “persons” and their related pronouns (he, his, him, they, their, them) refer to a natural and legal person.



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## Law of Commercial Books

### Article 1

A merchant shall keep the commercial books required by the nature and importance of his business in a manner that accurately shows his financial status and the rights and obligations relating to his business; they shall be in Arabic and shall be well maintained. He shall keep at least the following books:

- Original journal.
- Inventory book.
- General ledger.

A merchant whose capital does not exceed one hundred thousand riyals shall not be required to keep such books.

### Article 2

Establishments and companies which use computers for their accounts may store the data of commercial books electronically. The Implementing Regulations shall determine the procedures and rules that ensure the accuracy and security of electronically stored data.

### Article 3

All financial transactions and personal withdrawals carried out by the merchant shall be entered in detail in the original journal on a daily basis, except for personal withdrawals which may be entered in total on a monthly basis. The merchant may also use subsidiary journals to enter details of different kinds of financial transactions; in such case, only the total of the transactions shall be entered in the original journal on a regular basis. If this procedure is not followed, each subsidiary journal shall be deemed an original journal.

### Article 4

Details of the goods available with the merchant at the end of his fiscal year



shall be entered into the inventory book. If such details are entered into separate books or lists, an overall summary of the goods shall be entered into the inventory book; in such case, the books and lists shall be deemed complementary to the inventory book. A copy of the merchant's balance sheet shall also be entered into the inventory book if it is not entered into another book.

#### **Article 5**

Financial transactions of the same nature shall be transferred from the journal to the general ledger in order to easily find the result of each account at any time.

#### **Article 6**

The merchant shall keep an exact copy of all correspondence and documents issued or received by him relating to his commercial business. Such correspondence and documents shall be kept in an organized manner to facilitate the review of accounting entries and, when necessary, profits and losses.

#### **Article 7**

The books provided for in this Law shall be in the form specified by the Ministry of Commerce and the pages of such books shall be numbered.

#### **Article 8**

The merchant and his heirs shall keep the books provided for in this Law and the correspondence and documents referred to in Article 6 for at least 10 years.

#### **Article 9**

It shall be presumed that all entries into the merchant's books are entered with his knowledge and consent, unless proven otherwise.



### **Article 10**

The competent judicial authority may, upon consideration of a lawsuit initiated on its own or upon a request by one of the litigants, decide on the submission of the commercial books in order to examine the entries relating to the disputed issue and to draw the necessary information therefrom.

If the merchant refuses to submit his commercial books, the competent judicial authority may deem his refusal as presumptive evidence of the validity of the facts sought to be proven by the books.

### **Article 11**

The violations of the provisions of this Law and the decisions issued for its implementation shall be detected and recorded by officers appointed pursuant to a decision by the Minister of Commerce.

### **Article 12**

Any person who violates the provisions of this Law or the regulations and decisions issued for its implementation shall be subject to a fine not less than five thousand riyals and not more than fifty thousand riyals.

### **Article 13**

The Board of Grievances shall have the jurisdiction to impose the penalties stipulated in this Law.

### **Article 14**

Articles 6, 7, 8, 9, and 10 of the Law of Commercial Court issued pursuant to Royal Order No. 32, dated 15/1/1350H, shall be repealed as well as any provision conflicting with this Law.

### **Article 15**

The Minister of Commerce shall issue the regulations and decisions necessary for the implementation of this Law.



## Article 16

This Law shall be published in the Official Gazette and shall enter into force six months following the date of its publication.



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