



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

State Revenue Law

Royal Decree No. M/68
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Translation of Saudi Laws



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.



State Revenue Law

Chapter 1: Definitions

Article 1

In this Law, the following terms shall have the meanings assigned thereto, unless the context requires otherwise:

State: Kingdom of Saudi Arabia.

Ministry: Ministry of Finance.

Minister: Minister of Finance.

Authority: Any ministry, agency, public corporation, or public entity.

Law: State Revenue Law.

Regulations: Implementing Regulations of this Law.

Revenue: Financial resources collected by the State as fund flows.

Debt: Any sum of money due to the State.

Debtor: Any natural or legal person who owes money to the State.

Tax: A sum of money levied by the State on the income and wealth of a natural or legal person for no consideration to achieve public interest.

Fee: A mandatory sum of money paid by a beneficiary to the State for a public service.

Charge: A sum of money paid by a beneficiary for a service provided thereto.

Penalties and Fines: Sums of money imposed on violators of the law.

Business Days: The State's official working days.

Chapter 2: General Provisions

Article 2

Sources of revenue shall be as follows:

1. Natural resources.
2. Fees, charges, and taxes.
3. Loans and repaid loans.
4. Return on investment.
5. Sales, penalties, and fines.
6. Sale and lease of State properties.



7. Donations, grants, and compensations.
8. Any other source allocated pursuant to a resolution by the Council of Ministers.

Article 3

The Ministry shall estimate the projected State revenue for each fiscal year according to estimates provided by the authorities.

Article 4

- A. Each authority shall be responsible for optimally investing its resources, maximizing its revenues, and monitoring the collection thereof, in coordination with the Ministry.
- B. An independent investment unit may, as necessary, be established at any authority to maximize revenues and monitor the collection thereof.

Article 5

An authority which achieves an increase in its revenues in the previous fiscal year shall be allocated in its current budget 20% of such increase, with the exception of revenues generated from natural resources, sale of real property, penalties, and fines. The Implementing Regulations of this Law shall determine the maximum amounts for each collection authority.

Article 6

Employees who contribute in achieving an increase in revenue shall be granted financial incentives; such incentives shall not exceed three-month's salaries per fiscal year. The Regulations shall determine the rules for granting such incentives.

Chapter 3: Revenue Collection

Article 7

The Ministry shall, in coordination with the relevant authority, set procedures for revenue collection in a manner that ensures the safekeeping and protection of revenues; to this end, it may seek the assistance of the private sector.

Article 8

An authority must collect revenues on their due dates in accordance with the forms designated and manner prescribed by the Regulations.

Article 9

An authority shall, within the fiscal year, record revenues when due and upon



collection in accordance with the Regulations.

Article 10

An authority shall deposit its revenues on their set dates into accounts designated by the Ministry at SAMA or at local banks.

Article 11

An authority may not grant an exemption from payment of any due revenue nor postpone the collection thereof.

Article 12

The Ministry shall adopt modern means and technologies for the collection of State revenues and shall bear the collection costs, as it deems fit.

Chapter 4: Attachment and Enforcement

Article 13

If a debtor defaults in the payment of a debt due to the State, the authority shall notify him in writing to pay the debt within 30 business days from the date of notification.

Article 14

If a debtor fails to pay the due debt within the period specified in Article 13, he shall be sent a final notice to pay the debt within 15 business days. If such debt is not paid within said period, the authority shall petition the competent court to attach a debtor's property of a value covering the amount of the debt.

Article 15

The relevant government authority may, pursuant to a court order, request other government authorities to attach a debtor's unpaid entitlements of a value covering the amount of the debt, excluding bank guarantees.

Article 16

A bank or public or private financial institution must, upon receipt of an attachment notice issued by a competent court, enforce said notice to cover the debt; failure to comply therewith shall entail liability to pay the authority an amount equal to the value of the property in its possession, not exceeding the amount for which the attachment order was issued.

Article 17

If the debtor's moveable properties are not sufficient to pay the debt,



enforcement shall extend to his attached real property.

Article 18

The provisions of this Chapter shall apply to endowments.

Chapter 5: Debt Exemption and Installments

Article 19

Debts due to the State are privileged debts and are not subject to the statute of limitations.

Article 20

The Ministry shall have a committee composed of three members, one of whom shall be a Sharia or law specialist, to review petitions for the exemption of debts or the payment thereof in installments and make recommendations thereon.

Article 21

Debt exemptions may not be granted unless approved by the Prime Minister. The Minister may, for debts not exceeding five hundred thousand riyals, grant an exemption if:

1. the debtor dies and it is established that he has no inheritance to recourse to; or
2. the debtor establishes his insolvency or bankruptcy in accordance with the law.

Article 22

The Minister, or his designee, shall have the power to allow debtors who are unable to settle their due debt to the State in a single payment to pay such debt in installments, subject to the following:

1. The debtor shall submit to the committee documents establishing his inability to pay the debt in a single payment.
2. The installments period shall not exceed 20 years.

Article 23

If the debtor defaults on an installment, he shall be notified in writing to settle his dues within 30 business days from the date of notification. If he fails to settle his dues during such period, he shall be given a final notice to pay the installment within 15 business days.

Article 24

If the period lapses without the debtor paying the installment or providing



justification for nonpayment, the payment in installments shall be canceled and the remaining debt amount shall become due. The authority shall demand the debtor to pay the remaining debt in a single payment and shall petition the competent court to attach the debtor's property covering the amount of the debt.

Article 25

Debts arising from embezzlement, forgery, or fraud shall not be considered for exemption.

Chapter 6: Final Provisions

Article 26

The authority shall, in case of any violation of this Law or its Implementing Regulations, notify the Ministry and regulatory agencies within 30 days from the date of detecting the violation.

Article 27

Violators of this Law shall be subject to penalties prescribed by law.

Article 28

This Law shall not prejudice the laws of other authorities.

Article 29

The Minister shall issue the Implementing Regulations of this Law within a period not exceeding 90 days from the date of its publication in the Official Gazette.

Article 30

This Law shall supersede the State Fund Collection Law promulgated by Royal Order No. (41/3/2) dated 12/4/1359H and communicated by High Order No. (5732) dated 4/5/1359H, and it shall repeal any provisions conflicting therewith.

Article 31

This Law shall enter into force 90 days following the date of its publication in the Official Gazette.