

**CURRENCY LAW
ISSUED BY ROYAL DECREE**

No.6 DATED 1.7.1379

ROYAL DECREE

NO.6

Date: 1.7.1379

31.12.1959

With the help of God Almighty,

We, Saud Ibn Abdul Aziz Al Saud

King of the Kingdom of Saudi Arabia,

Having reviewed Articles 19 and 20 of the Council of Ministers' Charter, Article 3 of the Charter of the Saudi Arabian Monetary

Agency No.23 dated 23rd Jumad I, 1371 and the decision of the Council of Ministers No.91 issued on 29-6-1379, and

In consonance with what has been submitted to us by the Prime Minister and the Minister of Finance and National Economy,

Ordain the following:

Article 1

The unit of the Saudi Currency shall be the Saudi Riyal. The Riyal shall be divided into 20 Saudi qirshes and each Saudi qirsh sub-divided into five halalas.

Article 2

The value of the Saudi Riyal shall be equivalent to 0.197482 grams of fine gold. This value shall be known as "the parity rate". The parity rate shall not be amended except by a Royal Decree and in accordance with the provisions of international agreements to which Saudi Arabia is a party.

Article 3

The minting, printing and issuance of the Saudi currency shall be the sole privilege of the Saudi Arabian Monetary Agency. No one else shall encroach on this right.

Article 4

In accordance with the suggestion of the Saudi Arabian Monetary Agency and the approval of the

Minister of Finance, and in observance of the provisions of these regulations, the Council of Ministers shall decide:

a. The denominations of paper currency and coins: -

1. Which may be issued for circulation.
2. Their shapes, designs, drawings, dimensions, contents, fineness, weights, size and all other specifications, quantities and costs;
3. The place where the dies, plates and specimen signatures of those authorized to sign on bank notes are to be kept in safe custody;
4. Safeguards against their counterfeiting,
5. And the place and timing of printing or minting.

b. Choice of banks in which the foreign currencies forming part of the currency cover (Kingdom's reserves) shall be deposited, provided that they must be first class banks.

c. Investment by the Saudi Arabian Monetary Agency of the Kingdom's foreign exchange reserves in foreign bonds in accordance with the usual practice adopted by central banks.

Article 5

The Saudi Arabian Monetary Agency, with the approval of the Minister of Finance and subject to the rules of these regulations, shall decide:

a. The denominations of paper notes and coins which should be changed or withdrawn from circulation for non-fulfillment of conditions which make them fit for circulation, the method of disposing them of and when they cease to be legal tender after a period of not less than one month if withdrawal is expedited in keeping with the public interest

and in observance of paragraphs B and C of this Article.

b. The conditions under which mutilated currency may be exchanged, subject to the condition that no payment shall be made for notes which have lost their features, or more

than one-fifth* of their dimensions, or their two numbers or the two signatures affixed thereto in accordance with Article 8 of these regulations, and for coins which have lost their features or which are cut, filed, pierced, washed by chemical materials, marred or have been reshaped, unless it is definitely proved that whatever occurred to them was due to force majeure in which case the Courts have the right to judge indemnification for the loss when this is proved to them.

*The word one-fifth was corrected to two-fifth by Royal Decree no 17 dated 16-9-1379 Ah.

c. The seizing and confiscation of counterfeit and bogus currency, method of disposal and preparation of a report thereof and sending a copy of it to the concerned authorities for legal prosecution.

d. The announcement and necessary publicity concerning Saudi Currency in the official gazette and in any other suitable manner.

Article 6

a. The Saudi Arabian Monetary Agency shall keep a full cover in gold and foreign currencies convertible into gold equal to the value of the currency it issues.

b. The Saudi Arabian Monetary Agency shall, under no circumstances, issue currency without full cover to be kept in safe custody in the Kingdom; however, cover other than

gold may be kept in deposit with first class banks abroad.

c. The cover shall be valued in accordance with the rate fixed in Article 2 of these Regulations.

d. On revaluation of the reserves any resultant increase shall be credited to the government and may be used for strengthening the currency and stabilizing its rate.

Article 7

One Riyal notes, higher denomination notes and parts thereof issued by the Saudi Arabian Monetary Agency shall be legal tender and shall be fully accepted for the settlement of all debts and private and public obligations, but no one shall be obliged to accept sub-divisions of the Riyal for sums exceeding ten Riyals, except the Saudi Arabian Monetary Agency and its branches and agencies which shall, in the public interest, accept, either for payment to the treasury or for exchanging them with other denominations, any amounts of any denominations of the Saudi currency issued by it.

Article 8

The notes shall be signed by the Minister of Finance and the Governor of the Saudi Arabian Monetary Agency.

Article 9

The outstanding Saudi gold sovereigns shall be withdrawn from circulation and shall lose their legal tender status and their value as currency from the date of publication of these Regulations. Bearers of gold sovereigns may deliver them to the Saudi Arabian Monetary Agency within two months from the date of publication of this Decree against payment of 40 Saudi Riyals. After termination of the said period, the Saudi gold sovereigns shall become a commodity.

Article 10

The Saudi Arabian Monetary Agency shall keep a register in which it shall enter details of coins and paper currency kept in its vaults, those issued and those withdrawn from circulation.

Article 11

The Saudi Arabian Monetary Agency shall publish in the official gazette a statement of its affairs on a fortnightly basis, showing the quantity of issued notes and coins and the amount of their full cover in details, comparing, the position with a fortnight earlier. At the end of each year SAMA shall also publish in the official gazette a general statement authenticated by an approved public auditor, which shall include an annual report of the Agency's operations and position, balance sheet and profit and loss account in accordance with the practice adopted by central banks.

Article 12

a. All the provisions of this Decree concerning paper money shall be applicable to pilgrim receipts until they are withdrawn from circulation.

b. The Saudi Arabian Monetary Agency shall withdraw gradually the pilgrim receipts from circulation and replace them by their equivalent of the new currency after its issuance and within a period to be specified and announced by the Agency.

Article 13

The Saudi Arabian Monetary Agency may with the consent of the Minister of Finance issue any necessary instructions in pursuance of the provisions of this Decree.

Article 14

This Decree shall override all the previously issued regulations that are in contradiction with its provisions.

Article 15

The Prime Minister and the Minister of Finance and National Economy shall put this Decree into effect and it shall come into force as from the date of its publication.

ROYAL SIGNATURE

SAUD