

Shariah Law and Commercial Transactions

The Kingdom's legal system is based upon the Shariah which is derived from the Holy Koran, the traditions of the Prophet, the unanimity of religious scholars and precedent. It also serves as the basis for modern commercial law. In addition to the Sharia', the Government has codified other laws, in particular the 1931 Commercial Code. Most disputes, except insurance-related ones, under this code are referred to a Commercial Dispute Tribunal comprising two Shariah judges and one legal adviser. Banking disputes have been removed from the jurisdiction of this tribunal and are now handled under a separate arbitration body composed of three persons (not Shariah judges). Decisions of these bodies may be appealed to the King.

Arbitration agreed outside the Kingdom is not enforceable under Saudi Law.

International Economic Boycotts

Canadian firms wishing to do business with Saudi Arabia may encounter boycott restrictions related to Israel. To ascertain the details regarding Canada's policy on the Arab boycott, Canadian firms being confronted with boycott undertakings should contact:

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