

The SARIE (Saudi Arabian Riyal Interbank Express similar to BACS in UK) system, which has been in operation for over 11 years, has been the catalyst for the growth in electronic payments processing systems in the Kingdom. The volume of customer payments processed through the central SARIE system has grown significantly during that period.

Commercial banks in the Kingdom have developed a variety of electronic payments systems, linked to SARIE. This has led to high levels of automated processing of payments by the banks. However, the level of Straight-Through-Processing (STP) being achieved for Inward Customer Payments is currently lower than might be expected. The absence of a common account numbering standard across all commercial banks in the Kingdom has been identified as the primary cause for these lower than desired STP rates. This is causing an obstacle to the further automation of payments processing by banks.

The present account numbering structure in use in the Kingdom was introduced originally to cater for Cheque Clearing. Individual banks were permitted to choose their account numbering systems based on their own business and technical requirements. Account numbers in use today range from 7 to 18 digits with banks having their own structures and formulae.

The International Bank Account Number (IBAN) standard published by the International Standards Organisation (ISO) provides a mechanism for introducing a common account numbering standard in Saudi Arabia without the need for banks to make changes to the basic account number or the bank's accounting system(s). It involves the inclusion of additional characters before the basic account number enabling the validation of customer account numbers by other banks and customers with benefits accruing for both domestic and cross-border payments.

The IBAN was introduced in the Kingdom in a well planned and controlled manner starting from 1st July 2008. As of 1st October 2009, all Bank to Bank payments made in KSA, MUST use the IBAN number, on risk the rejection of the payment by the Central banks, that acts as the clearing bank. The IBAN is also required for incoming payments from outside of KSA, and so you should advise your suppliers, and customers of your IBAN.

The national standard for the IBAN in the Kingdom of Saudi Arabia, which conforms to the international standard, will be a fixed length of 24 alphanumeric characters made up as follows:

2a [country code] 2n [check digits] 2n [bank identifier] followed by 18c [the basic account number preceded by zeros, if required]

Segment Format	Content
Country Code	2a (fixed length of 2 alpha characters) SA
Check Digits	2n (fixed length of 2 numeric characters) This is used to check the validity of an account number. The 2 digit number is calculated as per the ISO 13616-1:2007 Standard. The "check digits" must be generated only by the account holding bank to ensure integrity of the full IBAN.
Bank Identifier	2n (fixed length of 2 numeric characters) The Cheque Clearing Identifier code for the account holding bank. This is a two-digit code that has been allocated by SAMA to individual banks in Saudi. The primary use of this code is to identify each bank in the Cheque Clearing.
Basic Account Number	18c (fixed length of 18 alphanumeric characters) This is the Account customer's "basic account number". As it must be a fixed length of 18 characters, zeros will be added before the basic account number to ensure the required fixed length.

In a printed format the IBAN will be printed in groups of four characters with each group being separated by a blank space. The reason for this is to increase the readability of the IBAN when presented on paper or in printed format. When used electronically the IBAN should be input as a continuous string, i.e. all spaces removed. To preserve the integrity of the 'check digits' the process of creating IBANs must be under the sole responsibility of the bank servicing the customer's account. Only the financial institution that services (maintains) the account is allowed to generate IBANs for its customers.

If you have any queries related to IBAN, please look on your statement where all banks are now printing the IBAN, or speak to your Bank contact who will be able to provide your IBAN for you.

If you want to check if an IBAN is valid, the Central Bank have an IBAN checker available on their website. Please note this only checks the validity of an IBAN, and not that the actual Account Number of the customer is correct.

<http://www.sarie.gov.sa/iban/?iban=checker&lang=en>

About IBAN in Saudi Arabia

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