

ANNUAL COMMERCIAL REGISTRATION UPDATE



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WHAT BUSINESSES IN SAUDI ARABIA NEED TO KNOW

Effective 2 April 2025, the updated KSA Commercial Register Law brings with it a crucial new compliance obligation for companies: the annual update of Commercial Registrations (CR). This change, overseen by the Ministry of Commerce, provides important implications for maintaining business operations without disruption.

What's New in the CR System?

The Ministry of Commerce has eliminated the expiration date and fixed validity period traditionally found in CRs. Instead, the system now highlights the original date of issuance, a move that aligns with the new annual update requirement. Businesses are now expected to confirm and update their CR every year based on this issuance date.

How and When to Update

Companies can begin the update process 30 days before the anniversary of the CR's original issuance. For example, if a company's CR was issued on 30 June 2024, it can initiate the update from 1 June 2025 via the Saudi Business Center portal.

However, there is a 90-day grace period from the due date. If this period lapses without compliance, the CR will be suspended for a year. Restoration will require payment of both the annual fee and a penalty.

Non-Compliance Risks

Neglecting this annual requirement can have serious consequences:

- CR suspension penalties in the KSA can lead to a halt in business operations.
- Frozen bank accounts, blocked access to government services, and ineligibility for public and private contracts.
- If left unresolved for over a year, the CR may be cancelled, and companies could face fines of up to SAR 50,000.

Steps for Compliance

1 Confirm the original issuance date of your CR via the Ministry of Commerce or Saudi Business Center portals.

2 Update your CR annually, starting from 30 days before the due date and no later than 90 days after.

3 Ignore the expiration date on your current CR, as it is no longer valid under the new system.

With these updates in place, businesses must act proactively to avoid penalties and ensure uninterrupted operations.