

NEW FOREIGN INVESTMENT GUIDELINES

The Saudi Arabian Ministry of Investment regularly updates its investment guide covering conditions, criteria, and requirements for foreign investors to set up and conduct business activities in Saudi Arabia. This schedule highlights requirements in regard to minimum capital, minimum Saudi Shareholdings for undertaking certain activities, and special criteria and conditions for carrying out some forms of business.

SPECIAL CRITERIA, CONDITIONS AND REQUIREMENTS FOR CERTAIN SPECIAL ACTIVITIES:

Activity / Activities	Mandatory Saudi Shareholding	Special Criteria	Capital Requirement	Remarks
Wholesale and Retail Trade through Stores or e-commerce	Not Required (if meeting the special criteria)	<p>Presence in at least (3) international markets</p> <p>It should either invest a sum not less than SR.300 Million during (5) years from the date of issuance of licence or invest a sum not less than SR.200 Million during the period besides selling at least 30% of the products made in Saudi Arabia and 5% of all products produced under the R&D program</p> <p>Training 30% of the Saudi employees</p>	SR. 30 Million in cash	<p>Develop & implement plan to place Saudi nationals in senior management position in the first five years</p> <p>In case of JV with 25% Saudi share, the capital should be at least SR. 26.66 Million with the foreign entity contributing a minimum of SR. 20 Million - It cannot open more than one store in one district</p>
Public Transportation Services for Operating Buses Within the Cities Inside the Kingdom	30%	<p>Licensed to operate in 2 countries; total employees not less than 10,000; Average annual revenue in the past 3 years to be at least SR.3 Billion and assets not less than SR.1.5 Billion;</p> <p>The Saudi entity to have the license of the Ministry of Transportation to carry the activity of bus services</p>	SR. 500,000.00	<p>Provision of evidence of executing agreements in the last five years;</p> <p>The entities be free from decisions revoking licenses inside or outside of the kingdom in the last 10 years; nor did having any penalties relate to traffic safety issues in the past 10 years.</p>
Public Transportation Services for Operating Metro within the cities in the Kingdom	20%	<p>Licensed to operate in 2 countries; total employees not less than 15,000; Average annual revenues in the past 3 years to be SR.3 Billion and assets not less than SR.1.5 Billion</p>	SR. 500,000.00	<p>The entities be free from decisions revoking licenses inside or outside of the kingdom in the last 10 years; nor having any penalties related to traffic safety issues in the past 10 years</p>

SPECIAL CRITERIA, CONDITIONS AND REQUIREMENTS FOR CERTAIN SPECIAL ACTIVITIES:

Activity / Activities	Mandatory Saudi Shareholding	Special Criteria	Capital Requirement	Remarks
Land Transportation Services for public or private taxi services; transportation services for schools, pilgrims & tourists; transporting passengers by buses outside the Kingdom; Renting of vehicles, buses, trailer;	0%	Licensed to operate in 3 countries; Licensed to operate in the country of origin for more than 10 years and to be one of the reputed companies as classified by the competent agency in the country of origin.	SR. 10 Million	The entities providing services through technological channels are exempted of the special criteria; the entities renting cars, trailers, buses, without drivers are exempted of the special criteria.
Professional Services	25%	Partners having license from the competent authority to carry the profession and the non-Saudi partner's representative to be holding license to practice the profession The foreign entity to transfer knowledge and train Saudis	No Minimum specified	Non-professionals could participate to the maximum extent of 30% Nonprofessionals carrying special residence permit too could participate in the company
Engineering Design Services	0%	Presence in 4 countries with license to carry the same activities and having a minimum of 10 years of experience The representative to have the license issued by the competent authorities at the origin	No Minimum Specified	If with a Saudi partner, the Saudi partner to have 25% share – other conditions as listed under professional services
Audio Visual Media	0%	Compliance with Saudization ratios fixed by the Ministry of HR	No Minimum Fixed	Residents carrying special residence permit too could participate in the company and they will be exempted from providing the corporate documents
Printing and Publishing	0%	Licensed to carry out the activity in at least 3 countries and have experience of 3 years	No minimum fixed	

SPECIAL CRITERIA, CONDITIONS AND REQUIREMENTS FOR CERTAIN SPECIAL ACTIVITIES:

Activity / Activities	Mandatory Saudi Shareholding	Special Criteria	Capital Requirement	Remarks
Agriculture	0%	Standard Requirements	No minimum fixed	Residents carrying special residence permit too could participate in the company and they will be exempted from providing the corporate documents
Mining	0%	Standard Requirements	No minimum fixed	Residents carrying special residence permit too could participate in the company and they will be exempted from providing the corporate documents
Industrial License	0%	Standard Requirements	No minimum fixed	<p>The licensed entity will require a license of the Ministry of Industry and approval by Presidency of Meteorology and Environmental Protection</p> <p>Residents carrying special residence permit are exempted from providing the corporate documents</p>
Real Estate Activities	0%	<p>SR.30 Million for each project (real estate and construction outlay)</p> <p>There is no minimum capital requirement for real estate investment projects</p>	<p>SR.30 Million for each project (real estate and construction outlay)</p> <p>There is no minimum capital requirement for real estate investment projects</p>	<p>Haramain areas excluded</p> <p>Residents possessing special residence permit are exempted from providing corporate document</p>

SPECIAL CRITERIA, CONDITIONS AND REQUIREMENTS FOR CERTAIN SPECIAL ACTIVITIES:

Activity / Activities	Mandatory Saudi Shareholding	Special Criteria	Capital Requirement	Remarks
Service License (Contracting, Higher Management Consultancy, IT, Tourism, Training, Healthcare, Insurance and Re-insurance, Education, Advertisement Marine and Air cargo services, Organizing Exhibitions, Catering Services; Financial Services, Airport Services etc.	40% for insurance and reinsurance services; telecommunication, Project 25% for Management, EPC			Residents possessing special residence permit are exempted from providing corporate document and financial statements In case the license is a health activity, legal entity be a company, have accreditation from a recognized health organization and at least three years of experience in the country of the establishment.

Notes:

1. The schedule focuses on special criteria and conditions required for carrying specific activities
2. The schedule does not include licenses for Technical Scientific Office; Temporary Licenses for Public Projects; Entrepreneur Licenses; Recruitment of Domestic Labor etc.
3. Several activities require licenses and permits from other competent agencies and ministries
4. There are other specific requirements for some activities (not detailed here)
5. Standard Documents: Copies of Commercial Registrations / licenses (duly consularized); financial statements for the last year (duly consularized) - Persons carrying special residence status who are allowed to invest in Saudi Arabia for certain activities are exempted to provide these documents
6. Standard Fee : license fee of SR.2,000 (annual fee) can be paid for 5 years max; SR.10,000.00 services fee for the first year and SR.60,000.00 (annually) from the second year.

ALGhazzawi & Partners

By phone: Dammam Office +966 13 833 1611 | Jeddah Office +966 12 653 1576 | Riyadh Office +966 11 463 2374

By email: enquiries@ghazzawilawfirm.com

www.ghazzawilawfirm.com

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