

SAUDI ARABIA'S NEW SPORTS LAW 2026: INVESTMENT, LICENSING, GOVERNANCE AND ARBITRATION

The Kingdom of Saudi Arabia has enacted comprehensive new sports legislation that is set to reshape the legal, regulatory, and commercial framework of the sports sector. The new Sports Law represents one of the most significant reforms to sporting regulation in the Kingdom in nearly four decades, replacing the previous framework governing sports federations and the Saudi Arabian Olympic Committee.



Introduction

The Law was issued pursuant to Cabinet Decision No. 414 of 1447H, dated 25 November 2025, and approved under Royal Decree No. M/121. It was published in Umm Al-Qura, the Official Gazette, Issue No. 5129, on 12 December 2025. This publication date triggered the Law's 180-day commencement period.

Accordingly, the Law came into force on 11 June 2026, marking a major implementation milestone for sports clubs, federations, leagues, academies, athletes, coaches, agents, event organizers, facility operators, investors, and other stakeholders operating within the Kingdom's sports ecosystem. Under the Royal Decree, individuals and entities subject to the Law must correct their status in accordance with its provisions within one year of its entry into force — that is, by June 2027 — and the Minister of Sport may extend this period for a further equivalent term.

The new framework is designed to enhance governance, strengthen regulatory transparency, support investment, introduce clearer licensing requirements, protect athlete rights, and establish more structured dispute resolution mechanisms. It also aligns with Saudi Arabia's broader Vision 2030 objectives by supporting the professionalization of the sports sector, attracting local and international investment, and positioning the Kingdom as a leading global sports destination.



A Unified Regulatory Framework

Before the introduction of the new Sports Law, sports activities in Saudi Arabia were governed through a collection of regulations, ministerial decisions, and federation-specific rules. While these regulations provided a functional structure, they often created inconsistencies and uncertainty for stakeholders.

The new Sports Law establishes a unified legal framework governing all sports-related activities within the Kingdom. It applies to sports clubs, federations, leagues, academies, athletes, coaches, agents, event organizers, and facility operators. By bringing all these entities under one legislative umbrella, the law provides greater clarity, consistency, and legal certainty.

This comprehensive approach allows stakeholders to operate within a transparent environment while reducing regulatory fragmentation and administrative complexity. The new framework provides greater certainty for sports clubs, federations, investors, and governing bodies by establishing a comprehensive legal framework for sports organizations in Saudi Arabia. These Saudi Sports Law Regulations are expected to reduce regulatory fragmentation and improve consistency across the sports sector.



Driving Investment and Commercial Opportunities

One of the primary objectives of the Sports Law is to strengthen Saudi Arabia's attractiveness as a destination for sports investment. The Sports Investment Law in Saudi Arabia is designed to create a more attractive environment for domestic and foreign investment in the Saudi sports industry. As the Kingdom continues expanding its sports ecosystem, investors are increasingly exploring opportunities across professional sports, infrastructure, technology, and entertainment.

The legislation creates a more investor-friendly environment by introducing clear rules regarding ownership structures, governance requirements, commercial operations, and licensing procedures. Foreign investors should, however, note three structural features of the new regime. Firstly, clubs and leagues taking a corporate form require the Minister of Sport's approval before an application to incorporate their company is submitted — or before an existing company practices a sports activity — and the Minister's non-response within sixty days of a submitted application is deemed a rejection. Secondly, the shareholding of a foreign partner or

shareholder in such companies may not exceed a percentage to be determined by the Minister, in coordination with the Standing Ministerial Committee for the Examination of Foreign Investments. Lastly, minimum capital requirements — which may not fall below the threshold set under the Companies Law — together with the conditions governing mergers, acquisitions, and disposals of equity in sports companies, will be prescribed at the regulatory level.

The law supports ongoing privatization initiatives within the sports sector and encourages partnerships between public and private entities. International investors, sports organizations, and global brands can now operate with increased confidence due to the availability of a clear legal framework that protects investments and outlines operational responsibilities.

As Saudi Arabia prepares to host major international sporting events and continues expanding its sports industry, the law is expected to unlock significant opportunities in areas such as:

- Professional sports clubs.
- Sports academies and training centers.
- Stadium and facility management.
- Sports technology and innovation.
- E-Sports and gaming.
- Sports marketing and sponsorship.
- Event management and hospitality.

These developments are expected to further strengthen foreign investment in the Saudi sports industry while creating new opportunities for local and international stakeholders seeking to participate in one of the region's fastest-growing sports markets.

The legislation positions the Kingdom as one of the region's most attractive markets for sports-related business ventures.



Enhanced Governance and Transparency

A key pillar of the new Sports Law is the promotion of strong governance practices across all sports organizations. Sports entities are now required to implement governance systems that emphasize transparency, accountability, and financial responsibility.

Organizations must maintain proper records, establish internal control mechanisms, comply with reporting requirements, and adhere to ethical standards.

These measures aim to improve organizational performance while protecting the interests of athletes, investors, sponsors, and fans. Strong governance structures also help sports organizations build long-term sustainability and improve their ability to attract commercial partnerships and investment.

The Ministry of Sport has been granted broader oversight and enforcement powers to ensure compliance with these governance standards.

The emphasis on sports governance in Saudi Arabia reflects the Kingdom's commitment to building sustainable and professionally managed sports organizations capable of attracting long-term investment and commercial partnerships.



Licensing and Regulatory Compliance

The law introduces a structured licensing system for a wide range of sports-related activities. Organizations and professionals operating within the sports industry must obtain the necessary licenses and approvals before conducting business. The Sports Licensing Requirements introduce clear regulatory standards for entities operating within the sector. These requirements are intended to enhance professionalism, accountability, and consumer confidence across the sports industry.

Licensing requirements apply to:

- Sports clubs.
- Sports academies.
- Event organizers.
- Coaches and trainers.
- Sports agents and intermediaries.
- Facility operators.
- Professional sports entities.

Sports clubs licensing in Saudi Arabia forms an important component of the broader regulatory framework, ensuring that sports organizations meet operational, financial, and governance standards before conducting activities within the Kingdom. Applicants must demonstrate compliance with operational, financial, technical, and safety standards established by the relevant authorities. This licensing framework aims to improve professionalism within the industry while ensuring that services provided to athletes and consumers meet established quality standards.



Strengthening Athlete Rights and Protections

The Sports Law introduces important protections for athletes by establishing clearer contractual frameworks and professional standards. The legislation seeks to improve relationships between athletes, clubs, coaches, and governing bodies by defining rights, obligations, and dispute resolution mechanisms. This contributes to greater legal certainty for all parties involved in professional sports.

Athletes benefit from enhanced protection regarding contractual agreements, compensation arrangements, transfers, disciplinary procedures, and professional conduct requirements. The law also encourages fair treatment and promotes a more balanced relationship between sports organizations and individual athletes. These reforms are expected to contribute to the long-term development of Saudi sports talent while creating a more professional sporting environment.



Sports Arbitration and Dispute Resolution

Disputes are an inevitable part of any professional sports industry. Recognizing this reality, the new law establishes a dedicated framework for sports-related dispute resolution. The legislation promotes specialized arbitration and mediation mechanisms designed to address conflicts efficiently and fairly. The Law designates the Saudi Sports Arbitration Center to supervise arbitration proceedings and other alternative dispute resolution mechanisms in sports-related disputes to which sports entities, their members, licensees, registrants, board members, or executives are parties. Significantly, an arbitration clause contained in a sports entity's Articles of Association is deemed to constitute a written arbitration agreement vis-à-vis the entity and those persons — removing a recurring threshold objection in sports disputes. These mechanisms can be used for disputes

involving athletes, clubs, agents, sponsors, event organizers, and governing bodies. The development of sports arbitration in Saudi Arabia represents a major step toward aligning the Kingdom's sports sector with international best practices in dispute resolution and sports governance.

A dedicated sports dispute resolution system offers several advantages:

- Faster resolution of disputes.
- Reduced litigation costs.
- Greater industry expertise.
- Consistency in decision-making.
- Enhanced legal certainty.

Supporting Vision 2030

The Sports Law plays a critical role in supporting Saudi Vision 2030 by contributing to economic diversification, social development, and international competitiveness.

The legislation supports several strategic objectives, including:

- Increasing sports participation across society.
- Developing sports infrastructure.
- Attracting international investment.
- Creating employment opportunities.
- Enhancing the Kingdom's global reputation.
- Building a sustainable sports economy.

By establishing a modern legal framework, Saudi Arabia is laying the foundation for long-term growth within one of the world's fastest-growing sports markets.

As Saudi Arabia continues implementing Vision 2030 sports sector reforms, businesses, investors, clubs, and governing bodies must remain aware of evolving Saudi Arabia sports business regulations. Understanding licensing requirements, governance obligations, and investment opportunities will be essential for long-term success in the market.

Conclusion

Saudi Arabia's new Sports Law 2026 marks a transformative moment in the development of the Kingdom's sports industry. Through enhanced governance, improved investor confidence, stronger athlete protections, comprehensive licensing requirements, and modern dispute resolution mechanisms, the law creates a stable and transparent environment for sustainable growth.

As Saudi Arabia continues its journey toward becoming a global sports hub, this legislation provides the legal infrastructure necessary to support ambitious investments, world-class sporting events, and a thriving sports economy. For investors, sports organizations, athletes, and international stakeholders, the new Sports Law signals a new era of opportunity and professional excellence in the Kingdom's rapidly evolving sports landscape.

How ALGhazzawi & Partners Can Help?

ALGhazzawi & Partners advises local and international clients on sports investment, regulatory compliance, licensing, governance, commercial agreements, and dispute resolution matters. Businesses seeking guidance from a sports investment attorney Saudi Arabia or a sports arbitration lawyer Saudi Arabia can benefit from legal support tailored to the evolving Saudi sports sector.