



5 steps to start a business in Saudi Arabia for foreigners?

Saudi Arabia is planning on spending more money in the next 10 years than what was spent in the last 300 years...

Let us take your step by step through the process of starting your business in Saudi Arabia:

STAGE 1: Visit SAGIA'S website (E services Portal)

www.sagia.gov.sa

Issuance of Investment License

The first step is to obtain a foreign investment license from the Saudi Arabia General Investment Authority (SAGIA). This enables to legally invest in the Saudi Arabia, however, to buy or to incorporate a company to operate a foreign branch, a commercial registration certificate from the Ministry of Commerce and Investment is also required.

There are certain preconditions on which the 100% ownership is possible. The ownership and share capital restrictions are directly linked to the entity's intended licensed activities. For example, services-related industries can be 100% foreign-owned and on the other side, some corporate activities such as trading require a minimum of 25% local ownership. It is crucial for foreign investors to verify the latest rules before they attempt to buy or incorporate a KSA entity.

Requirements:

- The company's commercial registration certified by the Saudi Embassy
- The last year's financial statement certified by Saudi Embassy

STAGE 2: Visit the Ministry of Commerce

www.mci.gov.sa

Foreign investors are required to visit the Ministry of Commerce to obtain Documents of Memorandum of Association from them. Requirements for these type of documentations are following:

- Branches of foreign companies are obliged to submit a decision regarding the opening of a branch in the Saudi Arabia only to complete the issuance of the Commercial Register.

STAGE 3: Visit the Ministry of Commerce

www.mci.gov.sa

Visit the Ministry of Commerce and obtain Issuance of Commercial Registration. Foreign companies that are interested in starting a business in the Kingdom will have to do the following:



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- Deliver the Commercial Registration of the parent company along with the decision of the board of directors of the company for the reason of opening a branch.
- If you are a new company, you will need to provide the Memorandum of Association.
- The company will have to appoint the General Director and the proof of the owner and general director's ID will have to be provided too.

STAGE 4: Open Files

Open the following files:

- File of the General Authority of Zakat and Tax
- File of Saudi Ministry of Labour and Social Development
- File of the General Organization for Social Insurance

STAGE 5: Visit the Ministry of Investment or submit the documents on their web site online:
www.misa.gov.sa

The final stage stage is to visit the Ministry of Investment in order to obtain General Director's Visa. In order to obtain the Visa, the companies must provide the following:

- A letter of appointing the general directors
- Proof of the General Director's ID

These steps won't take so much of your time, but in order to be effective you will have to strictly follow the directions of the Saudi Officials.

It is important to notify that Saudi Arabia will no longer sign contracts with foreign companies which do not have a regional headquarters in the kingdom after 2023. Therefore, all investors will be required to have a local presence or local agent(distributor) in the region.

If you are interested to expand your business in Saudi Arabia feel free to get in touch with us at info@ld-export.com and we will be happy to help you.

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