



**BUSINESS SETUP EXPERTS**

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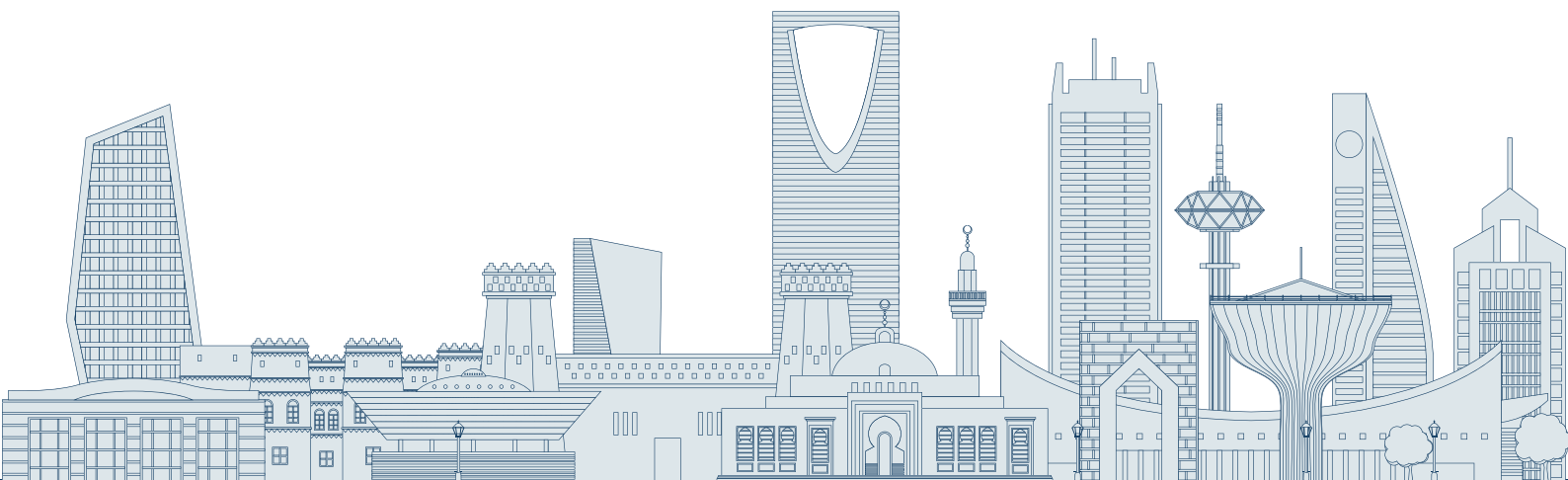
# Complete Guide for Setup a Foreign Company in Saudi Arabia



**#ExpandYourDreams**



**Saudi Arabia** has emerged as a desirable location for investors worldwide thanks to its advantageous location, strong economy, and ambitious **Vision 2030 plan**. The Kingdom has streamlined its business setup procedure to promote both domestic and foreign investment.



# Requirements and Procedures for **Foreign Investment** in the Kingdom of Saudi Arabia:

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The Saudi government has outlined specific conditions and procedures that an investor must adhere to when establishing a foreign entity.

- The intended investment activity by the company must be permissible for foreign entities.
- The applicant must not have been convicted in their home country abroad, or within the Kingdom, for crimes related to commercial or financial violations.
- The foreign investor is obliged to comply with the conditions, declarations, regulations, and commitments stated in the license application form.
- The granting of this license to the company should align with the investment objectives, orientations, and international agreements in Saudi Arabia.
- Obtain approval from the Saudi Ministry of Investment for the establishment of the company.





## Required Documentation for Establishing a **Foreign L.L.C** in the Kingdom of Saudi Arabia:

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- Commercial Registration attested by the Saudi Embassy and Ministry of Foreign Affairs
- Articles of Association for the foreign entity in its home country.
- Financial statements of the parent company's latest fiscal year, demonstrate profits not less than the equivalent of 300,000 Saudi Riyals (79,991 USD) for the preceding year.
- Power of attorney designating the Business Link team to oversee the company establishment process and handle all legal procedures and transactions (a model is provided upon contract execution).
- Copies of the passports of the shareholders and the executive director, clearly indicate their residency status in the Kingdom or otherwise.
- Holders of premium residency, are exempted from the mentioned documents, subject to regulatory and other security approvals, and payment of amounts due..



# Types of Investment Entities or the Most **Common Legal Forms** in the Kingdom of Saudi Arabia:



## **Branch of a Foreign Company:**

- It should have the same trade name and the same activities as the parent company.
- Appointing one executive director.
- It Cannot establish branches, acquisitions, or have a partnership with other companies.

## **Independent Limited Liability Company:**

- Adopt the same trade name or choose a different one that is Arabic and has an Arabic meaning.
- Appoint "between one to three", Managing Directors with equal or varying authorities.
- The owner of the company's capital is the parent company, holding 100% ownership.
- Can acquire shares in other companies, participate in tenders, purchase real estate, etc.
- Requires the same documents as mentioned earlier in the requirements for establishing investment entities in the Kingdom.

### **Note:**

- The branch of the company requires the board of directors' decision.
- The independent company does not require the board of directors' decision.

# Requirements of Setting up a Company for **Service or Industrial Activities** in the Kingdom of Saudi Arabia:

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These service-based licenses encompass activities such as **contracting and building maintenance, information technology, tourism, training, healthcare, education, advertising, maritime and air cargo services, event organization, catering, restaurants, and financial services**, among others.

## | Requirements for Service and Industrial Activities:

- The aforementioned documents as outlined in the foreign investment requirements in the Kingdom of Saudi Arabia are necessary.
- There is no minimum capital requirement, and there is no necessity for a Saudi partner or investor.
- Copies of the owners' and executive director's passports must be provided, clearly indicating residency or non-residency status in the Kingdom.
- Industrial licenses necessitate evaluation and approval by the Ministry of Industry and Mineral Resources.



# Terms and Conditions for Acquiring a **100% Foreign Commercial License** in the Kingdom of Saudi Arabia:

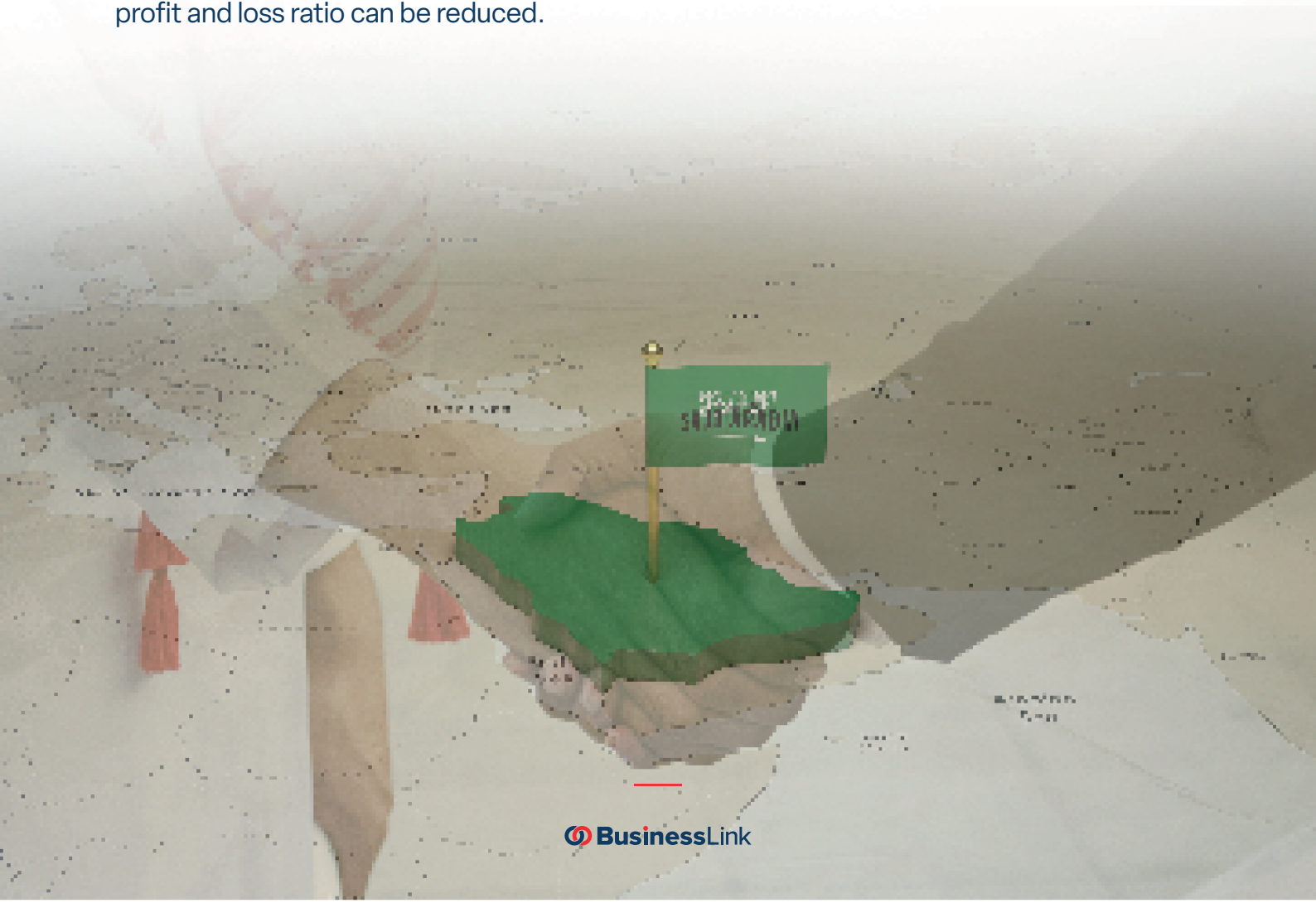
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If you are willing to invest in the Kingdom of Saudi Arabia and seek a 100% foreign commercial license, adhere to the specified conditions and procedures outlined below: The same set of documents detailed in the foreign investment prerequisites in the Kingdom of Saudi Arabia.

- Existence of the foreign company in three distinct countries.
- The minimum capital essential for engagement in wholesale and retail trade activities with %100 ownership shall not fall below 30 million Saudi Riyals ( 7,999,180\$) , written and not paid.

## Note:

- Saudi partner to own at least 25 percent of shareholding (unless the foreign investor meets the qualification to provide three commercial registrations ) .The capital must be 27 million wroted only and not paid. The Saudi partner's management powers and profit and loss ratio can be reduced.





# Requirements for Obtaining a **Consultancy License:**

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Consultancy licenses are contingent upon the nature of the consultancy service provided by companies across various specializations such as management, engineering, economics, security, and more.

## | Engineering Consultancy License:

- Attain a professional license from the Saudi Engineers Authority.
- If a license exists in the country of origin, it must be brought along with all certified scientific certificates according to the specialization and target activity.
- Ownership of a company in the home country or any other country provided it has been in operation for over 10 years.
- Presence of the foreign company in three different countries.  
The company must possess a financial report for the last fiscal year, with profits equivalent to 300,000 Saudi Riyals (79,991 USD).

## Important Note:

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- If the above conditions are not met, a Saudi partner with a 25% ownership is mandatory, possessing the appropriate educational qualifications for the consultancy license.
- The partner should also have more than 5 years of experience in the same field, qualified, and registered with the relevant authorities. For all other consultancy activities, a 10-year experience or presence in three other countries is not obligatory. However, a Saudi partner with a minimum ownership of 25% is a requirement.

# Requirements for Setting up a **Joint and Acquisitions Company** in the Kingdom of Saudi Arabia:

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- A parental company established outside the Kingdom, compliant with the requirements and conditions specified by the Ministry of Investment.
- Obtain the foreign investment registration as previously outlined.
- Activate all governmental platforms.
- Apply for the acquisition based on the requirements of commercial registrations.
- The Saudi commercial register acquired must be a principal registry, not a subsidiary, and to be a limited liability company with a %100 acquisition rate or as agreed
- Modification of ownership across all governmental platforms is conducted in compliance with applicable laws and regulations.
- The foreign registry acquires the assets, employees, and tangible properties of the target company.

## Note:

- If you do not own a company, that has been established for a year or more, Business Link team can provide solutions for acquiring an existing company outside the Kingdom and benefiting from it, in establishing a company within the Kingdom.



# Setting up companies in Saudi Arabia for **GCC nationals:**

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- GCC nationals benefit from all the privileges of local Saudi investors in most activities.
- The previously mentioned conditions and procedures, which are required for foreign investors, do not apply to investors from GCC countries.
- Easy and fast establishment process, as the GCC citizen needs only a license from the Ministry of Commerce and Industry of Saudi Arabia.
- The company trade name must be reserved before the local travels to the Kingdom of Saudi Arabia.
- These procedures take about four working days after booking the brand name.
- A foreign executive can be appointed as the Managing Director, with all power including bank account
- Business Link's team takes care of all procedures.





Unlock your business's potential and tap into the thriving & ever-expanding **KSA business landscape**. With our expert support & services, you have to look no further than **BusinessLink** for your **KSA business setup**!



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