

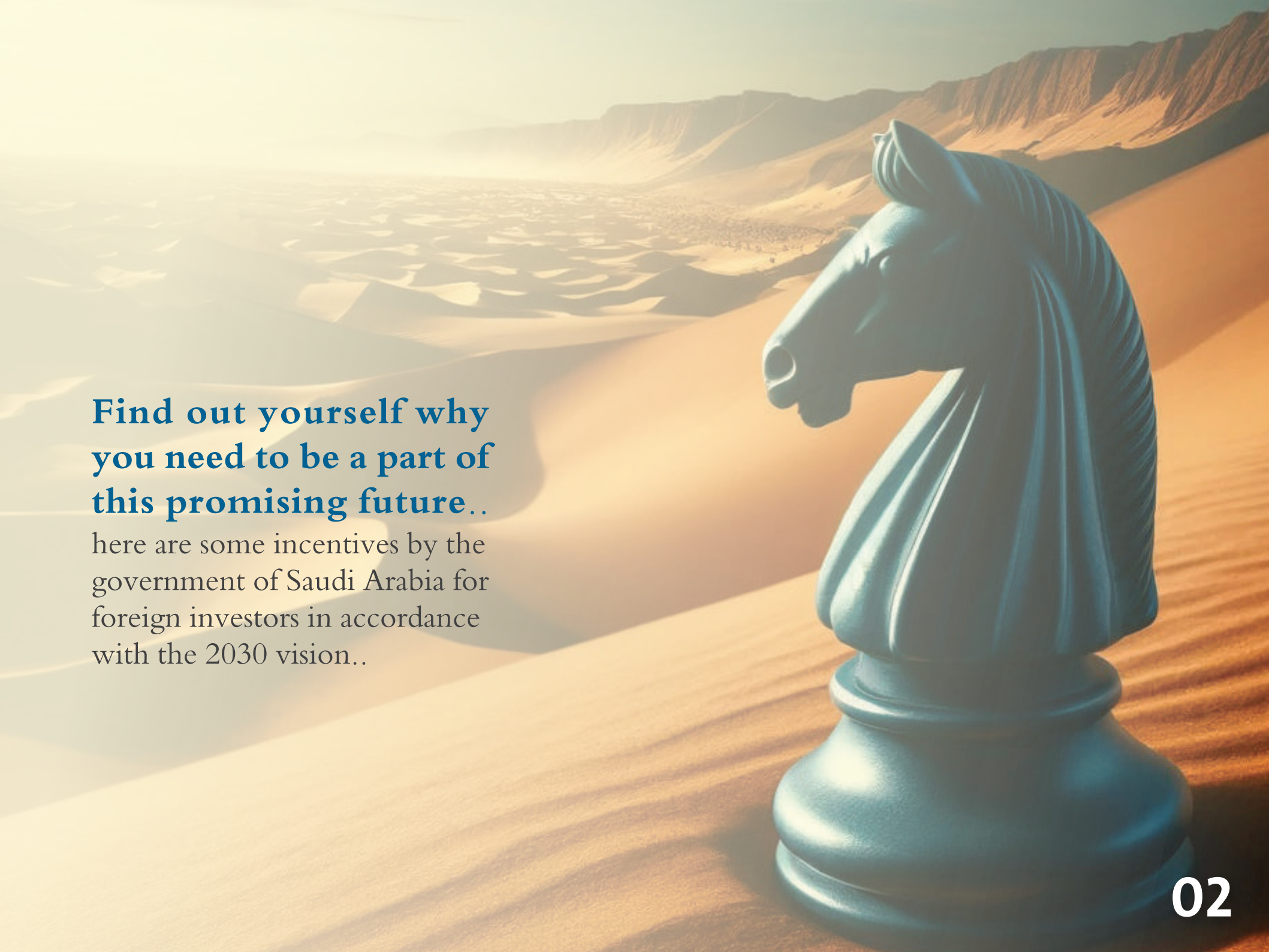


EDRAK  
LAW FIRM®

# INVESTMENT VERSION



With the rapid pace of change and innovation in the kingdom of Saudi Arabia, the investors journey offer an enlightened path towards the destination the Kingdom's 2030 vision is presenting to the world.

A blue chess knight piece stands prominently on a sand dune in a vast desert landscape. The background features rolling sand dunes and distant, rugged mountains under a clear sky. The lighting is warm, suggesting a sunrise or sunset, casting long shadows across the sand.

**Find out yourself why  
you need to be a part of  
this promising future..**

here are some incentives by the  
government of Saudi Arabia for  
foreign investors in accordance  
with the 2030 vision..



## 1– Establishment of markets

- Many sectors were opened for foreign investment, including energy, industry, entertainment, tourism, and technology.
- The Saudi regulator allows foreign investors in most sectors to own %100 of their companies.

## 2– simplicity of Procedures

Foreign investors can obtain investment licenses through the Saudi Arabian Ministry of Investment (MISA).

Additionally, Edrak Law Firm and Legal Consultancy provides this service on behalf of its clients.



### 3- Premium Residency:

It is a residency permit in Saudi Arabia that grants expatriates the right to live, work, and own businesses and properties in the Kingdom without the need for a sponsor. It was introduced in 2019 and is considered one of the exceptional facilitations provided by the Kingdom. It provides, for example:

- Exemption from expatriate and dependents' fees.
- Property ownership.
- Conducting business activities.

01

The categories eligible for premium residency include:



## 4– Incentive and Support Programs

A package of financial and tax incentives is offered to encourage foreign investment, including tax reductions and exemptions such as: Granting a 30-year tax exemption to each multinational company that establishes its regional headquarters in Saudi Arabia. The tax exemption package for regional headquarters includes a zero percent tax rate for both: its income tax and withholding tax for its approved activities. Global companies will benefit from the tax exemption package from the date of the incorporation of the regional headquarters license.

## 5– Infrastructure

The Kingdom has worked on developing investment infrastructure to facilitate business activities for investors, from registering numbers to portals and reviewing in government entities to setting up call centers to answer investors' questions and also clarifying the investor's journey, which includes all the entities the investor needs.



## 6– Strategic Sectors:

Strategic sectors such as petrochemicals, energy, technology, tourism, and logistics transportation are identified by the Ministry of Investment, whereby the ministry provides some exceptions or facilitations for investors in these sectors to encourage them. Examples include:



**1**

100% ownership of companies and lands for foreigners.

**2**

No restrictions on modifying capital ownership.

**3**

No individual income taxes; foreign corporate taxes are 20% on profits.

**4**

The ability to carry forward future losses in the budget statement indefinitely.

**5**

Foreign investors have the right to benefit from financial institutions.

There are also tax exceptions for designated areas in the Kingdom aimed at stimulating investment in them.



Here are the milestones that investors go through during their investment journey in Saudi Arabia



## The Ministry of Investment:

MISA is the governmental entity responsible for supervising and facilitating investment in the country, playing a crucial role in enhancing investment opportunities, simplifying procedures, and assisting investors.

Additionally, the Kingdom of Saudi Arabia has implemented regulatory reforms to streamline business operations, reduce bureaucracy, and improve the overall business environment. These reforms are part of efforts aimed at enhancing the business environment for both local and foreign investors.

## 4– Incentive and Support Programs

Foreign investors must first obtain a license for their activity from the Ministry of Investment. Here are some types of licenses:

- a) Service license
- b) Industrial license
- c) Scientific and technical office license
- d) Real estate license
- e) Temporary license for executing one government/semi-governmental contract
- f) Commercial license
- g) Transportation activities license for various land means
- h) Consultant license for engineering offices
- i) Entrepreneurial licenses

- 
- j) Consultancy license for economic and technical communication offices
  - k) License for recruitment agencies and leasing domestic labor services
  - l) License for audiovisual materials activities
  - m) License for printing and publishing activities
  - n) Professional license with a Saudi partner
  - o) Agricultural license
  - p) Mining license
  - q) Regional headquarters license
  - r) License for foreign law firms



## Ministry of Commerce

For an investor to establish their company, it is initially required to obtain a commercial register from the Ministry of Commerce.



## Ministry of Municipal and Rural Affairs and Housing

The investor passes through it during their journey to obtain licenses for the facility's location or headquarter , as there are several





هيئة الزكاة والضريبة والجمارك  
Zakat, Tax and Customs Authority

## General Authority of Zakat, Tax, and Customs

Upon establishing the facility, foreign investors are required to obtain tax registration certificates, including income tax and Value Added Tax (VAT).

الهيئة السعودية للملكية الفكرية  
Saudi Authority for Intellectual Property



## Saudi Authority for Intellectual Property

Passing through the Saudi Authority for Intellectual Property is an optional stage for the investor, as currently, it is not required to register their trademark with the authority. However, it may be imposed later, and it is advisable to register it early.

This opinion is a legal consultation from Edrak Law Firm that we recommend to our clients to provide legal protection for their intellectual property rights.



# Fees and Taxes

## 1

First: Financial fees for obtaining licenses and services from the Ministry of Investment:

- 1) A sum of (3,200\$) USD in the first year for issuing a license and obtaining ministry services such as: license modification, adding or deleting branches, applying for the general manager's visa, etc.
- 2) A sum of ( 16,533\$) USD for each subsequent year for issuing a license and obtaining the aforementioned ministry services.

## 2

Second: Financial fees for issuing the commercial register from the Ministry of Commerce:

Ranges between (1,333–800\$)USD.

## 3

Third: Financial fees for the Ministry of Municipal and Rural Affairs and Housing:

Variable depending on the type of activity but not less than (533\$)USD.

## 4

Fourth: Taxes imposed on foreign investors by the General Authority of Zakat, Tax, and Customs:

- 1) Income Tax: The tax rate varies depending on the activity.
- 2) Obtaining a tax certificate for Value Added Tax (VAT): Estimated at %15.

## 5

Fifth: Trademark registration:

(1,733\$) USD.

**All mentioned fees are subject to change and modification by official authorities, and sometimes vary depending on the activity.**

## Statutory Timelines

### Expected durations for each of the following:

- 1- Ministry of Investment license: From one to two working days.
- 2- Commercial register issuance from the Ministry of Commerce: Ranges from 4-3 working days.
- 3- Ministry of Municipal and Rural Affairs and Housing license: One week to two weeks.
- 4- Tax certificate issuance: One working day.
- 5- Trademark registration: 90 days.

In conclusion, we hope that we have inspired you to explore the promising horizons in the Kingdom of Saudi Arabia.

**In your hands is the key to starting an investment journey full of opportunities and possibilities.**

**Edrak**  
your legal  
insurance..





**Don't hesitate to contact us , if you want  
to be a part of this promising future.**



**+966595959614 | +966596736886**



**Info@edraklawfirm.com | Malik@edraklawfirm.com**



**www.edraklawfirm.com**