

General Rules of Licence Applications and Follow-up Procedures

Investor Service Agency

Ramadan 1435H

I. Investment Objectives

Saudi Arabia is striving to attract and enable such investments which positively contribute to the development of the national economy and sustainable development of the Kingdom, including:

1. Technology transfer and indigenization.
2. Diversification of the kingdom's sources of income.
3. Development of exports and import substitution.
4. Development of Saudi human resources.
5. Promoting the competitiveness of the economy and its products in local and global markets.
6. Balanced development of the Kingdom's regions.
7. Environment-friendly enterprises which manufacture their products in accordance with state of the art specifications and global quality standards.

II. Documents Required for Granting Licences

SAGIA welcomes all investments with local or international distinguished expertise and which possess financial and organizational capabilities to effectuate on ground the investment to be started in the Kingdom. To this end, the following process is being followed:

Documents required from enterprises

1. Completion of electronic investment licence application.
2. Copies of commercial registration and enterprise's Memorandum of Association in its country duly attested by the competent authorities and the Saudi Consulate.
3. Copy of trade name reservation issued by the Saudi Ministry of Commerce and Industry.
4. Draft Memorandum of Association of a limited liability company.
5. Draft Memorandum of Association and Articles of Association of the joint-stock company.
6. Shareholders decision to invest in Saudi Arabia, indicating the names of shareholders, share capital, equity of each shareholder, address of head office, type of activity, appointment of the General Manager and his powers, duly attested by the competent authorities and Saudi consulate.
7. Copy of General Manger's passport.
8. Copy of national ID and Family Register, if one of the partners is a Saudi citizen, and copy of CR to show the profession, or a relevant offprint from the Civil Status Department.
9. A detailed action plan accurately identifying the project's capability to achieve investment objectives including contribution to increasing the Kingdom's income, jobs to be provided to citizens, how the project is going to contribute to fostering competition, enhancing services, diversifying options for consumers, the strategic impact of the project on investment in the Kingdom, benefits to the city and the surrounding areas where the project will be stationed, an employment and training plan including an estimation of the number of employees and percentage of Saudis in each department and

administrative level, personnel training and qualifying programs, number of branches to be opened and an estimation of start-up cost and required financing .

10. A balance sheet for enterprises applying for licence from outside Saudi Arabia covering a period of 3 years at least and reflecting the solid financial position of the enterprise, duly certified by a recognized public accountant and authenticated by the body concerned with the trade and tax activity in the applicant's country, and legalized by the Saudi Consulate.
11. A proof of financial capability to invest commensurately with the project's share capital and equity of each shareholder, in line with the action plan submitted for the project.
12. Any other documents, data or information that may be required by SAGIA.
13. Approval by the relevant government agency of the specialized activities, excluding those listed in Attachment 2 for which licences can be issued but exercising the business will not be allowed until such approval is obtained. This restriction to the licence should indicate the name of the governmental body whose approval is required.

Important: The application will be reviewed and resolved within a maximum period of 30 days, and rejections will be subject to the Governor's approval only.

III.Licensing Construction Activities

1. A licence of 3 years only will be issued for a construction activity, against specific fee.
2. Upon the expiry of the licence's three years period, another licence will be issued for the enterprise renewable annually only when one of the following conditions is met:
 - 2.1 The enterprise has obtained a classification of the third degree at least by the Contactors Classification Agency of the Ministry of Municipal & Rural Affairs.
 - 2.2 The enterprise has achieved the following technical and financial requirements.

Technical Requirements:

- The number of managers and engineers in the enterprise is not less than four (4) persons (a general manager a finance manager, an HR manager and a manager of projects) 50% of whom are Saudis.
- The number of engineers registered with the Social Insurance under the enterprise's name is not less than 12 (including a quality engineer, a cost engineer, a safety engineer ...) of whom 50% are Saudis.
- The number of heavy equipment owned by the enterprise is at least seven (7).
- The enterprise has completed five (5) projects with a value of more than SR 50 million over the 3-years period.

Financial Requirements

- The total value of assets is at least SR 10 million.
 - Total revenues are not less than SR 20 million for the last fiscal year.
3. Deletion of the requirement of a bank guarantee in the name of SAGIA from the Construction Sector Standards issued by the Board under number 71/1 in its session held on 03.07.1434H.

IV. Fast Track Procedures for Distinguished Applicants (to be applied to new or modification applications)

These are the companies meeting the following (each enterprise should provide proof that it meets one of the criteria shown below):

1. Global multinational corporations.
2. Companies listed in the stock exchange of their countries or other countries.
3. Companies manufacturing a globally classified product through a technically approved production line.
4. Small and medium size enterprises which will operate in the area of intellectual property rights registered in their names, or which are classified as innovative enterprises.
5. Global companies setting up regional offices for them in the Kingdom.
6. Construction companies classified as first class contractors in their countries, or which have completed a project with a value of not less than SR 500 million and have manpower of at least two thousand (2,000) persons and total assets of not less than SR 50 million.
7. Companies planning to partner with other companies qualified by a government agency or by an agency which is fully or partially owned by the government, or with a company listed in the Saudi Stock Market.

It will be sufficient for the above companies to present the following documents (taking into consideration whether the application is for a new licence or modifying an existing one):

1. Shareholders resolution to invest in Saudi Arabia including names of shareholders, share capital, each shareholder's equity, head office, type of activity, name of the General Manager and authorized signatory, duly attested by competent authorities and legalized by the Saudi Consulate.
2. Copy of enterprise's Memorandum of Association and commercial registration attested by competent authorities and legalized by the Saudi Consulate.
3. Completion of Resume' Form and provision of a Company profile duly stamped by the enterprise seal.
4. Approval by the relevant government agency of the specialized activities, excluding those listed in Attachment 2 for which licences can be issued but exercising the business will not be allowed until such approval is obtained. This restriction to the licence should indicate the name of the governmental body whose approval is required.

Important: The application will be considered and resolved within a maximum period of five (5) working days of the date of receiving an email from SAGIA notifying

the applicant of receipt of documents. Rejection of application will be subject to the Governor's decision only.

V. Renewal Requirements

Basic Requirements:

1. Copies of main investment licence and branch licence(s), if any.
2. Copy of main commercial registration and CRs of branch(s) if any (even if licences are already expired).
3. Copy of valid zakat and income tax payment certificate.
4. Copy of valid social insurance certificate.
5. Copy of valid Saudization certificate.
6. Copy of licence/permit issued by competent government authorities for practicing the activity (for licences requiring approval by competent governmental bodies such as Ministry of Information, Tourism, etc.).
7. Completion of electronic renewal application.

Secondary Requirements:

1. Copies of latest two audited balance sheets issued by an accountant approved by the Saudi Organization for Certified Public Accountants (SOCPA).
2. Copy of Municipality licence issued for the enterprise (or site contract for factories located at industrial zones leased by government agencies).
3. Copies of passports (or offprints from "Muqem Service") of all persons under the enterprises' sponsorship. Offprints should be dating at most 15 days back.
4. Copy of lease contract for enterprise site (for enterprises with no valid Municipality licence) with a sketch of the site.
5. Copies of the largest valid contract agreements in terms of financial value being undertaken by the enterprise (for service projects).

VI. Promotion and Upgrading Program for SMEs, Light Industries Factories and Workshops and Restaurants (existing) for which New Standards have been Adopted for Processing their Applications.

SAGIA found out, following review of the status of licensed projects, that there is a number of those projects which were not successful in achieving the targeted goals of their investments. Therefore, SAGIA has introduced new standards for such failing activities (attached herewith standards for the three activities of Construction, Light Industries and Restaurants) on which basis applications for these activities will be evaluated with the objective of their upgrading and enhancement of their positive contribution to the achievement of their investment goals based on a set of standards ensuring the application of best global practices, creating quality jobs and protection of rights.

These Standards will be applied to the activities of Construction, Light Industries and Restaurants as follows:

1. Enterprises will be monitored and followed up pursuant to Enterprises Follow-up Standards Table").

2. Those enterprises which fail to meet three (3) of the standards described in Attachment 4 will be evaluated as low performers and will be considered as committing the violation No. 41 of Article (20) of the Executive Bylaws of the Foreign Investment Act issued by SAGIA Board under No. 2/74 dated 12.5.1435H which states "Failure to comply with the application of the Standards of sector issued by SAGIA Board". The enterprise will be given six (6) months for necessary remedial actions.
3. If there are any other violations, these will be dealt with in accordance with the procedures in force at the time of violation detection and the violation will be reported for imposing the penalty prescribed by law.
4. Any observation related to the enterprise will not be recorded in its electronic file (SAP) except with approval by the Deputy Governor for Investor Services, or his authorized representative.
5. The General Department of Investment Follow-up will be responsible for the application of these Standards.

The distinguished enterprises meeting the Fast Track criteria described in section IV of this document will be excluded from the application of these Standards.

VII. Licences for Individuals, Sole Proprietorships and Investor Visa:

General Rule

The possession of an investment licence does not entail possessing on investor's visa. The basic principle is that licence possession is separated from residence possession. An investor visa is granted only by the Governor's written approval which will be afterwards presented to SAGIA Board of Directors for final endorsement.

1. Investment licences are granted by SAGIA to natural persons in cases of sophisticated technologies, know-how, patents, scientific content and IPRs which are documented and authenticated by recognized organizations, and licences are granted to applicants who are residing in Saudi Arabia.
2. An investor visa is granted only in cases of patents which are registered with recognized organizations and agencies.

VIII. General Rules for all Licences

1. Compliance with all the laws, regulations and instructions in force in Saudi Arabia.
2. Refraining from exercising any activity which is not described in the investment licence issued by SAGIA to the investor.
3. Any requiring a licence from the concerned authorities will be exercised only after obtaining the required licence from the relevant competent authority.
4. The ownership of the licensed facility will not be transferred or disposed of in any manner except by SAGIA's prior approval.

5. Suspension of any licensed activity will be subject to SAGIA's prior approval.
6. Compliance with the basic conditions and purposes for which the licence has been granted, and any alterations to such conditions and purposes will be subject to SAGIA's prior consent and completion of necessary relevant procedures.
7. Voluntary cancelation of licence will require SAGIA's prior consent.
8. The investor should use for the licensed enterprise an approved accounting system including a register of all direct contracts, subcontracts, procurements, sales, revenues and expenditures.
9. The investor should provide a detailed balance sheet audited by an accounting firm approved by the Saudi Organization for Certified Public Accountants (SOCPA).
10. Employees' salaries and wages will be deposited and transferred on a monthly basis to a bank operating in Saudi Arabia. A copy of the statement of the bank transfers will be provided to SAGIA upon request.
11. Provide SAGIA with all requested information, data, statistics, statements, transfers, deposits, monthly salaries, etc.
12. Provide access for SAGIA or its designated CPAs to the accounting system, balance sheets and budgets of the investor, and enable SAGIA to review and verify the information, statistics, data, statements and all other documents provided by the investor to SAGIA.
13. Provide an approved address of general or private residence for receiving notices, decisions and other communications from SAGIA, with an update of the details of such address upon any changes thereto, not later than sixty (60) days of any such change.
14. Creating a website containing all necessary data of the enterprise, including contract details.
15. Appointment of a liaison officer to handle contacts with SAGIA. This officer should be one of the enterprise's employees who is registered with the Social Insurance (GOSI), and his personal data should be immediately updated in the event of any change thereto.
16. No Licensed activity will be allowed to do its business through opening a business store except:
 - 16.1 Licences issued for the commercial activity of wholesale or retail trading.
 - 16.2 Industrial licences for which approvals are granted by SAGIA to open marketing centers for selling their products.

IX. Documents of the Enterprise to be Maintained Valid for Presentation Upon Request

1. Investment licence, which should be exhibited in a visible place within the enterprise premises with copies in branches.
2. Commercial registration of the parent company and branches.
3. Social Insurance Certificate of the parent company and branches.
4. Zakat and income tax certificate.

5. Copy of Saudization Certificate (Netaqat) issued by the Labor Office, taking into consideration the Kingdom's international obligations in this regard.
6. Municipality licence for parent company and branches.
7. Licence/permit issued by the competent authority for doing the investment business.
8. A statement of all main contracts and subcontracts, procurements, sales, revenues and expenditures.
9. Enterprise's financial statements duly audited by an auditing firm recognized and approved by the Saudi Organization for Certified Public Accountants (SOCPA).

X. Material Violations Requiring Cancellation Based on Abuse of Authority and Privileges

1. Disposal of imported raw materials or capital equipment through lease or sale.
2. Exportation or importation of any materials that are not associated with the enterprise activity.
3. Exercising a commercial activity without licence.
4. Marketing, selling or producing products other than licensed products.
5. Hiring out or employing workers who are under the sponsorship of the project to a third party, or employing workers who are not under the sponsorship of the enterprise.
6. Utilizing the enterprise site in other than the licensed activity.
7. Utilizing the name or logo of a trademark without licence.
8. Presentation of fictitious performance contracts.
9. Lack of investment licences for branches, subsidiaries of marketing centers.

XI. Cancellation Mechanism and Procedures

Voluntary cancellation Procedures

1. Enterprise's owner, manager, authorized signatory or attorney-in-fact (by virtue of an official authorization or a special Power of Attorney expressly authorizing the attorney to apply for the cancellation of the investment licence, and necessary ID documents should be provided) will apply for cancellation/liquidation to the One-Stop-Shop at SAGIA, submitting the following documents:
 - 1.1 Application of cancellation (i.e. a letter written on the enterprise's letterhead requesting for cancellation (for establishments) or a shareholders resolution to cancel or liquidate duly notarized by a notary public (for companies and branches of foreign companies).
 - 1.2 An announcement by the enterprise in the newspaper of the widest circulation in the area where the enterprise's headquarters are located including a call for debtors to approach the enterprise within a specific period of time of not less than one month from the date of announcement.
 - 1.3 Two announcements in two local newspapers declaring the desire of the enterprise to cancel the licence.

2. The One-Stop-Shop at SAGIA will notify the concerned government agencies to individually complete the procedures of enterprise deregistration.
3. Afterwards, the enterprise will submit the following documents:
 - 3.1 A letter from the agency which has authorized the activity approving the cancellation of licence.
 - 3.2 A certificate of cancellation of Municipality licence previously issued for the enterprise.
 - 3.3 A certificate of closing the file of the enterprise with GOSI.
 - 3.4 A certificate of closing the file of the enterprise with the Department of Zakat & Income Tax.
 - 3.5 A letter from the Industrial Development Fund clearing the enterprise of any loan/debt liabilities (for industrial licences only).
 - 3.6 A certificate of closing the enterprise's file with the Labor Office and Domestic Recruitment Office.
 - 3.7 A certificate from the Passports Department stating that the enterprise or investor residing in the Kingdom no longer has any labor under their sponsorship.
 - 3.8 Cancellation of Chamber of Commerce membership.
 - 3.9 Deregistration certificate and the last deregistered document (in the case of absence of a commercial registration the application form (1-1) only will be sufficient but should be accompanied by a letter from the Ministry of Commerce & Industry stating that a commercial registration was not issued.
 - 3.10 Original investment licence.
4. After completion of all above documents, the cancellation application file will be referred to the Licence Department for consideration and verification of the validity of applicant's authorizations and PoAs and ensuring that all required documents are attached with the application. This will be followed by approval of the cancellation and the issuance of a decision to this effect which will be subsequently signed by the One-Stop-Shop Manager.
5. The cancellation decision will be delivered by the One-Stop-Shop after ensuring that no foreign person of the licence owner(s) or its employees is still listed in the enterprise's file with the Passports Department.

Procedures of Cancellation Effected by a Board Decision

- When a SAGIA Board decision is issued to penalize a breaching enterprise with cancellation, the One-Stop-Shop of SAGIA will notify the relevant government authorities of SAGIA's decision in relation to the enterprise in question in order to stop the provision of preliminary "expanding" services to the enterprise, and so that the decision becomes conclusive and the enterprise can plead the decision before the Board of Grievances. The services will be provided in accordance with Attachment 5 "Table of Government Services Provided to Licences Cancelled by a SAGIA Board Decision".

- With the conclusiveness of the Board decision to cancel the investment licence, SAGIA will notify the concerned government agencies for the completion of procedures of closing the enterprise file.
- Upon completion of deregistration procedures by the relevant government agencies, SAGIA will close the enterprise file and issue exit-only visas to the foreign owners of the enterprise.

XII. Procedures of Renewal for Liquidation Purposes

1. The following licence categories can be renewed for liquidation purposes:
 - Licences for which voluntary cancellation applications are submitted in accordance with the applicable mechanism and rules.
 - Licences for which a "non-renewable" decision has been issued.
 - Licences for which a cancellation decision has been issued by SAGIA Board.
 - Licences for which a "withdrawal" decision has been issued.
 - Enterprises applying for amendment of heirs and the application is turned down, subject to notarization of the Shareholders resolution before submitting the application.
2. The enterprise will apply to the One-Stop-Shop for renewal for liquidation purpose, subject to fulfilment of the requirements of item (1) of section XI.
3. The Licence Department will verify the licence validity period "for liquidation purpose" taking into account the size of enterprise (in terms of its contracts, manpower, rights, etc.) and will determine the length of time required for liquidation which should not exceed 18 months.
4. The enterprise will not be relieved of the fees upon renewal of the licence "for liquidation purpose", nor will it be exempted of any fees or fines payable for past years.
5. The following will be written in the licence "Licence is renewed for "liquidation purpose" only, and the enterprise will not have the right to exercise the activity, sign new contracts or expand its business, operations or manpower".
6. The One-Stop-Shop of SAGIA will notify the relevant government bodies with a copy of the licence issued for liquidation purpose in order to facilitate procedures for licensee in accordance with their applicable laws and regulations and update SAGIA on the results.
7. The Deputy Governor for Investor Services will sign the renewal for liquidation purpose.

XIII. Rules of Sponsorship Transfer Upon Voluntary Cancellation or Conversion of Enterprise into a National Entity

General Rule: Sponsorship of the foreign holder of the investment licence can be transferred by SAGIA Governor's written approval.

1. The sponsorship of the foreign holder of the licence will be transferred and its profession will be amended in accordance with applicable laws after the issuance of a cancellation decision for the enterprise pursuant to the approved voluntary cancellation mechanism described in Section XI of this document, or after the issuance of a decision to wind up the enterprise and convert it into a 100% national entity according to licence modification procedures adopted by SAGIA.
2. The foreign investor (licencee/licencees) should not be a holder or a co-holder of any other licence granted by SAGIA (in case of having another licence, transfer of sponsorship to the other enterprise which he/they owns or co-owns will be considered).
3. The sponsorship of the foreign investor (licencee/licencees) will not be transferred to the same enterprise which he/they used to own or co-own and which was converted to a fully (100%) national entity.
4. Sponsorship transfer applicant will present a written undertaking stating that the applicant will not exercise the activity which was licensed for him with the new employer.

These Rules will not apply to the foreign investor (licencee/licencees) for whom a punitive decision of (licence cancellation) was issued pursuant to Article (12) of the Foreign Investment Act.

Abdulatif bin Ahmed Al-Othman
SAGIA Governor and Chairman

Attachment (1)
Negative List of the Foreign Investment Act
(Activities Excluded from Foreign Investment)

(A) Manufacturing Sector

- Oil exploration, drilling and production, except the services related to mining sector which are internationally classified under the codes (5115-883)
- Manufacturing of military equipment, devices and uniforms.

(B) Service Sector

1. Catering to Military Sectors.
2. Security and Detective Services.
3. Real Estate Investment in Makkah and Madina.
4. Tourist Orientation and Guidance Services related to Hajj and Umrah.
5. Recruitment and Employment Services including local recruitment offices.
6. Real estate brokerage.
7. Printing and Publishing Services, except the following activities:
 - a. Pre-printing services internationally classified under the code 88442.
 - b. Printing Presses internationally classified under the code 88442.
 - c. Drawing and Calligraphy internationally classified under the code 87501.
 - d. Photography internationally classified under the code 875.
 - e. Radio and Television Broadcasting Studios internationally classified under the code 96114.
 - f. Foreign Media Offices and Correspondents internationally classified under the code 962.
 - g. Promotion and Advertising internationally classified under the code 871.
 - h. Public Relations internationally classified under the code 86506.
 - i. Publication internationally classified under the code 88442.
 - j. Press Services internationally classified under the code 88442.
 - k. Production, Selling and Renting of Computer Software internationally classified under the code 88.
 - l. Media Consultancies and Studies internationally classified under the code 853.
 - m. Distribution of Movie and Video Tapes internationally classified under the code 96113.
 - n. Typing and Xeroxing internationally classified under the code (87505 + 87904).
8. Commission Commercial Agents internationally classified under the code 621.
9. Audiovisual services.
10. Land Transport Services, except inter-city train transportation.
11. Services Rendered by Midwives, Nurses, Physiotherapists and Paramedics internationally classified under the code 93191.
12. Fisheries.
13. Blood Banks, Poison Centers and Quarantines.

Attachment (2)
Specialized Activities Requiring Approval by other Government Agencies

No.	Government Agency	Activity Requiring Approval
* 1	Ministry of Health	Construction, management and operation of a hospital and all healthcare services, except those included in the Negative List.
2	Saudi Food & Drug Authority	<ul style="list-style-type: none"> – Manufacture of human and animal drugs. – Manufacture of cosmetics. – Scientific and technical offices.
* 3	Ministry of Petroleum & Mineral Resources	<ul style="list-style-type: none"> – Mineral exploration licences (service). – Mineral exploitation and production licences (industrial).
* 4	General Authority of Civil Aviation	<ul style="list-style-type: none"> – Cargo air transport. – Airline companies. – Aircraft maintenance training centers. – Aviation training centers.
5	Technical & Vocational Training Corporation	Construction and management of higher training institutes.
6	Ministry of Transport	<ul style="list-style-type: none"> – Maritime transport (shipping) intermediaries. – Management and operation of vessel fleets flying the Saudi flag or foreign flags. – Service centers on highways.
7	Saudi Standards, Metrology and Quality Organization/Ministry of Commerce & Industry	Quality assurance laboratories.
8	Ports Authority	All activities related to Saudi ports including: <ul style="list-style-type: none"> – Management and operation of commercial vessel terminal. – Maritime activities (observation towers). – Dry docks for vessel repair and maintenance.
* 9	Ministry of Education	<ul style="list-style-type: none"> – Construction, management and operation of elementary, intermediary and high secondary schools for teaching in Arabic or any other language. • This activity is currently suspended by the decision of the Council of Ministers of 1427H.
* 10	Ministry of Higher Education	Construction, management and operation of institutes, colleges or universities for education and granting graduation degrees in Arabic or any other language.
11	Ministry of Agriculture	<ul style="list-style-type: none"> – Poultry. – Livestock breeding. – Fish and shrimp farming.
12	Saudi Commission for Tourism & Antiquities	<ul style="list-style-type: none"> – Travel agencies, except for ticket issuance by the General Authority of Civil Aviation. – Construction, management and operation of hotels.
13	Ministry of Information	<ul style="list-style-type: none"> – Advertising agencies. – Printing presses. – Photography. – TV & Radio Studios. – Foreign media offices & representatives. – Public relations.
14	Saudi Exhibition & Convention Bureau.	Managing and organizing exhibitions and conferences.
15	Ministry of Municipal & Rural Affairs	Service centers on highways.
* 16	Capital Market Authority	Financial activities such as financial advice, custody and underwriting, etc.

* 17	Saudi Arabian Monetary Agency	Insurance, finance lease, banking, etc.
* 18	Ministry of Interior	Civil explosive manufacturing (deleted off the Negative List).
* 19	Ministry of Defence, or any military or government institution.	Temporary licences for the performance of time-limited contracts.
* 20	Supreme Economic Council	For the derogation any of the activities of the Negative List.

* Granting of licence is subject to prior consent of the relevant government agency

Attachment (3)
Standards for Construction, Factories and Restaurant Sector

Construction Sector

1. Licences will be granted and renewed only for corporate bodies such as limited liability companies or joint-stock companies.
2. The classification list issued by the Ministry of Municipal & Rural Affairs will be used as a reference for the identification and classification of construction, management, maintenance, operation and housekeeping activities, in accordance with the Kingdom's international commitments and obligations.
3. Entities applying for licence from outside Saudi Arabia should present a balance sheet covering not less than 3 years and not more than 10 years confirming the sound financial position of the enterprise, prepared and attested by a certified accountant, authenticated by the responsible commercial and tax body in the enterprise country and legalized by the Saudi consulate.
4. Employment of non-Saudis should not exceed 25% of total manpower, if necessary, and this percentage should include managers, executives and specialists with practical experience of at least three (3) years in the country of the licensed enterprise in the area of the enterprise's business.
5. Applicants should not apply for construction, operation & maintenance under the same licence, with the exclusion of companies which employ more than 300 persons in their countries.
6. Provision of an insurance policy against company faulty performance during implementation of any project after granting or renewal of licence.
7. The company which obtained or renewed its licence will be committed to submit an annual report on all awarded and completed projects and the value of each project.
8. The company which obtained or renewed its licence will be committed to provide all the data, information and financial statements audited by any such auditor as designated by SAGIA.

Restaurant Sector

1. Licences will be granted and renewed only for corporate bodies such as limited liability companies or joint-stock companies.
2. Employment of non-Saudis should not exceed 25% of total manpower, if necessary, and this percentage should include managers, executives and specialists with practical experience of at least three (3) years in the country of the licensed enterprise in the area of the enterprise's business.
3. The applicant should possess necessary health certificates and licences from its country, and should provide a certificate attested by the competent authorities in its country confirming its sound health record, duly authenticated by the Saudi Consulate.
4. Provision of an action plan clearly and accurately detailing the project's capability to achieve investment objectives including contribution to increasing the Kingdom's income, jobs to be provided to citizens, how the project is going to contribute to fostering competition, enhancing services, diversifying options for consumers, the strategic impact of the project on investment in the Kingdom, benefits to the city and the surrounding areas where the project will be

- stationed, an employment and training plan including an estimation of the number of employees and percentage of Saudis in each department and administrative level, personnel training and qualifying programs, number of branches to be opened and an estimation of start-up cost and required financing.
5. Entities applying for licence from outside Saudi Arabia should present a balance sheet covering not less than 3 years and not more than 10 years confirming the sound financial position of the enterprise, prepared and attested by a certified accountant, authenticated by the responsible commercial and tax body in the enterprise country and legalized by the Saudi consulate.
 6. Provision of separate "Single" and "Family" sectors in the restaurant, the kitchen and cooking operations must be visible to customers and packaging material bearing the printed name of the restaurant.
 7. Provision of modern and sophisticated systems for the management of orders, warehouses, refrigerators, points of sale, security and safety.
 8. Provision of all data, information and financial statements audited by such auditor as may be defined by SAGIA.

Light Products Factories

1. Licences will be granted and renewed only for corporate bodies such as limited liability companies or joint-stock companies.
2. Project location should be within one of the industrial or economic cities.
3. Project site to be designed by an approved and licensed engineer.
4. The purpose of the end product should be to achieve self-sufficiency for the local market or development of exports.
5. Employment of non-Saudis should not exceed 25% of total manpower, if necessary, and this percentage should include managers, executives and specialists with practical experience of at least three (3) years in the country of the licensed enterprise in the area of the enterprise's business.
6. Entities applying for licence from outside Saudi Arabia should present a balance sheet covering not less than 3 years and not more than 10 years confirming the sound financial position of the enterprise, prepared and attested by a certified accountant, authenticated by the responsible commercial and tax body in the enterprise country and legalized by the Saudi consulate.
7. Provision of modern and sophisticated systems for the management and control of material consumption, recycling and disposal of waste, operations and production lines, energy consumption, warehouses, internal safety and security.
8. An approved safety plan for the factory.
9. Provision of an annual report on the factory's production, raw material consumption, imports and exports. Level of production must be proportionate to the size of factory and number of employees.
10. Provision of all data, information and financial statements audited by such auditor as may be designated by SAGIA.

Attachment (4)
Standards of Licensed Enterprise Follow-up

No.	Standard	Factories	Construction	Restaurants	IT
1	Site	Within a factory master plan with an area of at least 2,000 m2	Administrative building on a main road with an area of at least 150 m2	Restaurant zone with an area of not less than 300 m for each branch.	Administrative building on a main road with an area of not less than 150 m (not a point of sale).
2	No. of branches	NA	NA	2	NA
3	No. of workers	Green Zone 25+	Green Zone 50+	Green zone 30+	Green zone 25+ and 50% engineers and technical consultants.
6	Revenues (sales)	3,000,000	10,000,000	3,000,000	10,000,000
5	Consulting Contracts	NA	NA	NA	50% of revenues from consultancy contracts
7	Assets	2,000,000	2,000,000	1,000,000	300,000
8	Net profit	300,000	1,000,000	250,000	100,000
9	Exports	Yes	NA	NA	Two (2) projects with customers outside Saudi Arabia.
10	Classification	NA	4	<ul style="list-style-type: none"> - Cook certificate from an international recognized school. - Food containers bearing printed name of restaurant. - Kitchen and cooks are visible to customers. 	One partnership with an international vendor.
11	Government/major projects	NA	Two (2) contracts with total value over SR 600,000	NA	One (1) contract with a total value of over SR 300,000
12	Registered trademark	Yes	NA	Yes	NA
13	No. of approved programs sold as trademarks	NA	NA	NA	1

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Attachment (5)

Table of Services Provided to Cancelled Licences Pursuant to a SAGIA Board Decision

Agency	Services to be Suspended	Services to be Provided	Additional Restrictions
DZIT	<ol style="list-style-type: none"> 1. Certificate (which is the final certification that can be validly used for receiving final and standard payments and for bidding) 2. Restricted certificate (valid for receiving non-final payments and bidding in tenders). 	<ol style="list-style-type: none"> 1. Facilitation letter (issued to taxpayer after reviewing its file and does not include bidding in new tenders) and is granted for a specific purpose. 2. A letter of release of a contract (issued following review of taxpayer's file). 	
Ministry of Labor	<ol style="list-style-type: none"> 1. Recruitment 2. Service transfer 3. Change of profession 	<ol style="list-style-type: none"> 1. Work permits 	
Foreign Ministry	<ol style="list-style-type: none"> 1. Visit/work visas for enterprise and its employees. 	Legalization of documents.	
GOSI	<ol style="list-style-type: none"> 1. Suspension of insurance policies. 2. Suspension of acceptance of installment applications received from the enterprise. 	<ol style="list-style-type: none"> 1. Registration and deregistration of Saudi employees. 2. Deregistration of foreign employees. 3. Work injury indemnification, subject to applicable terms. 4. Payment to contributors. 	
Ministry of Commerce and Industry	<p>Industry Agency</p> <ol style="list-style-type: none"> 1. Industrial licence which enables the foreign investor to exercise the industrial activity in the Kingdom, pursuant to the Cabinet's decision no. 181. 2. Chemical clearance of materials. 3. Issuance of country of origin certificate. 4. Customs exemption. <p>Internal Trade Agency</p> <ol style="list-style-type: none"> 1. Registration of trademarks. 2. Suspension of CR. 	<ol style="list-style-type: none"> 1. Where the CR renewal is required before SAGIA decision enter conclusively into force, the CR will be renewed and the following will be written down therein "an extended licence which cannot be used by enterprise in any new commercial obligations, signing new contracts, bidding or exercising the licenced activity". 	<ol style="list-style-type: none"> 1. Enterprise should have a valid investment licence. 2. The CR will be renewed for a specific period to be determined by SAGIA. 3. Enterprise should have a valid industrial licence (for industrial enterprises only).

Ministry of Interior	<ol style="list-style-type: none"> 1. Exit/re-entry visas (investor/General Manager). 2. Resident permit renewal (investor/general manager). 3. Suspension of all services provided to the domestic helpers of the investor/General Manager except exit-only visas. 	<ol style="list-style-type: none"> 1. Provision of services to dependents and escorts (investor/General Manager). 2. Exit-re-entry visas for investor/General Manager for a period of not more than 90 days, one return journey for an exceptional case. 3. Renewal of resident permits with remaining less than 60 days validity for an exceptional case. 	<ol style="list-style-type: none"> 1. SAGIA will define the required service and its time by an official letter from the Manager of the One-Stop-Shop in the area. 2. When SAGIA decides to suspend an investor/General Manager services, SAGIA will write to the Passports identifying the type of suspension (check with SAGIA/suspension of services). 3. When the deregistration process is completed, SAGIA will officially write to Passports identifying the nature of required service (exit-only sponsorship transfer) according to applicable regulations.
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Attachment (6)
Table of Licence Categories, Minimum Capitalization and Saudi Partnership

No.	Licence Type	Minimum Acceptable Capital (SR)	Minimum Saudi Participation (%)
1	Service	50,000*	
2	Industrial	1,000,000	
3	Commercial	26,666,667 Foreign capital shareholding not less than SR 20 million and partnership not more than 75%.	25%
4	Agricultural	25,000,000	
5	Communications	--	40%
7	Communications value added	--	30%
8	Insurance	100,000,000	40%
9	Reinsurance	200,000,000	40%
10	Real Estate Financing	200,000,000	40%
11	Real Estate Development	50,000* – The value of each project not less than 30,000,000. – The land and buildings will be outside the perimeter of the two Holy Mosques	--
12	Management of construction projects, detailed engineering design and EPC contracts.		25%

* Only for branches of foreign companies. No minimum requirement for other entities.