

Expand Horizons in Saudi Arabia.



10 Crucial steps to setup and operate in KSA

1

Documents pre-approval

2

PoA & Name Reservation

6

GeneralManager Visa

3

MISALicense&CR Issuance

7

GeneralManager Iqama (Residency)

4

National Address

8

PortalRegistration & Activation

5

MoL,GOSI&GAZT registrations

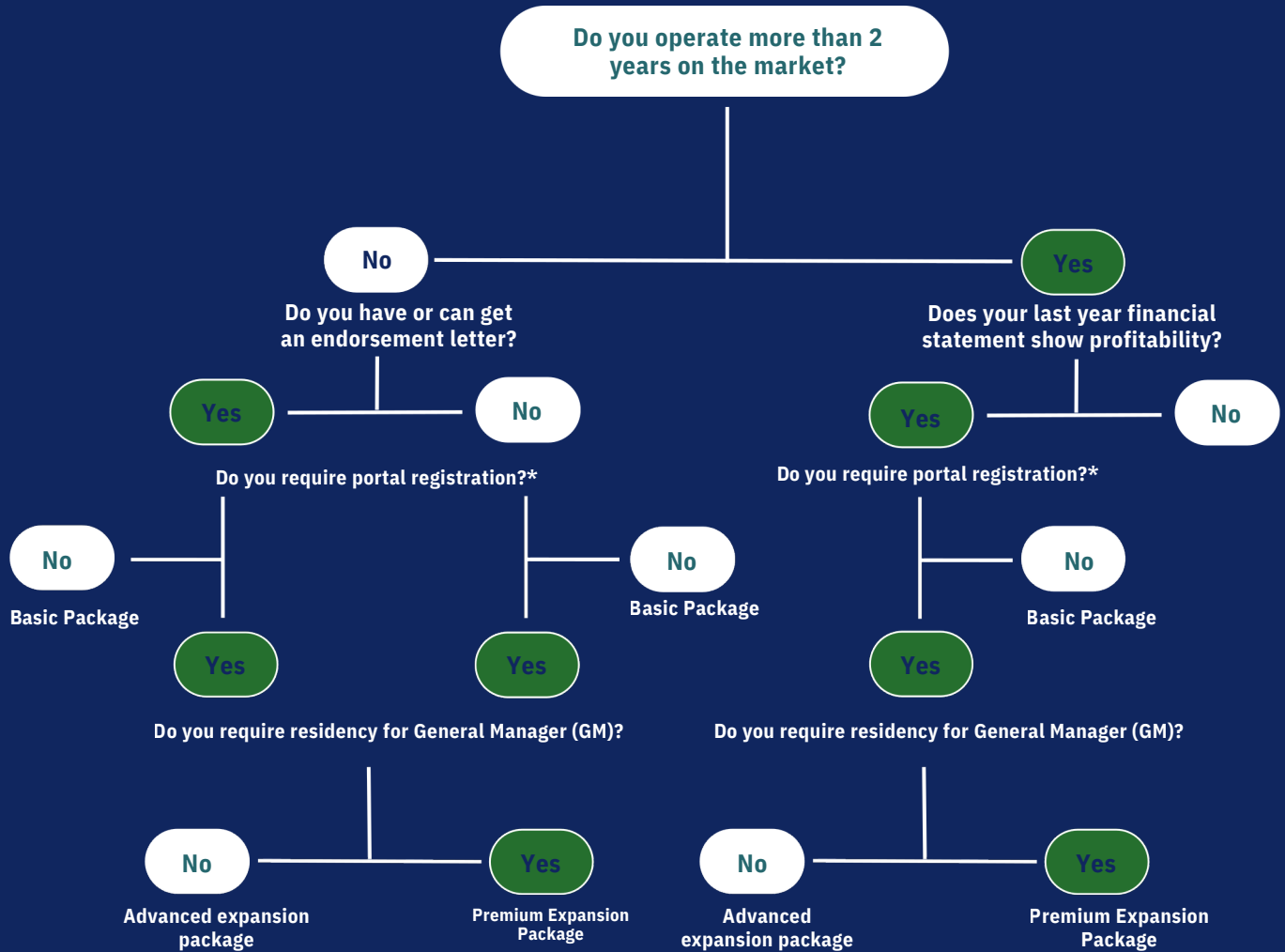
9

Bank Account Opening

10

Handover

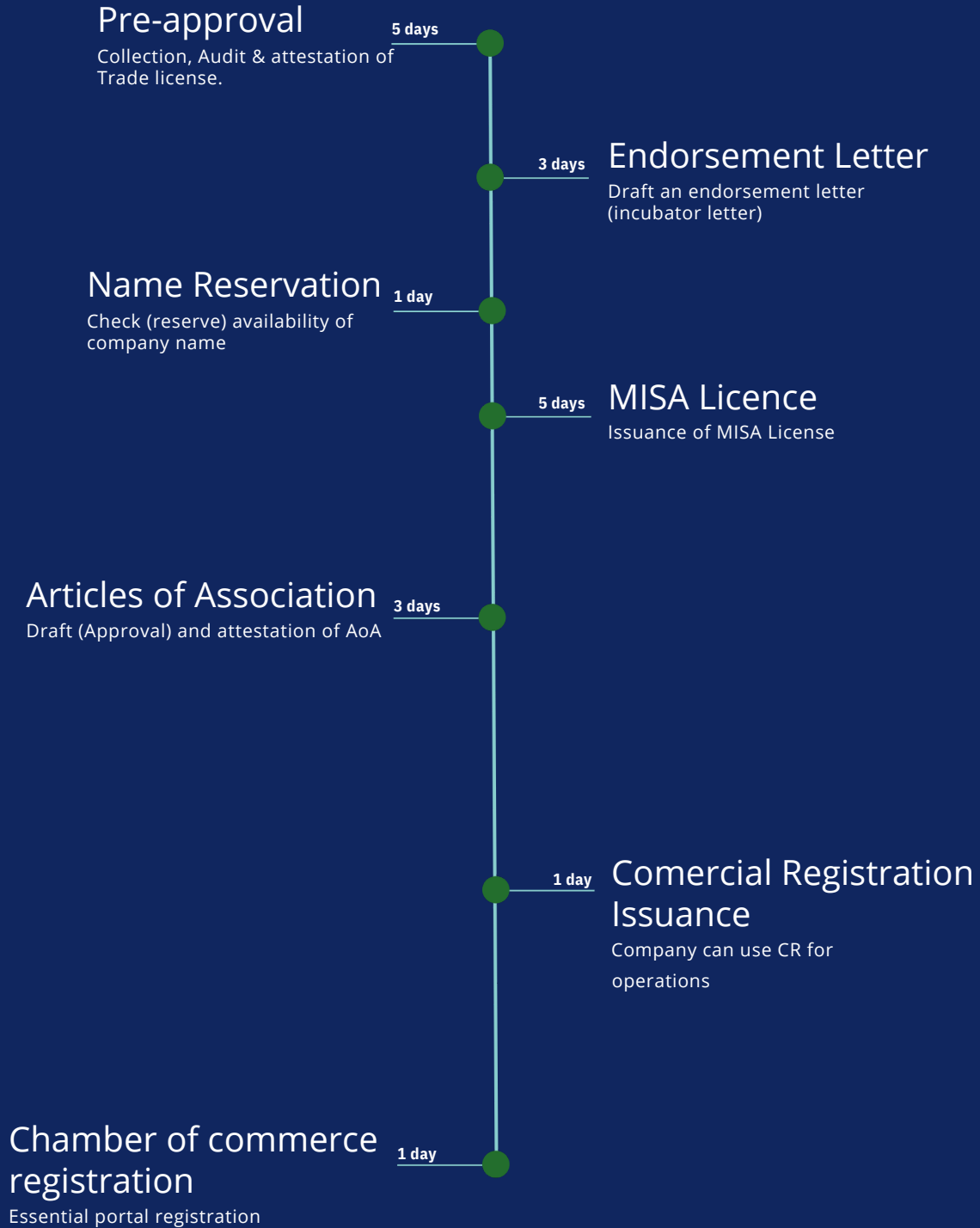
By expansion package



*Portal Registration refers to KSA-specific business-related portals that are used to run business operations. Portal registration is a requirement from the KSA government.

Start Up basic package timeline

Your business will have all the necessary official licenses and registrations. to start operations in Saudi Arabia.



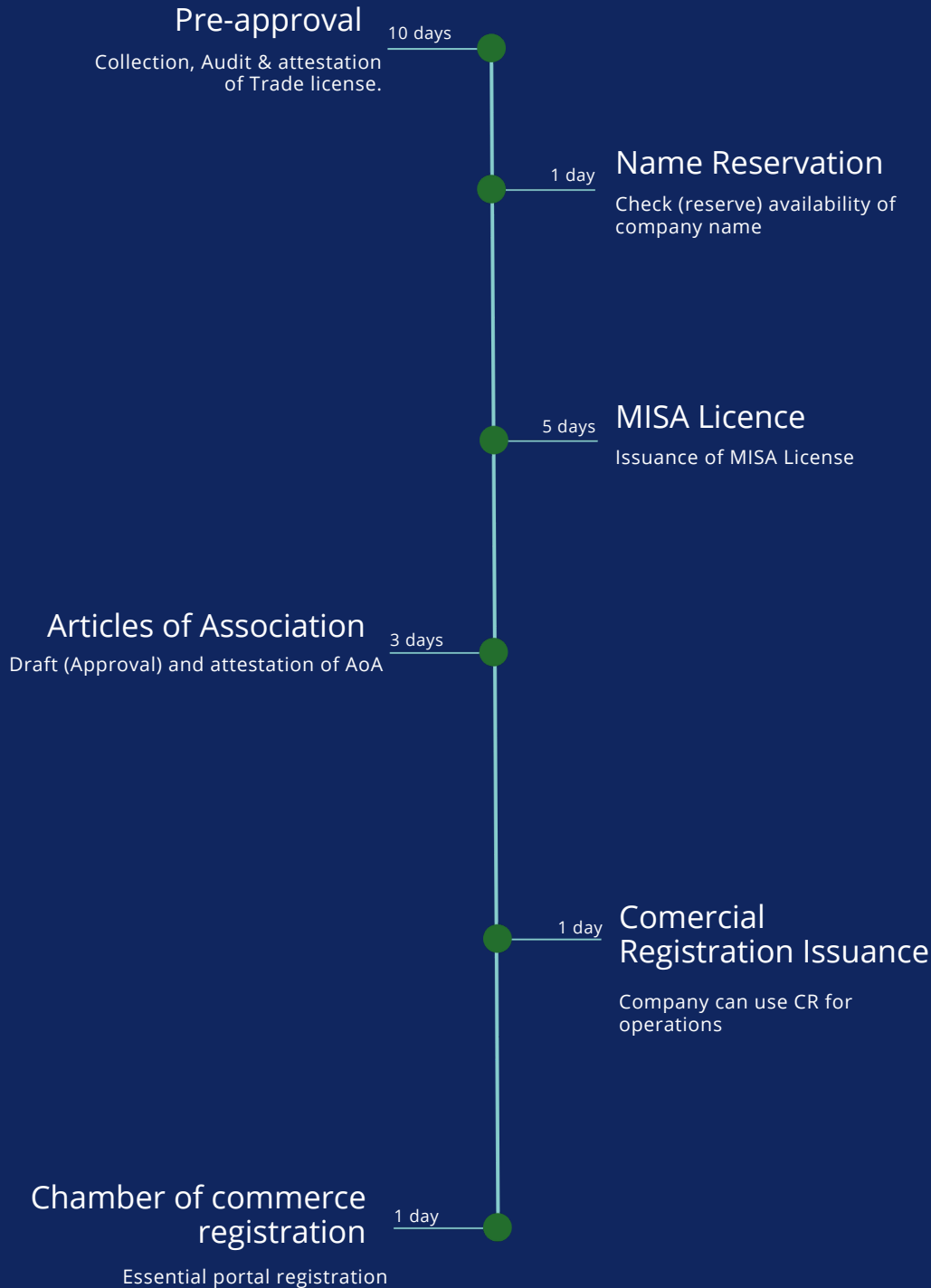
Total: 19 working days

Start Up Normal Setup route
(Gov. fee included)

CONSULTATION

Basic package timeline

Your business will have all the necessary official licenses and registrations, to start operations in Saudi Arabia.



Total: 21 working days

Basic Setup Package
(Gov. fee included)

CONSULTATION

Advanced package timeline

Your Saudi subsidiary will become operational with all the necessary ministry registrations completed.



Total: 59 working days

Premium package timeline

The assigned General Manager to your Saudi entity will travel to Saudi Arabia for one working week to activate the Saudi entities.



Total: 64 working days

FAQs

Can my KSA entity have 100% foreign ownership?

- Yes, it can, and this is done by getting the appropriate Ministry of Investment for Saudi Arabia (MISA) license. For startups, this is typically the entrepreneurship license.

What information do I need to set up my KSA entity?

- If the KSA entity will be a startup, you will need a startup pitch deck, a startup brief, a letter of intent, and endorsement letter for the entrepreneurship license. For the KSA entity registration, the information needed depends on who will be the shareholder(s) of the KSA entity. If the shareholder is a foreign company, some constitutional documents are needed like the commercial license. A shareholder/board resolution and a power of attorney required. If the shareholders are foreign individuals or a mix of local and foreign individuals, typical KYC documents are needed like a passport copy, residency ID, etc

Can I get residency with my KSA entity?

- Yes, you can as a General Manager (GM). This is typically done after the entity is formed. After the GM, the KSA company can get visas and obtain residency and work permits for foreign employees in the company.

What are the benefits of establishing a KSA entity?

There are many benefits of establishing an Operating Company in KSA which includes:

- Access to the biggest economy in MENA and one of the largest economies of the world
- Hub for the GCC market with KSA being the largest country in the GCC by geographical size and population, and having land borders with all GCC countries
- Access to government support and incentives
- Taking advantage of the Vision 2030 and the technological boom in all sectors
- Access to a young and tech-savvy population
- Being able to hire Saudis for market know how and localization

What are the ongoing obligations for a KSA entity?

There are a couple of ongoing obligations for a KSA company to operate:

- MISA license renewal
- Commercial registration renewal
- National address renewal
- Annual financial statements submission (audited if applicable)
- Tax filings
- Social insurance and unemployment insurance for Saudi employees and occupational hazard insurance for all employees (all monthly)
- Managing GOSI, Absher, Qiwa, Mudad, and Muqeem files and using them appropriately
- Health insurance for all employees
- Residency, health checkups, work permits, and entry/exit visas for foreign employees

There are other obligations depending on the sector the company is operating in.

What are the tax requirements for KSA entity?

- For foreign or partially foreign companies, there is an income tax of 20% on net income paid to the Zakat, Tax, and Customs authority (ZATCA).
- There is also a 15% Value Added Tax (VAT) on most goods and services.
- There is also withholding tax of 5-20% if you are non-resident receiving income from a business or resident in KSA. There is no income tax on individuals. Always check with a tax consultant for most up to date information on taxes in KSA and if you're unsure of something.

FAQs

Can I establish a company as a sole-proprietorship owner?

- No, the company has to be an LLC - this is a very common legal structure.

Can Setup In Saudi help me obtain a MISA License?

- We can help clients get all types of licenses. We recommend startups to get the endorsement letter through authorized accelerators, incubators, investors etc in the country to reduce the total cost of the company setup.

What is an Apostille?

- An apostille is an official government-issued certificate added to a document so that the document is recognized and accepted for use in another country. Both countries have to be part of the Hague Convention for the apostille to be accepted. If the either country is not part of the Hague Convention, the attestation process typically is longer and more expensive.
- **Example:**
Let's say you have a company in country A and want to setup a subsidiary in country B (KSA in this case), and one or both of these countries are not part of the Hague Convention, the documents of the company in country A have to be taken to country A's Ministry of Foreign Affairs to be certified, then country B's embassy in country A, then country B's Ministry of Foreign Affairs. For countries that Setup In Saudi provides services in, the Cayman Islands, the US, and KSA are all part of the Hague Convention.

What is an endorsement letter?

- One off the required documents to apply and get the entrepreneurship license is the endorsement letter. The endorsement letter is essentially a document written by an authorized entity and addressed to the Ministry of Investment (MISA) supporting the startup to get the entrepreneurship license. Typically the authorized entity will be an accelerator, incubator, angel group, university, or a VC that has an agreement with MISA to issue these letters. MISA doesn't publish the names of the authorized entities; You can always check with any entity that is considering you for investment or part of a startup program if they can issue an endorsement letter for your startup. As the requirements of other types of licenses can be hard and the fees can be costly, an authorized entity needs to do due diligence on your company to make sure that it's a startup and not a traditional company with a technology element trying to bypass the requirements and pay the discount fees for the entrepreneurship license.