Naar Saudi

WHITEPAPER

Setting up a company in Saudi Arabia

The complete process from MISA to bank account, with current costs, lead times and pitfalls.

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In five years, Saudi Arabia has transformed itself from a market that was difficult to access into one of the most actively opening economies in the world. Under Vision 2030, 100% foreign ownership has become possible in virtually all sectors, and the registration processes have largely been digitised. This document describes the full process, the actual costs and the pitfalls.

1. Choosing the right structure

LLC (Limited Liability Company)

The most popular form for foreign investors. Since Vision 2030, 100% foreign ownership has been permitted without a Saudi partner. Separate legal personality and limited liability. Suitable for most service and trading activities.

Branch

An extension of your Dutch BV (private limited company), not a separate legal entity. Quick to set up, but you cannot add local investors later without dissolving and starting again. Only choose this if you are certain that you will not want to expand locally.

Regional Headquarters (RHQ)

For multinationals that manage their MENA operations from Riyadh. Offers up to 30 years of 0% corporate income tax, but requires at least 15 FTE and three C-level positions. Not intended for SMEs.

2. The process in six steps

Step 1 – MISA licence (3–5 working days). The investment licence from the Ministry of Investment. A mandatory first step for foreign ownership.

Step 2 – Reserve a trade name (1 day). Register a unique name via the Ministry of Commerce portal, in line with Saudi naming rules.

Step 3 – Draft and notarise the articles of association (2–5 days). The Articles of Association, notarised digitally via the Mithaq service.

Step 4 – Commercial Registration (2–4 days). Your unique 10-digit CR number, the legal identity of your business.

Step 5 – ZATCA, GOSI, Qiwa (1–2 weeks). Tax file, social insurance and labour platform. Required before you can hire staff or issue invoices.

Step 6 – Business bank account (2–4 weeks). With a Saudi bank such as Al Rajhi or SABB. In practice, this is often the step with the longest lead time.

Realistic total lead time: 4 to 10 weeks.

3. The actual government costs (2026)

Government item	Cost (SAR)
MISA investment licence	Suspended*
Trade name reservation	SAR 200–500
Saudi Business Center bundle	SAR ~1,775
Chamber of Commerce (per year)	SAR 2,000–10,000
Municipal licence (Baladiya)	SAR 1,000–5,000
ZATCA / GOSI / Qiwa activation	Free of charge
Indicative first year	**SAR 5,000–17,000**

> *** An important nuance about the MISA fee**
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> The MISA licence fees are not currently being collected, but collection has been suspended, not abolished. Investors typically sign a declaration undertaking to pay the fees (historically SAR 2,000 to 62,000, depending on the licence type) once a new fee structure is published. The status is under review at the ministry. Always confirm the current rates when applying.

Amounts exclude 15% VAT where applicable, minimum capital, the mandatory physical office, and professional advisory or translation costs.

4. Minimum capital: how it works in practice

Legally, there is no fixed minimum capital for many service LLCs. In practice, MISA often expects you to demonstrate SAR 500,000, particularly for technical or consultancy activities. You do not always have to deposit this, but your bank may ask for proof when you open the account. Companies that declare too little capital are regularly rejected.

5. Saudization (Nitaqat)

A percentage of your staff must be Saudi. An important advantage: since April 2024, a foreign owner who registers themselves as general manager counts as a Saudi national. For a company of 1–4 people, this often means you do not need to hire an additional Saudi employee.

6. Common mistakes

- Choosing the wrong activity code. If your legal activity does not match your CR, you have to submit the application again. This causes a delay of 6–8 weeks.
- Declaring too little capital and being rejected.

- Choosing a branch when you later want to expand locally.
- Underestimating the lead time for the bank account.

Want to talk through your situation?

The set-up is very manageable, but the details determine whether it runs smoothly or drags on for months. Book a no-obligation introductory call via naarsaudi.nl.

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Want to discuss your situation? Book a free introductory call via naarsaudi.nl/en/ or email info@naarsaudi.nl.