

ARABIAN HORIZON

GUIDE TO STARTING A BUSINESS IN SAUDI ARABIA (KSA)

A step-by-step roadmap for entrepreneurs and corporations looking to launch in Saudi Arabia.

A practical guide, not a one-size-fits-all filing list

The steps can differ depending on whether the founder is Saudi, a GCC investor, a foreign company or another investor category. The selected activity and legal structure can also change the approvals and documents required.

Prepared by Arabian Horizon

Independent business setup resource | Sources checked 9 October 2026

Start here: choose the correct route

Starting a business in Saudi Arabia begins with three questions: who is investing, what activity will the business perform, and which legal structure fits the plan? Answer these before paying for documents, signing a lease or committing to a launch date.

Which investor route may apply?

Your situation	Starting point	What to verify
Saudi entrepreneur or locally owned business	Check the Ministry of Commerce / Saudi Business Center route for the intended activity and entity.	Activity classification, entity eligibility, commercial registration and any sector approvals.
GCC citizen or company fully owned by GCC citizens	GCC citizens and companies fully owned by GCC citizens may follow the Ministry of Commerce route, subject to confirmation of the applicable ownership and legal-form conditions.	Confirm whether the exact ownership and legal form meet the route conditions.
Other foreign investor	Review the business activity and ownership conditions, then confirm whether MISA investment registration is required before engaging in investment.	Registration category, supporting documents, activity conditions, commercial registration and separate licences.
Branch, regulated activity or special investor category	Do not assume the standard new-company process applies.	Ask MISA, Ministry of Commerce / Saudi Business Center and the competent sector regulator to confirm the route.

Understand the registration sequence

For foreign investors, investment registration, commercial registration and any activity-specific licences or approvals are separate steps. Confirm the sequence that applies to the proposed business.

The roadmap at a glance

Stage	Main outcome
1. Plan	Define customers, offer, location, budget and launch milestones.
2. Confirm activity	Identify the activity code, restrictions and sector approvals.
3. Choose route and structure	Match investor category and legal form to the intended operations.
4. Confirm registration and approvals	Confirm the applicable registration route and the sequence of company formation and required approvals.
5. Prepare documents	Confirm the live application list and any authentication rules.
6. Form the entity	Complete investment registration where applicable, then company formation and commercial registration.
7. Set up tax and finance	Confirm ZATCA obligations and financial controls.
8. Prepare operations	Address premises, sector permits, employment and GOSI as applicable.
9. Review readiness	Identify unresolved approvals before trading.

Step 1. Assess the business opportunity

Build a short business case before choosing a registration route. This is commercial preparation, not a mandatory government filing document unless a particular programme or activity specifically asks for it.

- [] Describe the product or service, target customers and the problem it solves.
- [] Research demand, competitors, pricing, distribution channels and payment practices.
- [] Decide whether the plan is a new Saudi entity, an expansion, a branch or another form of presence.
- [] Compare locations based on customers, logistics, talent, premises and operating costs.
- [] Prepare a startup budget, monthly cash-flow view and a downside scenario for slower revenue or delayed launch.
- [] Identify owners for legal, finance, operations, hiring and regulatory follow-up.

Useful output

A two-page market-entry brief with target customers, selected activities, a proposed location, expected costs, source of funding and launch assumptions.

Step 2. Identify the activity and check restrictions

Do not register a broad business description without checking the activities the company will actually perform. Identify the relevant economic activity classification (ISIC4), confirm that the proposed activities are open to the investor, and check the requirements that apply to each activity category.

- [] List each activity that will generate revenue or form part of the planned operations.
- [] Match each activity to the relevant official economic activity description or code.
- [] Check whether the activity is available, restricted or excluded for the proposed investor.
- [] Identify any regulator whose approval may be needed before operating (for example, depending on the activity, financial services, healthcare, education, food or other regulated fields).

Confirm any ownership, capital, qualification, premises or other activity-specific condition with the relevant authority. Keep a dated record of the conditions confirmed and any written response from the authority.

Do not assume

A rule or licence for one business activity may not apply to another. Confirm the exact activity and relevant regulator before treating any requirement as universal. Some activities are restricted or governed by separate sector rules.

Step 3. Select an appropriate business structure

Structure selection affects ownership, governance, liability, contracting and the formation route. The options below are starting points for comparison, not legal recommendations.

Structure / route	When to consider it	Checks before choosing
Limited liability company (LLC)	A company form for one or more owners. Confirm how liability, governance and owner obligations apply under the current company rules and whether the form suits the proposed activity.	Owner eligibility, activity, governance, capital conditions if any, constitutional documents and required approvals.
Joint-stock or simplified joint-stock company	Potential option for a project with a different capital, governance or investment plan.	Confirm the current Companies Law requirements, shareholder arrangements and any sector-specific rules.
Foreign company branch	A foreign company looking to establish a Saudi presence without creating a separate subsidiary, if the route is available for the case.	Parent-company records, MISA route where applicable, authorised representative and the relevant branch formation requirements.
Other / regulated form	Professional, financial, special-zone or other regulated activities may require a distinct form or route.	Confirm with the competent regulator and official formation service before committing.

Step 4. Confirm the registration and approval sequence

For foreign investors, investment registration generally must be completed before engaging in investment activities, subject to applicable legal exceptions. After registration, complete commercial registration and obtain any additional licences or approvals required by the relevant authorities.

Route	Practical sequence to verify
Saudi / qualifying GCC route	Check the Ministry of Commerce / Saudi Business Center route for the investor category, chosen activity and legal form. Confirm whether the ownership and legal structure qualify for that route.
Other foreign investor route	Confirm the activity and applicant category, complete the applicable investment registration process, then proceed to commercial registration and any additional required approvals.
Regulated activity or special case	Ask the competent regulator how its approval fits into the registration and formation sequence. Do not infer the order from a general guide.

Use current registration terminology

The current framework uses investment registration terminology for foreign investors. Commercial registration and activity-specific licences remain separate steps where applicable.

Step 5. Prepare the documents for your route

There is no single document pack that applies to every applicant. Requirements can vary by registration type, investor category and selected activity. Confirm the current application list and the requirements of the relevant authority before preparing the final document file.

Possible documents to check

- [] Investor or owner identity details, where required for the applicant category.
- [] Foreign parent-company commercial registration or equivalent company record, when required by the route.
- [] Financial statements for the last fiscal year, where required.
- [] Ownership details, partner information and authorised representative documents, where required.
- [] Company constitutional records, partner or board resolutions, and powers of attorney where applicable.
- [] Activity-specific evidence, licences, qualifications or prior approvals, if required.
- [] Document certification, authentication or translation required by the receiving authority for the specific document and service.

Confirm your document list

Depending on the applicant and activity, preparation may include company registration records, financial statements, identity details and additional supporting evidence. Confirm the exact document list and any applicable exceptions for your registration route before arranging certifications or translations.

Translation, certification and authentication requirements depend on the document and the receiving authority. Confirm the requirements for the specific service before arranging translations or certifications.

Step 6. Complete company formation and commercial registration

For company formation, the details requested can include partners, company status, location, activities, commercial-register information, management details and constitutional documents. Confirm the exact requirements for the selected company form and registration route.

- [] Confirm the exact company form and formation service for the selected route.
- [] Check trade name, company address, activities, partner details and manager / authorised-signatory information.
- [] Prepare the constitutional documents and resolutions required for the specific form.
- [] Check whether initial or sector-regulator approval is required for the activity.
- [] Submit through the live official service and retain the issued records and confirmations.
- [] Confirm which linked registrations or subscriptions have been created and which require separate action.

Foreign investor sequence

Confirm the currently applicable company formation route after investment registration. Follow the instructions for the investor category and legal form, and verify the required sequence before submitting applications.

Step 7. Organise tax, accounting and banking

Tax treatment depends on the entity, ownership, activities and transactions. Do not assume that all companies have the same tax or Zakat obligations.

- [] Confirm the company's applicable ZATCA registration obligations after company registration.
- [] Assess whether income tax, Zakat, VAT, withholding tax or other filings may apply to the ownership and transactions.
- [] Check VAT registration criteria directly with ZATCA if the business makes taxable supplies.
- [] Set up accounting records, invoice controls, records retention and responsibility for filings.
- [] Prepare a working-capital plan and identify funding sources and payment flows.
- [] Ask banks directly about corporate account onboarding, ownership verification, signatories and evidence required; do not assume the same documents are accepted by every bank.

For businesses covered by ZATCA's corporate income tax registration service, a Tax Identification Number is generated after Ministry of Commerce registration. Complete the applicable ZATCA registration through its portal. VAT registration is a separate procedure; assess whether the business meets the applicable registration criteria.

Step 8. Prepare operations, premises and employees

- [] Confirm the business address, lease or premises conditions before making an irreversible commitment.
- [] Identify municipal, safety, environment, product, import or other operating permits relevant to the activity and location.
- [] Prepare supplier, customer, distribution, insurance and service-delivery arrangements.
- [] If hiring, check the relevant HRSD / Qiwa procedures for employment records, work permits and recruitment services.
- [] **Check the current Saudization requirements that apply to the establishment's activity and workforce.**
- [] **Complete applicable employer and employee registration steps with the relevant social insurance authority.**
- [] Assign someone to monitor renewals, filings, licence conditions and official notices.

Hiring rules are activity- and establishment-sensitive

Do not assume one Saudization percentage or employment checklist applies to every business. Confirm the current requirements for the establishment's activity and workforce.

Step 9. Final business setup readiness checklist

Use this checklist to track preparation. Mark an item complete only when the action has been verified or documented. A completed box is not a government approval.

Readiness item	Why it matters	Status
Business plan and funding budget prepared	Commercial readiness	☐ Not started ☐ In progress ☐ Complete
Investor category, route and entity form confirmed	Correct setup pathway	☐ Not started ☐ In progress ☐ Complete
Activity code, ownership conditions and sector approvals checked	Eligibility and permissions	☐ Not started ☐ In progress ☐ Complete
Required documents and authentication / translation checked	Complete application file	☐ Not started ☐ In progress ☐ Complete
MISA registration completed where applicable	Registration before foreign investment	☐ Not started ☐ In progress ☐ Complete
Company formation and commercial registration completed	Legal business identity	☐ Not started ☐ In progress ☐ Complete
Required operating permits obtained and valid before starting the relevant activity	Permission to conduct the activity	☐ Not started ☐ In progress ☐ Complete
ZATCA and accounting obligations reviewed	Tax and recordkeeping	☐ Not started ☐ In progress ☐ Complete
Premises, banking and staffing steps planned	Operational readiness	☐ Not started ☐ In progress ☐ Complete
Owner assigned to monitor ongoing obligations	Compliance after launch	☐ Not started ☐ In progress ☐ Complete

Common mistakes to avoid

- Choosing an activity based on a general description instead of the official activity classification.
- Relying on outdated information for registration rules, fees or capital conditions.
- Assuming foreign ownership, Saudi participation or minimum capital conditions are identical across activities.
- Preparing authentication or translation before confirming the receiving authority's requirements.
- Treating investment registration or commercial registration as a substitute for every sector-specific licence.
- Budgeting only for formation and ignoring staffing, premises, tax, working capital and ongoing compliance.

Before you commit

Confirm the route, activity conditions and approval sequence before signing a long-term lease, hiring staff or announcing a launch date. Where the authorities have not confirmed a point, keep it open rather than treating an assumption as approval.

Before contacting Arabian Horizon

Having the following information ready can make an initial discussion more focused:

- Proposed business activity, product or service and target customers.
- Investor category, intended ownership arrangement and preferred company structure.
- Preferred location and expected launch timeframe.

Need help planning your next steps?

For assistance understanding the Saudi business setup process, share your proposed activity, investor profile, preferred structure and target location with Arabian Horizon. Visit www.arabianhorizon.com.sa to contact the team.

Disclaimer: This guide is provided for general informational purposes and is not legal, tax, financial or regulatory advice. Applicable requirements depend on the investor's circumstances, business activity, ownership structure, location and current regulations. Verify the latest requirements with the relevant Saudi authorities before making decisions or submitting applications.

Official references

Sources checked 9 October 2026. Only official Saudi sources are listed below. Application requirements must still be confirmed for the individual investor and activity.

MISA Investor Guide

Investment registration, activity classification and category-specific documents and conditions.

https://misa.gov.sa/app/uploads/2026/06/Investor-Guide_13-02_en.pdf

MISA official FAQs

Investor and GCC routes, ownership conditions and documents.

<https://misa.gov.sa/frequently-asked-questions/>

Updated Investment Law

Registration before investment, legal exceptions and restricted activity approvals.

<https://misa.gov.sa/activities/laws-regulations-copy/>

Investment Law Implementing Regulations

Registration information, application review and ongoing updates.

<https://misa.gov.sa/app/uploads/2025/06/THE-INVESTMENT-LAW-IMPLEMENTING-REGULATIONS.pdf>

ZATCA corporate income tax registration

Tax registration and Tax Identification Number generation after commercial registration.

<https://zatca.gov.sa/en/eServices/Pages/eservices-029.aspx>

ZATCA Zakat registration for businesses

Applicable Zakat registration and completion of the ZATCA registration process.

<https://zatca.gov.sa/en/eServices/Pages/eservices-048.aspx>

ZATCA VAT registration for businesses

Separate VAT registration and applicable criteria.

<https://zatca.gov.sa/en/eServices/Pages/eServices-001.aspx>

HRSD Nitaqat calculator

Assessing applicable Saudization requirements.

<https://www.hrsd.gov.sa/en/ministry-services/services/نطاقات-حاسبة>

GOSI registration services

Identifying the applicable social insurance registration service.

<https://www.gosi.gov.sa/GOSIOnline/Registration>

Verification limits

Some Ministry of Commerce company formation pages could not be opened fully during this review. The legal-form comparison and formation steps are planning guidance, not a confirmed applicant-specific document list. Confirm the current formation service, eligibility and submission requirements with the Ministry of Commerce or Saudi Business Center. The authenticated application form and any investor-specific approvals were not reviewed.