

Law of Real Estate Ownership and Investment by Non-Saudis

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Law of Real Estate Ownership and Investment by Non-Saudis

Article 1

- A. A non-Saudi investor with natural or corporate personality, licensed to practice any professional, vocational, or economic activity may acquire the real estate necessary for practicing the activity. It shall include the real estate required for his residence and the residence of his employees, pursuant to the approval of the body issuing the license. Said real estate may also be rented subject to the provisions of Article 5 of this Law.
- B. If the abovementioned license includes purchasing buildings or lands in order to construct buildings on them and invest them by means of selling or renting, the total cost of the project, land and construction, shall not be less than 30,000,000 riyals. This amount may be amended by the Council of Ministers. It is also stipulated that such real estate be invested within five years from its acquirement.

Article 2

Non-Saudi natural persons legally residing in the Kingdom shall be allowed to acquire real estate for their private residence, after obtaining permission from the Ministry of Interior.

Article 3

On the basis of reciprocity, foreign representatives approved in the Kingdom may acquire their official seat of office and the residence for the head and members of staff. International and regional agencies, within the scope of the agreements governing them, may acquire their official headquarters, subject to obtaining permission from the Minister of Foreign Affairs.

Article 4

Possession of real estate for private residence, in cases other than the abovementioned, may be allowed upon the approval of the President of the Council of Ministers.

Article 5 Modified

1. Other than by way of inheritance, a non-Saudi may not have the right to ownership, easement, or benefit of real estate located within the boundaries of the cities of Mecca and Medina. Acquirement of right to ownership shall be excepted if the owned real estate is endowed to a specific Saudi entity, in accordance with the provisions of Sharia, and provided that it is stipulated in the endowment document that the relevant endowment entity has the right to practice trusteeship over the endowed property, in accordance with the Regulations.

2. The term "Non-Saudi" mentioned in paragraph (1) of this Article shall mean the following:

a) A natural person not holding the Saudi nationality.

b) A non-Saudi company.

c) A Saudi company founded, co-founded, or partially owned by a natural or corporate person not holding the Saudi nationality, with the exception of the following:

i. Banks and real estate financing companies licensed by the Saudi Arabian Monetary Authority, provided that their acquirement of real estate is for the purpose of financing Saudi nationals, for their offices or branches, or for the practice of their activities in accordance with the regulations set by the Saudi Arabian Monetary Authority.

ii. Listed companies not engaged in real estate activities, provided that the whole real estate is designated for their offices or branches, or the practice of their activities in accordance with rules set by the Capital Market Authority.

iii. Entities specified by the Council of Ministers in accordance with rules set for this purpose.

d) Persons or categories listed as such pursuant to a decision by the Council of Ministers or the President of the Council of Ministers.

Article 6

Notaries public or any other competent body may not notarize any action inconsistent with the provisions of this Law.

Article 7

Implementation of the provisions of this Law shall be without prejudice to the following:

- a) Rights to ownership granted to non-Saudis under previous laws. The provisions of this Law shall be enforced after its entry into force, upon transfer of real estate ownership.
- b) Privileges included in the rules regulating real estate ownership by citizens of GCC countries.
- c) Acquirement of right to ownership or any other original right in rem to real estate by way of inheritance.
- d) Laws, Council of Ministers' resolutions, and High Orders prohibiting ownership at certain sites.

Article 8

- A. This Law shall supersede the Law of Real Estate Ownership by Non-Saudis in the Kingdom of Saudi Arabia issued by Royal Decree No. (M/22) dated 12/7/1390H.
- B. This Law shall be published in the Official Gazette and shall enter into force after 90 days from the date of its publication.

Article 9

The Implementing Regulations of this Law shall be issued pursuant to a resolution by the Council of Ministers.

