

Regulation of Ownership and Investment in Real Estate by Non-Saudis

Issued Under:

Royal Decree No. M/15 dated 17/4/1421H

ARTICLE (1)

- a. Non-Saudi investors, whether they are natural persons or corporate entities, may own real estate required for the conduct of their licensed professional, technical or economic activities, subject to obtaining approval of the licensing authority. This includes real estate needed for private residences and for the housing of employees. The subject real estate may also be leased to other entities, subject to Article Five of these Regulations.
- b. If the license allows the purchase of buildings or land for the construction of buildings for investment purposes, whether through sale or lease, the total cost of the project, both land and construction, shall not be less than SR 30 million. The Council of Ministers may amend this amount. Investment in the form of real estate development shall occur within five years of purchase of the real estate.

ARTICLE (2)

Non-Saudi natural persons enjoying normal legal residency status in Saudi Arabia may own real estate for use as a personal residence, subject to obtaining a permit from the Ministry of Interior.

ARTICLE (3)

Foreign diplomatic missions in the Kingdom may, on a reciprocal basis, own the property where the official premises and chancery and the mission members' residences are located. International and regional organizations may own the property where their official premises are based within the limits of the agreements that govern their missions, subject to obtaining a permit from the minister of foreign Affairs.

ARTICLE (4)

In cases other than the above, the Chairman of the Council of Ministers Prime Ministers may grant approval for real estate ownership for private residential purposes.

ARTICLE (5)

With the exception of a transfer through inheritance, Non-Saudi may not obtain the title, easement or use of real estate located within the city limits of Mecca and Medina. This excludes obtaining title if it is associated with endowing (Waqf) the owned real estate, according to Sharia Islamic Rules, to a certain Saudi Agency, provided that the Supreme Council of Endowment shall have the custodial rights to the endowed property. Non-Saudi Muslims may, however, lease real property inside the boundaries of Mecca and Medina for a period not exceeding two (2) years. Such leases are renewable for similar periods.

ARTICLE (6)

The Notary Public and any other competent agencies are hereby prohibited from notarizing any transfer or transaction that is not consistent with the provisions of these Regulations.

ARTICLE (7)

Implementation of the provisions of these Regulations shall not prejudice the following:

- a. Ownership rights acquired by Non-Saudis under previous regulations. The provisions of these Regulations, upon their validation, shall be applied when ownership of the real estate is transferred;
- b. Privileges granted by the rules governing real estate ownership in the Arab Gulf Cooperation Council (GCC) states.
- c. Acquisition of ownership rights or any other right of real property through inheritance;
- d. Regulations, Cabinet Resolutions, and Royal Decrees that prohibit real estate ownership in certain locations.

ARTICLE (8)

- a. These Regulations supersede the Regulations on Ownership of Real Estate by Non-Saudis in the Kingdom of Saudi Arabia issued by Royal Decree No. M/22 dated 12/7/1390H.
- b. These Regulations shall be published in the Official Gazette and shall become effective ninety (90) days following the date of their publication.