

Starting a Foreign Company Branch in Saudi Arabia – 2024 Guide

What is a Branch Office?

A branch office is an officially registered extension of a foreign parent company that operates in Saudi Arabia under the same legal identity. While it can conduct full business operations aligned with its parent company’s activities, it is **not allowed to engage in retail or wholesale trading** unless specifically licensed.

Key Benefits of Setting Up a Branch Office

- **100% Foreign Ownership** – Foreign companies can fully own their Saudi branches with no local sponsor required.
 - **Simplified Setup** – Compared to other structures, branches offer a faster, cost-effective entry into the Saudi market.
 - **Direct Market Access** – Gain localized exposure to clients, government tenders, and contracts.
 - **Reputation and Control** – Operate under the parent brand while maintaining centralized control.
 - **Multiple Branches Allowed** – A foreign company can open more than one branch across the Kingdom.
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What You Need to Know Before Opening a Branch

Consideration	Details
Legal Status	Not a separate legal entity; same as the parent company.
Business Scope	Must mirror parent company’s activities; no trading without special approval.
Physical Office	Must maintain a local commercial office in KSA.
Local Compliance	Must adhere to Saudization, labor law, VAT, and tax regulations.

Updated Requirements to Register a Foreign Branch (2024–2025)

Requirement	Description
Minimum Capital	May start at SAR 500,000, but now assessed based on sector and business type. Not always mandatory upfront.

Foreign Investment License	Must be obtained from the Ministry of Investment (MISA).
Commercial Registration (CR)	Issued by the Ministry of Commerce (MoC).
ZATCA Registration	For VAT, CIT, and e-invoicing compliance.
Chamber of Commerce	Mandatory registration post-CR issuance.
Municipality License (Baladiya)	Required for office location registration.
GOSI + Qiwa Enrollment	For labor compliance, employee iqamas, and Saudization monitoring.
Business Bank Account	Required for capital deposit and operations.
Iqama for Office Manager	Appointed manager must hold a valid Saudi residency (work visa).

Documents Required to Open a Branch

- Parent company's business license
 - Memorandum of Association (MoA)
 - Board resolution approving the branch setup
 - Power of Attorney for the branch manager
 - Audited financial report of the parent company
 - Shareholder certificate and passport copies
 - All documents must be **translated into Arabic**, notarized, and legalized
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How an Expert Can Help

Navigating multi-agency procedures in Saudi Arabia can be challenging. An experienced consultant such as SBH can:

- Fast-track licensing with MISA, MoC, and ZATCA
 - Assist with document attestation, translation, and submission
 - Set up compliant payroll and bookkeeping
 - Handle GOSI, Qiwa, and WPS registration
 - Ensure your branch is fully Saudization- and tax-compliant from day one
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Key Takeaways

- Setting up a branch allows full ownership and centralized control.
- Regulatory steps involve MISA, MoC, ZATCA, GOSI, and Baladiya.

- Compliance with local labor and tax laws is essential.
 - The process is smoother and more cost-effective than full entity incorporation in many sectors.
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References and Resources

- [Invest Saudi – MISA](#)
- [ZATCA – Tax and E-Invoicing](#)
- [Saudi Ministry of Commerce](#)
- [Saudi Labor Law – Qiwa & GOSI]
- [Chamber of Commerce Requirements]