

Expanding your company to Saudi Arabia is an exciting time for the life of your business. However, instead of celebrating a new milestone, you have to learn Saudi Arabia subsidiary laws, hire employees, meet deadlines, and ensure you're compliant at all stages of the process.

Before you can hire employees and get started, you have to set up a subsidiary to operate legally in the country. Globalization Partners will simplify the process by acting as the Employer of Record. We can help you get started in a few days instead of a few months and hire employees to work on your behalf.

How to Set up a Saudi Arabia Subsidiary

Before setting up your Saudi Arabia subsidiary, you need to consider certain factors that could impact where you find office space and what process you follow. Think about your industry, the type of business you want to operate, and any existing trade agreements or relationships you need to honor. We recommend employing a Saudi agent or distributor to make direct sales to the private sector outside the country since the law doesn't allow a foreign business to operate as a commission agent.

Saudi Arabia is a Kingdom with four different regions:

- Hejaz
- Najd
- Parts of Eastern Arabia (Al-Ahsa)
- Southern Arabia ('Asir)

Different regions can have different rules, customers, and regulations. It's essential to research the region where you would like to set up your Saudi Arabia subsidiary beforehand so that you can make the best choice for your company.

To establish a subsidiary, you have to reserve a company name through the Ministry of Commerce and Industry, which can be done online. You also have to submit articles of incorporation/association to the Ministry. Afterward, the notary public will notarize the articles

with a stamp.

Saudi Arabia Subsidiary Laws

Once you decide to expand to Saudi Arabia, you have to become well-versed in the country's subsidiary laws or hire someone to help you through the incorporation process. The law requires you to open a bank account with a bank in Saudi Arabia, then obtain a business license with the Riyadh municipality. After you decide on a physical location in one of the four regions, the "Wasel" post office has to officially register your business address.

Certain portions of the Saudi Arabia subsidiary setup process require fees, including:

- Publication of the summary of the articles of incorporation (SAR 1,150)
- Forming an official company seal (SAR 50)
- Membership to the Chamber of Commerce (SAR 2,000)

Saudi Arabia subsidiary laws also require certain steps without a cost. After you pay for the publication of the summary of your articles of incorporation, you must submit the documents to the Ministry of Commerce and Industry to get a Certificate of Registration. You can complete the entire process by registering with the Ministry of Labor, the General Organization of Social Insurance, and the Department of Zakat.

Benefits of Setting up a Saudi Arabia Subsidiary

The biggest benefit of setting up a Saudi Arabia subsidiary is that you can begin legally working within the company. Once the process is complete, you can hire employees, start conducting business, and run payroll. However, you also have to learn all of the country's complicated subsidiary laws and worry about compliance.

Globalization Partners can change that. If you choose Saudi Arabia subsidiary outsourcing with Globalization Partners, you can begin working in a matter of days. As the Employer of Record, we will be responsible for all compliance matters, taking the burden off of you. We can hire employees on your behalf, run your payroll, and dole out benefits. With Globalization

Partners, you can focus on the things that matter to your company while we handle compliance.

What You Need to Establish a Subsidiary

If you decide to set up your Saudi Arabia subsidiary alone, you need to prepare to spend a significant amount of time and money throughout the process. It's best to set aside a budget for all the steps you'll need to pay for and pay attention to deadlines so that you do not owe more. You should also prepare to fly back and forth to Saudi Arabia numerous times while establishing a subsidiary or designating a team member to handle these matters.

Saudi Arabia Subsidiary Outsourcing With Globalization Partners

Don't wait to reap the benefits of Saudi Arabia subsidiary outsourcing. Contact Globalization Partners today to learn more about our services.