Part 5 – Living, Operating and Doing Business in Saudi Arabia


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2. Banking, payments and financial services

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Saudi Arabia's banking sector is supervised by the Saudi Central Bank (still commonly called SAMA) and includes universal, Islamic and investment banks. The ecosystem is now built around digital identity (Absher, Nafath), national address registration (SPL) and super-apps like Tawakkalna, which enable paperless onboarding and transactions for residents and companies.

OPENING PERSONAL BANK ACCOUNTS

For executives and employees, a local current account is now mandatory, both for payroll and for daily life (Mada card payments, SADAD bills, fines, rent, school fees). Only residents with a valid Iqama are normally allowed to open full accounts, although some banks have begun piloting visitor-ID based accounts under SAMA rules.

Key points for personal accounts

Iqama and digital identity:

- A valid Iqama is still the standard prerequisite for a full current account. your SIM card must be re-linked from your passport to your Iqama before the bank can authenticate you.
- Identity verification is done through Nafath, which connects the bank's app or branch system to the national digital ID backbone, and is coupled with Absher for additional checks or one-time approvals.

Address registration via SPL:

- Before going to the bank, you must create and validate a "National Address" with Saudi Post/SPL online or on SPL app. This is the official address used for card delivery and KYC.
- Banks will ask either for the SPL confirmation or for a print/screenshot from the SPL system as proof of address.

Mandatory digital tools:

- Nafath is used to confirm your identity in real time during onboarding or when signing key agreements.
- Absher remains the main government portal for residency, visas and many services. Banks require that your Absher account and mobile number be up to date so they can pull and validate data.
- Tawakkalna has evolved into the national "super app", and now displays identity, visitor or residency information that some banks use as a secondary check, especially when onboarding new arrivals or dependents.

Practical onboarding journey for individuals

- **Prepare:** Iqama, passport, SPL address confirmation, copy of employment contract and a Saudi mobile number in your name.
- **Install:** Nafath, Absher, SPL, Tawakkalna and your chosen bank's mobile app before visiting a branch. This is now considered standard best practice for newcomers.
- **At branch or in-app:** complete the application, authenticate via Nafath, confirm your SPL address and sign the account terms (increasingly via digital signature flows).

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- **Activate:** ensure your e-banking and mada card are activated before leaving the branch, as many government payments are now processed only electronically.

OPENING CORPORATE BANK ACCOUNTS

Corporate accounts depend on the company first completing investment licensing and commercial registration, and then satisfying SAMA-aligned KYC standards on ownership, control and activity.

Core requirements for a corporate account (LLC, branch, JSC or RHQ)

Foundational corporate documents:

- MISA investment license (for foreign-owned entities), specifying the licensed activities.
- Commercial Registration (CR) under the Ministry of Commerce, including the Unified National Number introduced as part of the unified CR reforms.
- Memorandum / Articles of Association and any shareholders' agreements, duly notarised and in Arabic (or bilingual).

Identification and UBO disclosure:

- Passports and Iqamas (or at least passport and visa data at setup stage) for directors, authorised signatories and key controllers.
- Ultimate Beneficial Owner (UBO) information, in line with recent transparency rules highlighted in the CAFS regulatory review; banks will usually ask for ownership charts and audited financial statements from the parent.

Tax and regulatory registrations:

- ZATCA tax number (TIN) and evidence of registration for corporate tax / Zakat and VAT.
- Employer registrations with GOSI and HRSD (for payroll accounts and salary disbursement), especially once the company begins hiring.

Typical process and timelines

- **Application:** submit a standard corporate KYC package (licenses, CR, board resolution appointing signatories, specimen signatures, UBO forms) either via branch or relationship manager.
- **Due diligence:** expect detailed AML/CFT checks on foreign shareholders, including source-of-funds enquiries and group structure clarifications; this may be more intensive for complex groups or regulated sectors.
- **Timelines:** for straightforward structures, companies typically report 1–3 weeks from complete file to account activation. More complex multinational or fund structures can take longer.

ONLINE ACCOUNT OPENING, DIGITAL SIGNATURE AND DOCUMENTATION

Saudi banks have significantly expanded online onboarding for both personal and business accounts, relying on national digital identity and certified e-signature providers regulated under Saudi e-transactions law.

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Online corporate onboarding

Some banks now let smaller LLCs and professional firms initiate account opening fully online: data is pulled from government registries (MISA, Ministry of Commerce) using the Unified CR and digital ID tools.

Directors and signatories authenticate via Nafath and sign the banking agreements electronically, without a physical branch visit, provided all parties have valid Saudi digital IDs.

Digital signatures and legal validity

Digital signature certificates issued by Saudi trust-service providers (integrated with Nafath and Absher) create legally binding electronic signatures that meet SAMA and e-transactions law standards.

Banks increasingly use these certificates for loan contracts, guarantees, and documents, with tamper-proof seals and full audit trails that are enforceable before Saudi courts and regulators.

Documentation format and language

While English-language versions of mandates and account terms are widely provided for foreign corporates, the Arabic version normally prevails legally, so boards should ensure bilingual review by local counsel. For group approvals, banks accept foreign-jurisdiction board resolutions if legalised and translated, but may require a standard Saudi-law wording.

FINANCING OPTIONS FOR FOREIGN COMPANIES

Foreign-owned entities licensed by MISA and properly banked in the Kingdom have access to a full spectrum of conventional and Sharia-compliant financing, though banks will expect robust local business plans, collateral structures and group support.

Corporate loans and working-capital facilities

Local banks provide term loans, revolving credit facilities and overdrafts to foreign-owned subsidiaries, generally secured by local receivables, inventories or parent guarantees.

Pricing reflects both the borrower's Saudi risk profile and parent support. High-quality international groups often obtain terms comparable to large local corporates once track record is established.

Trade-finance products

Standard instruments include letters of credit, collections, bank guarantees, and supply-chain finance programs. For exporters and importers linked to giga-projects or government procurement, banks are experienced in structuring compliant guarantee packages aligned with Saudi public-sector requirements.

Islamic-finance instruments

Most large Saudi banks can deliver both conventional and fully Sharia-compliant facilities. In practice, many corporate financings are structured as Murabaha or Tawarruq, even where the group's home market is conventional.

For asset-heavy projects, Ijara (leasing), Musharakah (joint venture/partnership) and Mudarabah (profit-sharing) structures are available and increasingly embedded in Saudi law, including specific recognition of Islamic contracts as "Qualified Financial Contracts" under SAMA's 2025 netting regulations.

Strategic implications

Government-backed funds and programs under Vision 2030 often prefer or require Sharia-compliant structures, so even conventional groups should be prepared to operate comfortably within Islamic-finance documentation.