



Kingdom of Saudi Arabia

Capital Market Authority

## Investment Accounts Instructions

English Translation of the Official Arabic Text

**Issued by the Board of the Capital Market Authority  
Pursuant to its Resolution Number 4-39-2016 Dated 25/6/1437H Corresponding to  
3/4/2016G Based on the Capital Market Law  
Issued by Royal Decree No. M/30 dated 2/6/1424H**

**Amended by Resolution of the Board  
of the Capital Market Authority Number 1-2-2026  
Dated 16/07/1447H corresponding to 05/01/2026G**

**Note: The official text is in Arabic. This document is an unofficial translation and is provided for information purposes only**

### **Important Notice:**

The current version of these Instructions, as may be amended, can be found at the Authority website: [www.cma.org.sa](http://www.cma.org.sa)



## TABLE OF CONTENTS

### **PART 1:GENERAL PROVISIONS**

Article 1: Preliminary Provisions

Article 2: Definitions

### **PART 2 :INSTRUCTIONS FOR OPENING INVESTMENT ACCOUNTS**

Article 3: Clients Acceptance

Article 4: Information Required in the Investment Account Opening Agreement

Article 5: Investment Account Identification Card

Article 6: Instructions for Opening Investment Accounts for Natural Persons

Article 7: Instructions for Opening Investment Accounts for Legal Persons

Article 8: Opening Investment Accounts for Other Persons

### **PART 3 :INSTRUCTIONS FOR OPERATING INVESTMENT ACCOUNTS**

Article 9: Transactions on the Investment Account

Article 10: Opening and Operating the Investment Account by Power of Attorney

Article 11: Appointment of Court-Appointed Receiver over the Investment Account

Article 12: Closing the Investment Account

### **PART 4 :REGULATORY AND SUPERVISORY INSTRUCTIONS**

Article 13: Electronic Record

Article 14: Updating the Investment Accounts Information

Article 15: Freezing the Investment Accounts

Article 16: Instruction on the Attachment of Investment Accounts and Disclosure of their Information

### **PART 5 :PUBLICATION AND ENTRY INTO FORCE**

Article 17: Publication and Entry into Force

**Annex 1: Guidance List of Documents for Opening an Investment Account for Saudi Companies or  
Companies from GCC Member States**

**Annex 2: Guidance List of Documents for Opening an Investment Account for Investment Funds  
Established in the Kingdom or GCC Member States**

**Annex 3: Required Information in the Investment Account Statement**



## Part 1

### General Provisions

#### Article 1: Preliminary Provisions

- a) These Instructions aim to regulate the opening and operation of investment accounts by capital market institutions when they provide any services related to dealing, management, custody, or investment through securities crowdfunding platforms activities; and define the regulatory and supervisory rules related to investment accounts.
- b) These Instructions are without prejudice to the Capital Market Law and its Implementing Regulations, the Anti-Money Laundering Law and its Implementing Regulations, and the Combating-Terrorism Crimes and its Financing Law and its Implementing Regulations.

#### Article 2: Definitions

- a) Any reference to the “Capital Market Law” in these Instructions shall mean the Capital Market Law issued by the Royal Decree No. M/30 dated 2/6/1424H.
- b) Subject to paragraph (c) of this Article, expressions and terms in these Instructions have the meaning which they bear in the Capital Market Law and the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority, unless the context indicates otherwise.
- c) For the purpose of implementing these Instructions, the following expressions and terms shall have the meaning they bear as follows, unless the context indicates otherwise:
  - **Freezing the Investment Account:** The temporary block on all money transfers from the investment account, the utilisation of its balance, and the transfer or pledge of securities in the investment portfolios linked to it. The freezing of the investment account shall not prevent the client from selling securities and receiving its proceeds or profits on the investment account or transferring funds from his bank account to his investment account.
  - **Investment Account:** An accounting record created by the capital market institution for the client's money deposited in a client account opened by the capital market institution to fund the client's transactions in securities and reflects all the details of the transactions in respect of that account.
  - **Investment Portfolio:** An account linked to the investment account that reflects the client's assets received by the capital market institution in the course of carrying out securities business as per the Client Asset Rules stipulated in the Capital market institutions Regulations and reflects all the details of the transactions in respect of that account.
  - **GCC Legal Persons:** A legal person whose capital is majority owned by citizens or governments of the GCC member states and holds the nationality of one of the GCC member states.



- **“APOSTILLE” Certificate:** A certificate issued pursuant to Hague Convention abolishing the requirement of legalization for Foreign Public Documents.
- **GCC:** The Cooperation Council for the Arab States of the Gulf.
- **Identification Document:** The valid identification document issued by the competent authorities and accepted for opening an investment account for the client in accordance with these Instructions.
- **Non-profit Organisation:** Any legal entity licensed to engage in collecting, receiving, or paying money for charitable, religious, cultural, educational, social, or solidarity purposes or other charitable activities.
- **Combating -Terrorism Crimes and its Financing Law:** The Combating-Terrorism Crimes and its Financing Law issued by the Royal Decree No. M/21 dated 12/2/1439H.
- **Anti-Money Laundering Law:** The Anti-Money Laundering Law issued by the Royal Decree No. M/20 dated 5/2/1439H.



## Part 2

### Instructions for Opening Investment Accounts

#### Article 3: Clients Acceptance

- a) The capital market institution, before accepting any client and opening an investment account for him, must ensure his compliance with all of his obligations stated in the Capital Market Law and its Implementing Regulations, the Anti-Money Laundering Law and its Implementing Regulations, and the Combating-Terrorism Crimes and its Financing Law and its Implementing Regulations.
- b) The capital market institution, when accepting any client, must not provide any services related to dealing, managing, custody, or investment through securities crowdfunding platforms activities until obtaining the client's approval on an investment account opening agreement and documenting such approval and opening an investment account to that client. The investment account opening agreement must contain all the information mentioned in Article (4) of these Instructions.
- c) The capital market institution may rely on a third party to carry out the customer due diligence measures in accordance with the related provisions of the Anti-Money Laundering Law and its Implementing Regulations, and the Combating-Terrorism Crimes and its Financing Law and its Implementing Regulations for any person for whom these Instructions permit the opening of an investment account.
- d) The capital market institution must verify the actual relationship between the clients and the natural persons who open or operate investment accounts on their behalf such as guardians, agents, trustees, or authorised signatories in accordance with the relevant provisions in the Anti-Money Laundering Law and its Implementing Regulations, and the Combating-Terrorism Crimes and its Financing Law and its Implementing Regulations.
- e) In all situations in which these Instructions require the verification of documents, data, or information, such verification must be done through documents, data or information from a reliable and independent source.
- f) Depending on the risk profile of a particular client, the capital market institution, when carrying out the customer due diligence measures, must determine if original copies of any of the documents should be checked in order to verify their validity.
- g) The capital market institution, when using technology means to open the investment account, must carry out the customer due diligence measures depending on the level of risks involved in that, and according to any requirement that the Authority specifies.
- h) The capital market institution must not open an investment account for an individual establishment, except for organizations licensed under the Law of Civil Society Associations and Organizations, for which an investment account is opened pursuant to paragraph (d) of Article 7 of these instructions, and establishments owned by endowments, for which an investment account is opened pursuant to paragraph (e) of Article 7 of these instructions.
- i) Without prejudice to the terms of business with clients' requirements mentioned in the Capital Market Institutions Regulations, the capital market institution is exempted from implementing paragraph (b) of this Article when providing any services related to dealing for its client where such client appoints an independent custodian.



#### **Article 4: Information Required in the Investment Account Opening Agreement**

In addition to the terms of business with clients' requirements mentioned in the Capital Market Institutions Regulations, the investment account opening agreement must include, as a minimum, the following:

- a) Information of the client's Identification Document, address, contact information, occupation and, if the client is a legal person, its main business activity.
- b) An acknowledgment by the client that he understands the terms and conditions of the investment account opening agreement, and that all data and information provided to the capital market institution are correct, complete, valid and not misleading.
- c) An undertaking by the client of his commitment to update his data and information or confirm, upon the capital market institution's request, that there are no changes to such data and information at the end of the relevant time period specified by the capital market institution pursuant to the rules and policies approved by the capital market institution in accordance with the level of risks associated with the client; and the client's commitment to provide information of his renewed Identification Documents upon the expiration of the original Identification Documents. The client shall provide an acknowledgment of his awareness that the capital market institution will freeze his investment account upon his failure to meet such commitment, and also provide an undertaking to adhere to the Capital Market Law and its Implementing Regulations, and other laws and regulations of the Kingdom, especially the Anti-Money Laundering Law and its Implementing Regulations, and the Combating-Terrorism Crimes and its Financing Law and its Implementing Regulations.
- d) Unless the company is listed on an exchange, the investment account opening agreement signed with any company must include an undertaking to immediately notify the capital market institution upon any change to any of the documents, information or data that were previously provided when opening the investment account.

#### **Article 5: Investment Account Identification Information**

Upon the client's request, the capital market institution must provide the client (using any appropriate means) with the investment account identification information, which shall contain the client's name and number of the investment account as well as the capital market institution's name.

#### **Article 6: Instructions for Opening Investment Accounts for Natural Persons**

##### **a) Opening Investment Accounts for Saudi Natural Persons**

To open an investment account for a Saudi natural person, the capital market institution must obtain and verify the client's valid national identification card information.

##### **b) Opening Investment Accounts for the Citizens of the GCC Member States**

To open an investment account for a citizen of a GCC member state, the capital market institution must obtain and verify the client's valid passport or national identification card information.

##### **c) Opening Investment Accounts for Foreign Residents in the Kingdom**

###### **1) Foreign Residents Carrying a Residence Permit (*Iqama*) or Resident Identity:**

To open an investment account for a foreign resident who holds a residence permit (*Iqama*) or resident identity, the capital market institution must obtain and verify his valid residence permit (*Iqama*) or resident identity information.



2) Holders of the Five Years Residency Card:

To open an investment account for a holder of a five years residency card, the capital market institution must obtain and verify the valid five years residency card information.

3) Members of the Diplomatic Missions in the Kingdom:

To open an investment account for a member of a diplomatic mission in the Kingdom, the capital market institution must obtain and verify an identification letter from the member's embassy and the member's valid diplomatic identity card information.

**d) Opening Investment Accounts for Foreign Natural Persons Residing in the GCC Member States**

To open an investment account for a foreign person residing in a GCC member state for the purpose of investing in the permitted securities in accordance with the Capital Market Law and its Implementing Regulations and the related instructions issued by the Authority, the capital market institution must obtain and verify the valid Resident Identity information and passport information.

**e) Opening Investment Accounts for Foreign Natural Persons not Residing in the Kingdom or in the GCC Member States**

To open an investment account for a foreign natural person not residing in the Kingdom or in a GCC member state for the purpose of investing in the permitted securities in accordance with the Capital Market Law and its Implementing Regulations and the related instructions issued by the Authority, the capital market institution must obtain and verify the client's valid passport information.

**f) Special Provisions for Opening Investment Accounts for Natural Persons**

1) Opening an Investment Account for a Blind Person or a Person Unable to Read

- a. When opening an investment account for a blind client or a client unable to read, the client shall be entitled to have a personal referee in attendance to explain to him the investment account opening procedures and terms and conditions stated in the investment account opening agreement. In cases where the client does not have a personal referee in attendance, an employee of the capital market institution must explain the procedures to him, and an officer in the branch or the main offices of the capital market institution must certify that the client was provided with all information of Know Your Customer Form and investment account opening agreement, and that terms and conditions of the investment account were read to him, and he acknowledged that he bears all responsibilities of opening that investment account.
- b. The referee of the blind person or the person unable to read must be a natural person with full legal capacity who personally knows the blind person or the person unable to read intending to open an investment account; hold a valid Identification Document; be able to explain the investment account opening procedures to the blind person or the person unable to read; be able to read the terms and conditions of the investment account opening agreement; and provide an acknowledgement in writing of such.
- c. The Identification Document information of the personal referee must be obtained and verified.
- d. When an investment account is opened for a blind client or a client unable to read, such client shall not be allowed to use any services provided by telephone or electronic channels for



operating the investment account until one of the capital market institution's employees or his personal referee reads to him the terms and conditions related to such services and the capital market institution informs him that such services are provided to him based on his will, choice, and awareness of the risks associated with using such services and the client's legal liability for all transactions executed through such services. The capital market institution shall also obtain a written acknowledgement signed by the client indicating that he understands the above terms.

- e. The capital market institution may use the client's fingerprint or personal stamp as his personal signature in all of his transactions.
- f. With the exception of any transactions carried out by telephone or electronic channels, in order for the capital market institution to accept any instructions from a blind client or a client unable to read, the capital market institution must obtain the client's signature on such instructions with the client's awareness and responsibility of the instructions he signs. Also, if the blind client or the client unable to read was accepted as a client with a personal referee when opening the account, the capital market institution must obtain an acknowledgement in writing signed by a personal referee that meets the conditions stated in subparagraph (b-1) of paragraph (e) of this Article that the client is aware of the procedure's nature and that he bears liability as a personal referee.

2) Opening an Investment Account for Persons Under the Age of (18) Hijri Calendar Years:

- a. An investment account for a person under the age of (18) Hijri calendar years is opened by a guardian, provided that the investment account is under the name of the client and operated by the guardian.
- b. The Identification Document information of the client who is under the age of (18) Hijri calendar years and the Identification Document information of his guardian must be obtained and verified.
- c. If the client is a Saudi citizen under the age of (15) Hijri calendar years, the family card information that shows the client's information and the valid national identification card information of his guardian must be obtained and verified, without requiring the client to provide a national identification card.
- d. If the client is under the age of (18) Hijri calendar years and under legal guardianship, the capital market institution must obtain and verify information of the guardian's deed issued by the competent court and comply with all its provisions.
- e. If the client is a foreigner under the age of (18) Hijri calendar years and his name is added to another person's residence permit (Iqama) or resident identity, the information of the valid residence permit (Iqama) or resident identity (to which the client's name is added) must be obtained and verified, provided that the investment account is under the name of the client and opened and operated by the holder of the residence permit (Iqama) or the resident identity to which the client is added.
- f. The capital market institution must carry out customer due diligence measures in relation to the guardian, and the guardian when acting on behalf of the client under the age of (18) Hijri calendar years shall comply with all legal responsibilities applicable to such client.

3) Opening an Investment Account for children in need of care



- a. An investment account for a child residing in one of the housing centers, with a substitute (foster) family, in a charity or an association caring for orphans, or in a rehabilitation center under the supervision of the Ministry of Human Resources and Social Development is opened by the authorised signatories to open the investment account as per the letter of the Ministry of Human Resources and Social Development, provided that the investment account is under the name of the child and operated by the authorised signatories to operate the investment account as per the letter of the Ministry of Human Resources and Social Development.
- b. The capital market institution must obtain information of the following documents and verify them:
  - A letter from the Ministry of Human Resources and Social Development containing the child's information, the names of the authorised signatories to open and operate the investment account, and the details of the substitute (foster) family (if the child resides with substitute (foster) family).
  - Information of the Identification Document of the child and authorised signatories to open and operate the investment account.
- c. The capital market institution must carry out customer due diligence measures in relation to the authorised signatories to open and operate the investment account, and the authorised signatories to open and operate the investment account when acting on behalf of the client referred to in subparagraph (a-3) of paragraph (e) of this Article shall comply with all legal responsibilities applicable to such client

- 4) Opening an Investment Account for an Incapacitated Person
  - a. An investment account for an incapacitated person is opened by his guardian, provided that the account is in the name of the client and operated by his guardian.
  - b. The capital market institution must obtain and verify information of the guardian Identification Document and information of the identification card of the incapacitated client above the age of (18) Hijri calendar years or information of the family card if the client is below the age of (15) Hijri calendar years.
  - c. Information of a final decision or a decision subject to expeditious execution issued by the competent court which illustrates that the client for whom the investment account is to be opened is considered incapacitated must be obtained and verified, and the capital market institution must comply with all its provisions.
  - d. The capital market institution must carry out customer due diligence measures in relation to the guardian, and the guardian when acting on behalf of the incapacitated client shall comply with all legal responsibilities applicable to such client.
- 5) Opening an Investment Account for a Person Unable to Write and Sign  
The capital market institution must open the investment account for a client unable to write and sign in the same procedures of opening an investment account for natural persons. However, the capital market institution must take the fingerprints or personal stamp of such client as a substitute for his personal signature.



- 6) Opening Investment Accounts for the Interdicted Person
  - a. The investment account of an interdicted person is opened by his guardian, provided that the investment account is under the name of the interdicted person and operated by his guardian.
  - b. Information of the Identification Documents of the interdicted person and his guardian must be obtained and verified.
  - c. obtain information of a final decision or a decision subject to expeditious execution issued by the competent court must be obtained and verified, and the capital market institution must comply with all its relevant provisions.
  - d. The capital market institution must carry out customer due diligence measures in relation to the guardian, and the guardian when acting on behalf of the interdicted person shall comply with all legal responsibilities applicable to such client.

#### **Article 7: Instructions for Opening Investment Accounts for Legal Persons**

**a) Opening Investment Accounts for Saudi Companies and Companies from GCC Member States**

- 1) To open an investment account for a Saudi company, the company must be incorporated in accordance with the Companies Law, and to open an investment account for a company from a GCC member state, the company must fall within the scope of the definition of a GCC legal person.
- 2) Unless the company is listed on the Exchange, the capital market institution must verify that the company has what provides that it is permitted to invest in the fields it is intending to invest in.
- 3) To open an investment account for a Saudi or GCC company, the capital market institution may use the guidance list of documents provided in Annex (1) of these Instructions by obtaining information of such documents and verifying them.
- 4) When opening an investment account for a listed company on the Exchange (excluding banks, finance companies and capital market institutions insurance companies) or an affiliate of the listed company included in its consolidated financial statements, the capital market institution must comply with the following additional conditions:
  - The listed company's investment in securities listed on the Exchange shall be based on a Board of Directors' resolution of the listed company and the company that the investment account is to be opened for (if it is an affiliate of that company). Such resolution shall also determine the investment controls, and prior to opening the investment account, the capital market institution must obtain and verify information of the resolution.
  - Unless the investment of the listed company, or that of its affiliate, is for one year (in which period the company commits not to sell the security before the elapsing of one year from the time of last purchase of the security issued by the same issuer), the investment in securities must be through an investment fund or investment portfolio managed by an capital market institution based on a management contract, which clearly states that there is a complete segregation between the listed company, its affiliates, and the investment decisions, and that the terms of contract do not conflict with such requirement. The capital market institution must ensure that the terms of contract are in accordance with these controls prior to signing the management contract with the listed company or its affiliate.



- The capital market institution must notify the Authority without delay of any management contract signed with any listed company or its affiliate and refer to the number of the investment account opened for such purpose and the number of the investment portfolio linked to it.

**b) Opening Investment Accounts for Foreign Legal Persons**

The capital market institution may open an investment account for a foreign legal for the purpose of investing in the permitted securities in accordance with the Capital Market Law and its Implementing Regulations and the relevant instructions issued by the Authority.

**c) Opening Investment Accounts for Funds Owned by a Governmental Entity**

- 1) A capital market institution may open an investment account for a fund of a governmental entity, provided that the fund is fully owned by a Saudi governmental entity or a governmental entity of a GCC member state.
- 2) The capital market institution, when opening an investment account for the fund referred to in paragraph (1) above, must obtain and verify information of the following documents:
  - The fund's bylaws.
  - The issued resolution assigning the authorised signatories to open and operate the investment account of the fund and their valid identity documents.
  - The fund's articles of association (if any) and its annexes, which clearly show the structure of the fund's capital and its management.
  - Documents that show the names of members of the Board of Directors.

**d) Opening Investment Accounts for Non-profit Organisations in the Kingdom:**

When opening an investment account for a Non-profit Organisation in the Kingdom, the capital market institution must obtain and verify information of the following documents:

- The license issued by the competent authority.
- What provides that it is permitted for the organization to invest in the fields it is intending to invest in.
- The Board of Directors' resolution approving the opening of the investment account and assigning the authorised signatories to operate the investment account.

**e) Opening Investment Accounts for Endowments or for Establishments Owned by Endowments**

- 1) When opening an investment account for an endowment in the Kingdom, the capital market institution must obtain and verify information of the following documents:
  - Approval and endowment registration certificate issued by the General Authority of Endowments.
  - National identification card of the endowment's trustee / board of trustees.



- National identification card of the authorised signatories to operate the investment account and the delegation resolution (if there is a delegation of the power to operate such account).

2) When opening an investment account for an establishment owned by an endowment in the Kingdom, the capital market institution must obtain and verify information of the commercial register of the establishment, and information of the documents provided in subparagraph (1) of paragraph (e) of this Article for the endowment which owns the establishment. investment account

**f) Opening Investment Accounts for Governmental Entities**

To open an investment account for a governmental entity (Saudi or from another GCC member state), the capital market institution must obtain and verify information of the following documents:

- The main documents of the governmental entity according to its administrative regulations and relevant laws.
- The resolution of the competent person in the governmental entity to assign the authorised signatories that will open and operate the investment account, and the Identification Documents of such signatories.
- The approval of the Ministry of Finance issued for the Saudi governmental entity to open the investment account, unless there are legal provisions issued by the competent authority that explicitly give the right to such governmental entity to invest in securities.

**g) Opening Investment Accounts for International Organisations and Institutions:**

To open an investment account for international organisations and institutions that have premises in the Kingdom, the capital market institution must obtain and verify information of the following documents:

- The Association Agreement and/or bylaws.
- The premises agreement signed with the government of the Kingdom that permits the international organisation or institution to invest in securities.
- The resolution of the competent person in accordance with the Association Agreement and/or bylaws assigning the authorised signatories to open and operate the investment account.

**h) Opening Investment Accounts for Investment Funds Established in the Kingdom or in a GCC member state:**

To open an investment account for an investment fund established in the Kingdom or in a GCC member state, the capital market institution may use the guidance list of documents provided in Annex (2) of these Instructions by obtaining information of such documents and verifying them.

**Article 8: Opening Investment Accounts for Other Persons**

If the capital market institution is approached by a natural or legal person for whom these Instructions do not state the procedures for opening an investment account, the capital market institution must obtain the Authority's approval to open an investment account for that person.





## Part 3

### Instructions for Operating Investment Accounts

#### Article 9: Transactions on the Investment Account

- a) The capital market institution must not enable his client to buy securities unless the purchase is made from the client's investment account balance.
- b) The capital market institution, in respect of the investment account, must ensure his compliance with the provisions related to clients' money and assets stated in the Capital Market Institutions Regulations.
- c) The capital market institution must not accept any cash amounts from the client or from a third party for the benefit of the client for investment purposes or in exchange for a services provided by the capital market institution, and the capital market institution must not deliver to the client or any third party any cash amounts from the investment account.
- d) The capital market institution must not enable money transfer transactions from an investment account of a client to an investment account of another client unless the transfer transaction is upon any of the following:
  - 1) Instructions of the competent entity or judicial authority through the Authority.
  - 2) Any other case approved by the Authority.
- e) The client's investment account must be linked to one or more bank accounts in the client's name. Any outgoing transfer of money must not be accepted unless it is to one of those bank accounts, with the exception of the following:
  - 1) Transfers related to the amounts due from the client.
  - 2) Transfers made for the purpose of liquidating the investment account for the benefit of the heirs of the deceased client.
  - 3) Transfers made between the minor and his guardian.
  - 4) Any other case approved by the Authority.

#### Article 10: Opening and Operating the Investment Account by Power of Attorney

- a) The capital market institution shall accept a power of attorney to open or operate an investment account for his natural person client whenever the following conditions are met:
  - 1) The power of attorney is issued by the Notary Public, a person licensed as a notary, or out of the Kingdom and bears an "APOSTILLE" certificate or certified by the Saudi Embassy or Consulate at the issuing country and the Ministry of Foreign Affairs in the Kingdom.
  - 2) The attorney-in-fact is an attorney-in-fact for any of the following:
    - a. a relative of the attorney-in-fact as a parent, son, daughter, spouse, brother, or sister.
    - b. One client, other than the persons referred to in paragraph (a) above, after obtaining an acknowledgment in accordance with paragraph (d) of this article.
  - 3) The power of attorney must be issued by the client or the guardian if the client is under the age of (18) Hijri calendar years, and any power of attorney issued by the attorney-in-fact on behalf of the client shall not be accepted.



- 4) Subparagraph (a-2) of this Article does not apply to powers of attorney issued for the purpose of obtaining the investment account's information, liquidating it, closing it, or transferring its balance to a bank account.
- b) The capital market institution must verify the validity of the power of attorney and that it explicitly states the powers given to the attorney-in-fact, whether it is opening an investment account, operating it, performing transfers, purchasing or selling securities, or closing the investment account, and the capital market institution must comply with the provisions of the power of attorney.
- c) The capital market institution shall not accept any power of attorney except for that set out in paragraph (a) of this Article.
- d) The capital market institution, before accepting a power of attorney, must obtain a written acknowledgment by the attorney-in-fact for the client referred to in subparagraph (b-2) of paragraph (a) of this Article acknowledging that he does not have a valid and accepted power of attorney, at the capital market institutions' level, for another client other than the persons referred to in subparagraph (a-2) of paragraph (a) of this Article. If the capital market institution knows otherwise, it must not accept the power of attorney or take any action pursuant to it.

### **Article 11: Appointment of Court-Appointed Receiver over the Investment Account**

When a court-appointed receiver is appointed over an investment account, the capital market institution must comply with the following:

- a) The capital market institution, before permitting a judicial receiver to have access to an investment account, must obtain and verify information of a final decision or a decision subject to expeditious execution issued by the competent judicial authority that includes the appointment of judicial receiver and its authorities, and also obtain and verify information of the judicial receiver's valid national identification card if he is a natural person, or information of the commercial register of the judicial receiver and the information of the national identification card of its representative if it is a legal person.
- b) The investment account information must show that the investment account is under judicial receivership.
- c) Only the court-appointed receiver shall have the authority to operate the investment account and sign for its transactions, unless the judicial authority's decision provides otherwise.

### **Article 12: Closing the Investment Account**

- a) If a client requests to close his investment account, he must submit a request to the capital market institution, and the capital market institution must document such request.
- b) Without prejudice to paragraphs (c) and (d) of this Article, the capital market institution must accept the client's request to close his investment account and notify him of such, unless the investment account is attached, or the client has financial obligations owing to the capital market institution.
- c) The capital market institutions must permit their Saudi and GCC clients to close their frozen investment accounts without updating their information, provided that the investment account is not subject to attachment, there are no restrictions or balance on the account, any securities in the investment portfolios linked to it, or any claims in relation to it.
- d) Unless the Authority instructs otherwise, the capital market institution must not permit the foreign resident in the Kingdom to close his investment accounts if his residence permits (*Iqama*) or resident



identity is expired, until such client provides a renewed residence permit (*Iqama*) or resident identity or a final exit visa.

- e) If five years elapse from the date of freezing the investment account without the client providing the required updated information, and the investment account is not subject to attachment, has no securities linked to it and is not under any restrictions or claims, the capital market institution may transfer the available balance on the investment account to a bank account under the client's name, close the investment portfolios linked to the investment account and the client account opened by the capital market institution (unless it is linked to more than one investment account), and then close the investment account.
- f) If a year elapses without any balance on the investment account of the client and without any securities in any investment portfolio linked to it, and if such account is not subject to attachment or under any restrictions or claims, the capital market institution may close the investment account after (30) days from notifying the client of such.



## Part 4

### Regulatory and Supervisory Instructions

#### Article 13: Electronic Record

For the purpose of establishing a unified electronic database for investment accounts, the capital market institution that holds investment accounts for clients must create an electronic record to link the investment account with all the information set out in the documents provided by the client for opening the investment account.

#### Article 14: Updating the Investment Accounts Information

- a) The capital market institution shall require his clients to update the information that were provided when opening the investment account as and when there are any changes to the original information provided or upon such information expiry date, or at the end of the relevant time period specified by the capital market institution pursuant to the rules and polices approved by the capital market institution in accordance with the level of risks associated with the client, whichever is earlier, and the capital market institutions must perform a periodic review to study the need to update the information provided by the client at least once every five years investment account, and the capital market institutions must maintain policies and procedures to fulfill this requirement.
- b) The capital market institution must inform his clients at least ninety calendar days in advance of the expiry date that the original documents are going to expire shortly.
- c) Ninety calendar days prior to the Saudi minor client reaching the age of (15) Hijri Calendar years, the capital market institution must request the guardian to update the information of the client's investment account, and obtain and verify the client's national identification card information.
- d) Ninety calendar days prior to the minor client reaching the age of (18) Hijri Calendar years, the capital market institution must notify the guardian of the necessity of updating the information of the client's investment account, obtain and verify the client's national identification card information, and sign a new investment account opening agreement with the client as soon as he becomes (18) Hijri Calendar years' old, provided that it contains all the information mentioned in Article (4) of these Instructions.
- e) Upon the final exit of the foreign client residing in the Kingdom or in a GCC member state, the capital market institution must require the client to update the investment account information by obtaining and verifying the client's valid passport information, and what proves the client' final exit.

#### Article 15: Freezing the Investment Accounts

- a) The capital market institution must freeze all the investment accounts of the client at the expiration date of the documents provided when opening the investment account if the client has not updated them or if the client has not updated his investment accounts information upon the capital market institution's request in accordance with paragraph (a) of Article 14 of these Instructions.
- b) The capital market institution must notify his clients of the date of freezing the investment account at least one month prior to the freezing date. The capital market institution must also maintain policies and procedures to fulfil this requirement and keep records of its applications.



- c) If the documents provided when opening the investment account for the legal person do not include a specific expiration of the validity date, the capital market institution must freeze such investment account after the end of the relevant time period specified by the capital market institution under paragraph (a) of Article (14) of these investment account instructions, until the client updates the account's information.
- d) The capital market institution must monitor the validity of Identification Documents for the authorised signatories of the legal persons as well as the persons who provided information of their Identification Documents upon opening the investment account, and the capital market institution must freeze their authority to operate the investment account until they provide renewed Identification Documents information.

#### **Article 16: Instruction on the Attachment of Investment Accounts and Removing the Attachment of them and Disclosure of their Information and Execution upon them**

- a) Provisional Attachment of the Investment Account and Investment Portfolios, the lifting of such attachment, Disclosure of its Information, and execution thereon upon the Authority's Request:
  - 1) Subject to the provisions of Article (30) of the Capital Market Law and Article (29) of the Capital Market Institutions Regulations, the capital market institution is not permitted to provisionally attach or disclose the information of any Investment Account or Investment Portfolio, unless requested by the Authority or a competent judicial authority through the Authority.
  - 2) When the capital market institution receives a request from the Authority to disclose any information related to an Investment Account or Investment Portfolios associated therewith of any of its clients, the capital market institution must provide the Authority with the requested information, or inform the Authority that the requested information do not belong to a client of the capital market institution, in a maximum period of (3) business days, unless the Authority specifies otherwise.
  - 3) Unless the Authority's request is specific, the capital market institution must disclose information of all of the client's Investment Accounts and Investment Portfolios associated therewith.
  - 4) When the capital market institution receives a request from the Authority to disclose an Investment Account statement related to any of its clients, the capital market institution must provide the Authority with the requested Investment Account statement, containing, as a minimum, the required information stipulated in Annex (3) of these Instructions.
  - 5) When the capital market institution provisionally attaches the Investment Accounts and Investment Portfolios associated therewith of a certain client at the Authority's request, the capital market institution must not allow that client to take any action in relation to the balances or assets of any attached Investment Accounts and Investment Portfolios, unless the Authority's request was to provisionally attach a specific amount, then the client shall be allowed to take action in respect of any amount exceeding the specified amount.
  - 6) When the capital market institution receives a request from the Authority to provisionally attach the Investment Accounts and Investment Portfolios associated therewith of a client, the capital market institution must attach the Investment Account and immediately provide the Authority with information of the attached Investment Accounts and Investment Portfolios, or immediately inform the Authority that the Investment Accounts requested to be attached do not belong to a client of the capital market institution.



- 7) When an Investment Account is provisionally attached based on subparagraph (a-5) of this Article, the capital market institution must stop all money transfer and withdrawal transactions and must not allow the utilization of the Investment Account balance in any form.
- 8) The capital market institution must not remove the provisional attachment of any Investment Account or Investment Portfolios that was attached based on subparagraph (a-5) of this Article until the capital market institution receives a request from the Authority. When the capital market institution receives a request from the Authority to remove the provisional attachment of the investment accounts of a client, the capital market institution must immediately remove the attachment and immediately provide the Authority with information of the investment accounts of which the attachment was removed.
- 9) When the capital market institution receives a request from the Authority to execute upon the Investment Accounts or Investment Portfolios associated therewith of a client, the capital market institution must immediately initiate execution procedures and promptly provide the Authority with information regarding the Investment Accounts or Investment Portfolios on which execution has been carried out.

b) Blocking the Investment Account and Investment Portfolios upon the initiation of liquidation proceedings against the client, the Client's Insolvency, or Loss of Legal Competence:

- 1) If the capital market institution receives a notification of initiation of liquidation proceedings against the client, enclosing official documents as evidence, regarding the client's insolvency, bankruptcy, or loss of legal competence, the capital market institution must block all the Investment Accounts and Investment Portfolios associated therewith of that client without delay.
- 2) When an Investment Account is blocked based on subparagraph (b-1) of this Article, the capital market institution must stop all money transfer and withdrawal transactions and must not allow the utilization of the investment account balance or any action on Investment Portfolios associated therewith assets in any form.
- 3) The capital market institution must enable the bankruptcy trustee to view any information of the client money and to take the necessary actions regarding the client money to the extent necessary to enable the bankruptcy trustee to perform the duties within the powers under the decision issued by the competent court, provided that the bankruptcy trustee's action does not extend to the Investment Accounts and Investment Portfolios, on which the blocking order was issued, prior to the competent court's ruling on the initiation of any of the bankruptcy procedures, unless the court where the petition for the initiation of the procedure is filed decided otherwise.
- 4) The capital market institution must not unblock the investment account and Investment Portfolios associated therewith that was blocked based on subparagraph (b-1) of paragraph (b) of this Article until the capital market institution receives a request from the Authority.

c. Disclosing the Investment Account information and Investment Portfolios, Blocking it, and Liquidating it Upon the Client's Being Deceased

- 1) If the capital market institution is officially notified or becomes aware that the client is deceased, the capital market institution must block all of the client's investment accounts and Investment Portfolios associated therewith without delay.



- 2) When any person requests to be provided with information of the investment accounts and Investment Portfolios associated therewith of the deceased client, the capital market institution must provide him in writing with detailed and clear information of the Investment Accounts and Investment Portfolios associated therewith of the deceased client after verifying the identity of that person and ensuring that he is one of the heirs or attorney-in-fact of one of them. The capital market institution must also obtain and verify the Identification Document information of that person, information of the power of attorney if that person was an attorney-in-fact of the heirs or one of them, information of the document establishing death of the deceased client, information of the determination of heirs.
- 3) The capital market institution, after freezing the investment account of the deceased client, must not carry out any transactions from such account except for liquidating the investment account for the benefit of the heirs.
- 4) The capital market institution must not liquidate the investment account and Investment Portfolios associated therewith for the benefit of the heirs until obtaining information of the document establishing death, information of the determination of heirs, information of, the guardianship deed for the minor heirs (if there is minor heirs) and power of attorney (if any) and verify them. The capital market institution must also obtain and verify information of the Identification Document of the guardian, attorney-in-fact, and heirs who have no guardian or attorney-in-fact, and if there is a judicial deed for the distribution of the inheritance issued by the competent court, the capital market institution must obtain information of the deed and verify it.
- 5) If the heirs of the deceased client are non-resident foreigners, the capital market institution must not liquidate the investment accounts and Investment Portfolios associated therewith of the deceased client until the requirements aforementioned in sub-paragraph (4) are fulfilled, and ensure, if the documents were issued outside the Kingdom, that the documents bear "APOSTILLE" certificate or they are authenticated by the Saudi Embassy or Consulate at the issuing country and the Ministry of Foreign Affairs in the Kingdom.
- 6) After the investment account of the deceased client and all investment portfolios linked to it are liquidated, the capital market institution must close the investments portfolios linked to the investment account and the client account opened by the capital market institution, then close the client's investment account.
- 7) After the capital market institution completes, upon the Authority's instructions, the liquidation of the investment account of the deceased client and all of the investment portfolio linked to it, the capital market institution must notify the Authority, immediately, if he receives any dividends or bonus shares belonging to that client.

## Part 5

### Publication and Entry into Force

#### **Article 17: Publication and Entry into Force**

These Instructions shall be effective in accordance with its approval resolution.

## Annex 1: Guidance List of Documents for Opening an Investment Account for Saudi Companies or Companies from GCC Member States

- The commercial register issued by the competent authority.
- The company's articles of association, bylaws, and their annexes and amendments.
- A list of the Board of Directors and senior managers' names.
- The Board of Directors' or partners' resolution approving the opening of the investment account and assigning authorised signatories to operate the investment account.
- A list of authorised signatories to operate the investment account in accordance with the company's commercial register, articles of association, bylaws and the Board of Directors' resolution.
- Any licenses issued for the company by any government entity to conduct certain activities.

## Annex 2: Guidance List of Documents for Opening an Investment Account for Investment Funds Established in the Kingdom or GCC Member States

- The commercial register of the fund manager.
- The Bylaws or Articles of Association of the fund manager and any amendments to them.
- The authorization issued by the Authority or the competent authority in the GCC member state for the fund manager to conduct managing activities and the commencement letter.
- The notification issued by the Authority or the competent authority in GCC member states approving the establishment of the investment fund and offering its units.
- The investment fund's Terms and Conditions and any amendments to them.
- The issued resolution approving the opening of the investment account and assigning the authorised signatories to operate the investment account.



### Annex 3: Required Information in the Investment Account Statement

The investment account statement must be printed, at the request of the Authority to be disclosed, in Arabic and on the official letter head of the capital market institution, and shall contain at minimum the following information:

#### 1. Formal information:

- The capital market institution's stamp on the investment account statement.
- The date and time of printing the investment account statement.
- The beginning and the end dates of the period of the investment account statement in the Hijri and Gregorian dates.
- Number of the printed pages and its total number.

#### 2. Basic information:

- For a natural person: the client's full name and identity number as per the Identification Document, address and contact information.
- For a legal person: the client's full name as per the proof of incorporation, commercial register number (if any), address and contact information.
- The full name of the person authorised to operate the investment account and his identity number as per the Identification Document (if any).
- The client's investment account number.
- The client's Center Account number at the depository center, along with a clarification of its category if it is a special account according to the Depository Centre Rules.
- The investment account status – including but not limited to: active, frozen, pledged, closed.

#### 3. Investment Account Statement Information:

- The balance available on the investment account and its currency.
- The transactions log, provided that it includes as minimum: all cash transfers to and from the investment account, its time, date and source, a brief and clear description of the transaction and all transactions executed on securities, indicating the date, time, type, the name of the issuer and its symbol, the amount of securities, the price, the value of the transaction, the commission, the total value, and the executed channel. In addition, the accumulated balance, the transaction executor, all actions performed on shares as split and reverse split of shares, bonus shares, and priority rights shares.