



KINGDOM OF SAUDI ARABIA

Capital Market Authority

Rules for Foreign Investment in Securities

English Translation of the Official Arabic Text

Issued by the Board of the Capital Market Authority

Pursuant to its Resolution Number 2-26-2023

Dated 5/9/1444H corresponding to 27/3/2023G

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 Rules, as may be amended, can be found at the Authority website:

www.cma.org.sa



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PART 1: PRELIMINARY PROVISIONS

Article 1: Preliminary

- a) The purpose of these Rules is to state the provisions for foreign investment in listed securities, debt instruments and units of investment funds.
- b) These Rules shall have no prejudice to the provisions of the Law and its Implementing Regulations, including the Rules of Offering Securities and Continuing Obligations, Market Conduct Regulations, Capital Market Institutions Regulations, Merger and Acquisition Regulations, Investment Accounts Instructions, Listing Rules and other related laws.
- c) Foreign investors must, at all times, comply with the relevant provisions stipulated in the Law and its Implementing Regulations, Exchange Rules and its Regulations, and other related laws.
- d) The Capital Market Institution must ensure full compliance with the requirements stipulated in the Anti-Money Laundering Law and its Implementing Regulations, and any other related laws.
- e) These Rules shall not apply to Citizens of the GCC.

Article 2: Definitions

- a) Any reference to the “Law” in these Rules shall mean the Capital Market Law issued by Royal Decree No. (M/30) dated 2/6/1424H.
- b) Without prejudice to Paragraph (c) of this Article, expressions and terms in these Rules have the meaning which they bear in the Law and the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority, unless the contrary intention appears.
- c) For the purpose of implementing these Rules, the following expressions and terms shall have the meaning they bear as follows unless the contrary intention appears:
 - **Foreign Strategic Investor:** a foreign legal entity that aims to own a direct percentage in a listed company's shares for a period of not less than two years, for the purpose of contributing in promoting the financial or operational performance of that listed company.
 - **Citizens of GCC:** natural persons who hold the citizenship of one of the Cooperation Council for the Arab States of the Gulf countries, or legal persons that (i) capital of which is majority owned by citizens or governments of the Cooperation Council for the Arab States of the Gulf; and (ii) holding the citizenship of one of the Cooperation Council for the Arab States of the Gulf countries, in accordance with the definition set out in the resolution of the Supreme Council of the Cooperation Council for the Arab States of the Gulf in its 15th session approved by the Council of Ministers Resolution No. (16) dated 20/01/1418H.
 - **GCC:** The Cooperation Council for the Arab States of the Gulf.

Article 3: Waivers

The Authority may waive a provision of these Rules in whole or in part as it applies to any person either on an application from such person or on the Authority's own initiative.

Article 4: Right to Appeal

Any person subject to these Rules may appeal to the Committee in respect of any decision or action that the Authority takes under these Rules.



PART 2: GENERAL PROVISIONS

Article 5: General Provisions

Foreign natural and legal persons, whether residing or not, may invest in all listed securities, debt instruments and units of investment funds, with due consideration to the provisions stipulated in these Rules.

Article 6: Investment Restrictions

- a) Investments of foreign investors shall be subject to the following restrictions:
 - 1) A non-residing foreign investor (except the foreign strategic investor), may not own (10%) or more of the shares of any issuer whose shares are listed or convertible debt instrument of the issuer.
 - 2) The maximum proportion of the shares of any issuer whose shares are listed or convertible debt instrument of the issuer that may be owned by all foreign investors (in all categories, whether residents or non-residents, except the foreign strategic investors) in aggregate is (49%).
 - 3) The restrictions set forth in the articles of association of the listed companies.
 - 4) Any regulatory restrictions, or any instructions issued by the competent authorities to which listed companies are subject to.
- b) The Exchange shall publish on its website, as determined by the Authority in this regard, the following information:
 - 1) A statistic reflecting the ownership percentages specified in Subparagraph (2) of Paragraph (a) of this Article.
 - 2) A statistic reflecting the ownership percentage of the Foreign Strategic Investors in listed companies.
 - 3) The restrictions specified in Subparagraphs (3) and (4) of Paragraph (a) of this Article, according to the information received by the Exchange from listed companies in this regard.
- c) The Foreign Strategic Investor, may not sell any of the shares it owned in accordance with these Rules within a period of two years after the date of ownership of such shares. The Capital Market Institution shall not enable any procedure that may violate the provisions of this Paragraph.
- d) The provisions of this Article shall not apply to the investments of all foreign investors (in all categories, whether residents or non-residents) in a foreign issuer's shares listed on the Main Market.

PART 3: ENTRY INTO FORCE

Article 7: Entry into Force

These Rules shall become effective in accordance to its approval resolution.