



Updated Investment Law

Profile

1446H – 2024G



Contents

> Introduction	▶	4
> Statutory Instrument of the Law	▶	5
> Investment Principles and Policies in the Kingdom	▶	6
> Law Objectives	▶	7
> Scope of the law	▶	8
> Key elements of the law	▶	9
> Methodology for preparing the law and the international experiences and practices that have been benefited from	▶	10
> The expected financial, economic, functional, social and health impacts of the implementation of the law	▶	27
> Detailed laws and provisions and the corresponding provisions that will be cancelled or amended as a result of the issuance of the law	▶	30
> International agreements directly related to the law	▶	32
> Explanation of the articles of the law	▶	35
> Views on the Updated Investment law.	▶	43

First:

Introduction :



Investment is of fundamental importance in the roadmap drawn up by the Kingdom through the Kingdom's Vision 2030, where the Kingdom aims in the second pillar of its vision to become a global investment force through stimulating the economy and diversifying total revenues, improving the investment and business environment, and upgrading the Kingdom's rankings and classification in key global indicators to create a more resilient, diverse and sustainable economy.

Thus, the National Investment Strategy issued by Council of Ministers Resolution No. (134) and dated 28/2/1443 AH, aimed at enhancing the competitiveness of the investment environment in the Kingdom by benefiting from the investment capabilities of the Kingdom, its geographical and strategic location that connects three continents, and providing facilities for investors and easing regulatory procedures related to the entry and establishment of investments, and adopting creating a package of basic and special investment incentives for qualitative local and foreign investment projects according to specific and fair eligibility criteria, in addition to supporting the investments and business of national companies to enhance their

global position and enable them to deliver their products and services to regional and global markets, thereby contributing to increase non-oil exports to achieve one of the targets of the Kingdom's Vision 2030 (which is for non-oil exports to account for 50% of total non-oil GDP, as well as developing investment opportunities and supporting medium and long-term projects that contribute to creating job opportunities to support reducing unemployment rates to less than 7% by 2030).

To achieve this the National Investment Strategy has studied all the investment obstacles and challenges facing the public and private sectors, identified and analyzed them, and developed several qualitative solutions and executive initiatives, including the initiative to prepare a comprehensive draft investment law - which replaces the Foreign Investment law issued by Royal Decree No. (M/1) and dated 5/1/1421 AH - in line with the Kingdom's Vision 2030, and the targets of the National Investment Strategy and best international practices, taking into account the established principles and investment policies of the Kingdom approved under Directive No. (16917) and dated 27/3/1440 AH.

Second:

Statutory Instrument of the Law



The Ministry of Investment shall assume the competences related to the regulation of investment (local and foreign), including the submission of draft investment laws and regulations, as well as submission of proposal to amend existing laws and regulations, based on:

01

The regulation of the Ministry of Investment issued by the Council of Ministers Resolution No. (594) dated 131442/10/ H, which states in its article (2): "The Ministry is the competent authority and the main reference in the Kingdom regarding the regulation, development and encouragement of investment (local and foreign), the promotion of its components, and the protection of investors, and it may, without prejudice to the competencies and responsibilities of other bodies, do all that is necessary in order to achieve its objectives," and what is stated in paragraph (3) of Article (2): "Proposing draft laws related to investment, reviewing existing laws, proposing amendments, and submitting them to complete the necessary legal procedures."

02

The royal decree contained in the Royal Court's telegram No. (16917) dated 271440/3/H, stipulating that the Ministry of Investment shall review the statutory provisions related to investment in line with the Kingdom's Vision (2030) and international best practices, in a manner that encourages local and foreign investment to increase domestic product and achieve economic diversification. The Ministry of Investment shall also consider the preparation of an integrated investment law that takes into account the stable investment principles and policies referred to in the content of the royal decree.

03

The National Investment Strategy issued by the Council of Ministers Resolution No. (134) dated 281443/2/ H, which included the initiative of preparing an integrated investment law in line with the Kingdom's Vision (2030) and the objectives of the National Investment Strategy and international best practices to replace the foreign investment law issued by Royal Decree No. (M/1) dated 51421/1/H.

Third:

The Updated Investment law principles and characteristics compliant with the principles and policies of investment in the Kingdom, international standards, and benchmark studies:



- 01 **Transparency and clarity:** Draft a unified law that combines the rights and duties of domestic and foreign investors in line with the international practices.
- 02 **Easing regulatory restrictions:** replacing foreign investor licensing requirement with a simplified registration process.
- 03 **Promoting equal treatment between the domestic and foreign investors under similar circumstances:** **Reevaluate** the restrictions of economic activities to treat domestic and foreign investors equally without prejudice to public order.
- 04 **Grant of Investment Incentives:** Attracting domestic and foreign investments by way of granting incentives according to specific objective and pre-announced eligibility and evaluation standards.
- 05 **Promoting investors' rights:** Reemphasize investor basic rights, such as protection from expropriation without fair compensation, fair and equitable treatment, protection of intellectual property and confidential commercial information, freedom to manage his investment and make legal disposal thereof, freedom to transfer his funds inside and outside the Kingdom without delay, facilitating his administrative procedures, and providing statistical information and data.
- 06 **Fair competition:** Enhance the principle of fair competition principle by way of ensuring the public sector non-competition to the private sector.
- 07 **Means of effective dispute resolution:** The right to seek arbitration, mediation and reconciliation in addition to the right to seek recourse at competent courts.
- 08 **Streamline procedures and enhance investment governance:** Comprehensive Service Center provides the necessary facilities to streamline government transactions related procedures, including such help and assistance necessary to streamline flow of investments.

Fourth:

Law Objectives



The law aims to improve the investment environment in the Kingdom, enhance its competitiveness, and develop the foreign investment law to achieve the objectives of the National Investment Strategy aimed at achieving the aspirations of the Kingdom's Vision (2030), and to keep up with developments and changes in international economic and investment agreements concluded with the Kingdom and the relevant regulations and international best practices, by achieving the following:



Ensuring equal treatment between local and foreign investors.



Developing a regulatory framework that balances investors' rights and obligations in accordance with international best practices.



Increasing investors' confidence in investing in the Kingdom.



Providing investment incentives with full transparency by granting them according to specific and fair objective eligibility criteria.



Ensuring the full protection of all investments as required by the laws in the Kingdom and the international agreements to which it is a party.



Promoting the use of alternative means of dispute resolution, including recourse to arbitration, with a view to reducing the cost and duration of the dispute.



Achieving alignment between the law and related laws.



Ensuring the protection of national security interests by developing a mechanism to monitor and restrict foreign investments in certain sectors that are considered to be of a sensitive and strategic nature for the Kingdom.



Accordingly, the achievement of these objectives described above requires the preparation of a comprehensive and objective law consistent with the legislative framework of the Investment Authority and the relevant laws locally and internationally. Such law shall be in line with modern international trends and practices and the movement of emerging markets at the regional and international levels regarding the treatment of investments.



Fifth:

Scope of the law



The law and its provisions aim to regulate all investments in the Kingdom owned by local and foreign investors, - whether natural or legal persons - and investments owned by government companies, with the exception of investments in special economic activities and zones regulated by special laws and regulations, such as special economic zones, which are subject to the provisions of its law, provided that the investor shall generally enjoy, as a minimum, the rights stipulated in this law.

Sixth:

Key Elements of the Law



The law included a number of basic principles and substantive and procedural provisions governing and regulating investments, in the form of key elements that included the following: general provisions, freedom of investment, rights and obligations of the investor, investment incentives, registration, excluded activities, protection of national security, methods of dispute settlement, sanctions and grievance methods, and more recently final provisions distributed over sixteen articles as follows:

Article (1) defined the terminology and expressions mentioned in the law, to clarify their meanings; for the purpose of accuracy and clarity and to avoid confusion in their understanding or interpretation, and this includes the basic concepts related to capital. Article (1) also includes the definition of local and foreign investors. As for Article (2), it included a statement of the purpose of the law. Article (3) dealt with the freedom of investment, as it clarified that the investor has the right to invest in all sectors and activities available for investment. Article (4) also dealt with the guarantees and rights guaranteed by the law to the investor, the most prominent of which are ensuring the freedom to manage his investment, protecting intellectual property and confidential commercial information, in addition to ensuring that investments are not confiscated in whole or in part except by a final judicial ruling in accordance with the public interest and in return for fair compensation. Article (5) included that the investor must abide by all regulations in the Kingdom. Article (6) highlighted the investment incentives granted to the investor with the aim of encouraging and developing investment, and the provisions for granting such incentives so that they must be in accordance with specific and fair eligibility criteria. Each of the Articles (79-8-) included provisions related to the national register of investors, the obligation to register the foreign investor, the obligation for the foreign investor to

obtain approval to invest in the activities mentioned in the "List of Excluded Activities" and granting the Ministry the right to prevent any foreign investment to protect national security.

Article (10) addressed the right of the investor to recourse to the competent court, arbitration or other alternative means of dispute settlement. Articles (11 - 12) set out the penalties imposed on the investor upon violating the provisions of the law and do not rectify the violation. In determining such penalties, the severity of the violation, its repetition, and the size of the establishment shall be taken into account, in addition to filing a grievance against the resolutions issued by the Ministry before the competent court and according to a specified period of time. Articles (thirteen - fourteen) clarified that the Law does not conflict with any of the international agreements and obligations to which the Kingdom is a party, and in the event of a conflict, the provisions of the Agreement shall prevail over the provisions of the Law. Also, the provisions of the law do not prejudice the special laws that apply to special economic activities or economic zones. The law concluded its provisions with articles (fifteen – sixteen), which contain procedural provisions related to the enforcement and application of the law, and that it cancels the Foreign Investment Law in addition to issuing the executive regulations of the law.



Seventh:

Methodology for Preparing the Law and the International Experiences and Practices that have been benefited from



Based on the Ministry's goal to develop an integrated investment law that's in line with best international practices and standards, the Ministry has adopted an objective methodology in preparing the law represented in the following five steps:

- 01 Assessment of the current situation
- 02 Study of international practices and experiences
- 03 Drafting policy and recommendations document
- 04 Drafting the law
- 05 workshops with the relevant authorities to discuss the investment draft law



01. Assessment of the Current Situation: _____

The Ministry has reviewed the provisions of the foreign investment law, the provisions contained in other relevant laws and regulations, and listened to the views and proposals submitted by international organizations.



02. Study of International Practices: _____

The Ministry studied international and regional standard practices, such as: (Indonesia, Singapore, Germany, United Arab Emirates, Turkey, United States of America) with the aim of identifying the methodologies and practices followed in the countries benchmarked, addressing the challenges faced, and developing concepts to enhance the regulatory environment for investment.



03. Drafting the Policy and Recommendations Document: _____

The Ministry worked on analyzing the practices followed in the standard countries under study, comparing them with the practices followed in the Kingdom, and reaching a policy paper that included several recommendations, in the light of which the law was prepared.



04. Drafting the Law: _____

In drafting the articles of the law, the Ministry has benefited from the results of standard international and regional studies and practices, as well as the policy paper and its recommendations.



05. Workshops with relevant authorities to discuss and review the law: _____

The Ministry reviewed and studied the feedback received - through «Istitlaa» platform - or directly from relevant government agencies (such as: the Saudi Central Bank, the General Authority for Competition, and the Saudi Authority for Intellectual Property), the private sector, local and foreign investors, and from relevant consultancy offices. In addition, the Ministry held meetings and workshops with a number of government agencies, the private sector, local and foreign investors, Saudi universities, international organizations, and other relevant bodies to discuss the law, listen to their feedback and views on it, and update the law in light of those feedback and views.

The following tables summarize the most prominent conclusions drawn from the benchmark study:

Comparison Countries



Indonesia



Singapore



Germany



United Arab
Emirates



Turkey



United States



This table shows a summary of the investment challenges, which were identified through the study and review of the relevant laws in the comparative countries that were relied upon when preparing the law

Challenges	Were these challenges addressed in the law?	Comparative countries that addressed these challenges in their investment laws
Organizational stability and transparency	Yes	
Government procedures	Yes	
Intellectual property	Yes	
Commercial/ investment disputes	Yes	
Efficiency of government services	Yes	
Fair competition environment	Yes	
Compensations	Yes	



The table below shows how countries deal with topics related to investment



› First : Investor Screening and Negative List

Country : **Turkey**



Under the Foreign Investment Law, the investor screening process has been abolished and there is no negative list for foreign investment. Restrictions on foreign investors in some sectors are mentioned in the regulation of the same sectors, for example:

- » Radio and Television Broadcasting Institutions and Services Law: Total foreign ownership cannot exceed (50%) of the paid-up capital in an institution that provides media services.
- » Maritime Transport Law: Foreign ownership in the maritime sector is limited to (49%) only.
- » Foreign investors must also obtain prior approval from the relevant regulatory authority to invest in certain sectors, such as:
 - » Insurance sector, that requires prior approval from the Ministry of Treasury and Finance.
 - » Banking sector, that requires prior approval from the Banking Regulation and Supervision Authority.
 - » Telecommunications sector, that requires prior approval from the Information and Communications Technology Authority.
- » However, some sectors, such as the electric power transmission sector and the railway sector, are closed for foreign investment, because the government is the only operator in these sectors. The government may also be a contributor in some sectors open to private investors, and these sectors generally include the petroleum sector, the mining sector, and the banking sector.

Country : **Singapore**



- » Singapore has a limited investor screening process where the Singapore government examines investment offers in order to determine eligibility of investor for incentives.

Country : United Arab Emirates



Foreign investors must obtain approval to establish a business in the UAE and the Foreign Investment Law includes a negative list containing (13) activities closed for foreign investments. However, exceptions can be granted by the Council of Ministers to invest in those activities. The Foreign Investment Law also includes a positive list of activities allowed for foreign investments after obtaining a foreign investment license from the competent authority.

The foreign investor can be allowed to invest in all activities that are not on the negative or positive list upon a discretionary resolution of the Council of Ministers. Article (19) of the Foreign Investment Law also stipulates the reasons for rejecting foreign investment in whole or in part, which are as follows:

When an investment poses a threat to national security.

When an investment adversely affects a strategic sector in the country.

When an investment affects public health or morals and community values.

When investment affects the defense sector.

When investment affects a country's foreign policy.

Country : Indonesia



- » There is no general investment screening mechanism applicable to foreign investors in Indonesia, but foreign investment is restricted by the Negative Investment List (Daftar Negatif Investasi or DNI), which is regularly listed and reviewed by the Investment Coordinating Board of Indonesia (BKPM) and the Coordinating Ministry for Economic Affairs (CMEA).
- » Many different sectors in Indonesia are completely or partially closed for foreign investment. According to Article (4) of (DNI 2016), foreign investment is open in (20) different business sectors and it's restricted in some sectors so that it is open only to small, micro and medium-sized businesses or in partnership with them. Businesses open to foreign investment with conditions cover (145) sectors, and there are (123) open sectors under "ownership restrictions" where foreign ownership is limited.
- » On 16 November 2018, the Government of Indonesia announced that it would liberalize foreign investment in some sectors by updating the negative list to be more flexible in order to attract more foreign investment.



- » Germany does not apply any general screening of foreign investors except that the Foreign Trade and Payments Act and its regulations allow for the screening of foreign investors and allow for exceptional restrictions on foreign investments under specific circumstances. The Foreign Trade and Payments Law and its regulations also affirm that foreign investments are free to enter the country and that any restrictions are exceptional. According to the Foreign Trade and Payments Law, restrictions on foreign investments are for the following reasons:
 - » To remove the threat to basic needs in Germany or in parts of Germany and protect human health and life.
 - » To implement the resolutions of the Council of the European Union on economic sanctions in the field of Common Foreign and Security Policy.
 - » To implement of the obligations of EU Member States set out in the legal acts applied in the European Union for the implementation of economic sanctions in the area of Common Foreign and Security Policy.
 - » To implement UN Security Council resolutions and to implement of international agreements approved by legislative bodies in the form of a federal law.

The negative list is as follows:



Manufacture or development of weapons of war or other military equipment.



Manufacture of products with IT security functions to address the security interests of the state, and this is especially true if the security interests of the State of Germany or related to military security.



Manufacturing or developing products that if there is a real serious risk affecting the fundamental interest of society.

Country : United States of America



- » There is a Federal Interagency Committee under the name of Committee on Foreign Investment in the United States (CFIUS) to review transactions and deals involving foreign investment in order to determine the impact of such transactions on the national security of the United States of America. FIRRMA was also signed to update the Foreign Investment Risk Review into law on 13 August 2018, which works to strengthen and update the terms of reference of the Committee on Foreign Investment (CFIUS) to address national security concerns more effectively, by expanding the powers of the President and the Committee on Foreign Investment (CFIUS) to review and take preventive measures to address any national security concerns arising from non-controlling foreign investments involving foreign persons.
- » Most sectors do not have any restrictions on foreign investment, with the exception of some sectors, including defense, civil aviation, shipping, telecommunications, energy, natural resources, banking, advanced electronics and biotechnology.
- » There is no consolidated negative list for foreign investments in the United States, but US includes a negative list in its bilateral investment agreements. Also, there are some regulations at the federal and state levels that restrict foreign investment in some strategic sectors such as nuclear power, customs brokerage, and domestic air services.



» Second : Restrictions on Ownership

Country : Turkey



- » In principle, there are no restrictions on foreign investors' ownership in most sectors, with the exception of some limited sectors such as broadcasting and aviation activities.

Country : Singapore



- » Singapore sets restrictions on foreign ownership in the transport and media sectors for reasons related to national security, which apply to the sectors of port operation, international passenger transport, and television broadcasting. Foreign ownership may not exceed (49%) in those sectors, and foreign ownership may not exceed (12%) in the newspaper publishing sector.

Country : Germany



- » Germany applies EU-wide restrictions on foreign ownership in the field of international passenger air transport, in which the proportion of foreign ownership must not exceed (49%).

Country : United States of America



- » The United States of America allows (100%) foreign ownership in most sectors in general, with the exception of some sectors that are considered sensitive such as radio and television broadcasting, air and maritime transport, and fishing. There is also no prohibition on foreign ownership of real estate, but some US laws, such as the Foreign Assets Control Rules, impose restrictions and requirements that apply to foreign investors in some cases, such as preventing dealing with some countries so that it has an impact on national security.



» Third : Investment Incentives

Country : Turkey



The foreign investment law did not provide for any investment incentives. However, Turkey offers many incentives to investors in some sectors; if the investor wants to benefit from such incentives, he must invest in as follows:

- » (1 billion TL) for refined petroleum products.
- » (200 million TL) for chemical products, port and harbor services, airports, airport ground services and investments of Original Equipment Manufacturer (OEM).
- » (50 million TL) for investments in the industries of supplying cars, railway locomotives or railway wagons, transit pipeline transport services, electronics, high-precision and optical medical equipment, pharmaceuticals, aircraft, aerospace vehicles or parts thereof, machinery, and investments of the final production of metals.

Country : Singapore



Singapore has a Global Investor Program where individual foreign investors are required to make a minimum investment (Singapore \$2.5 million) in an approved sector such as: aerospace engineering, education, alternative energy, electronics, healthcare, media and entertainment, nanotechnology, natural resources, and many others) and they are required to submit a 5-year investment plan. The Global Investor Visa is valid for 3 to 5 years; renewable. The permit is issued by the Economic Development Board and the Ministry of Manpower.

Country : United Arab Emirates



The UAE issues an investor visa to individual foreign investors who have to deposit an amount (10,000 to 20,000 dirhams) and demonstrate that they have sufficient funds to make significant investments in an Emirati company or to establish a business in the UAE.

Country : Germany



- » Germany provides incentives, which are to allow the investor and his family members to join the German residency and citizenship program, in order to encourage foreign investors to either start new businesses or invest in existing businesses, and to employ German citizens if they meet the following requirements:
- » The investor is able to invest 1 million euros in a new business or to control an existing company.
- » To create (10) jobs for German citizens in new businesses or to employ (10) German citizens in existing businesses.

Country : Indonesia



- » Depending on the type of investment license that investors wish to obtain, whether temporary or permanent, the Investment Coordinating Board sets certain conditions that must be met. The temporary license is only valid for one year and can be extended for another year. However, if the foreign investor is interested in obtaining a permanent business license, the requirements are:
 - » The minimum investment by the foreign investor shall be more than (10 billion rupees) excluding investment in land and buildings.
 - » The paid-up capital of PT PMA shall be more than (2.5 billion rupees).
 - » The minimum value per share is (10 million rupees).



» Fourth : National treatment

Country : Turkey



- » Under Article (3) of the Foreign Investment Law, foreign investors in Turkey are treated nationally.

Country : Singapore



National treatment applies in the stages of entry into the labor market and pre-construction in the sectors of telecommunications, broadcasting, local media, financial services, legal and other professional services, and real estate ownership.

Country : **United Arab Emirates**



Paragraph (1) of Article (8) of the Foreign Investment Law referred to the principle of national treatment to the extent permitted by the legislation in force and international agreements to which the UAE is a party.

Country : **Germany**



After incorporation, foreign investors enjoy national treatment under Article (3) of the German Constitution and all German Bilateral Investment Agreements emphasize the principle of non-discrimination between German and foreign investors.

Country : **Indonesia**



Article (6) of the Investment Law stipulates that after incorporation, all investors from any country shall be granted the same treatment in Indonesia except that the law excludes the same treatment for investors of a country that has obtained concessions under an agreement with Indonesia.

Country : **United States of America**



The government of the United States of America grants national treatment to foreign investors.



› Fifth: Transfer funds abroad

Country : Turkey



Article (3) of the Foreign Investment Law stipulated the freedom to transfer funds abroad, which includes: net profits, dividends, proceeds from the sale or liquidation of all or part of the investment, compensation payments, amounts arising from licensing, management, similar agreements, repayment, and interest payments arising from foreign loans through banks or private financial institutions.

Country : Singapore



the Exchange Control Act was abolished on 1 June 1978, so Singapore has no exchange control restrictions, or restrictions on repatriation of profits or capital.

Country : United Arab Emirates



The Foreign Investment Law provides for the right of investors to transfer funds abroad in line with all applicable legislation. The funds covered by this right include the net profits and proceeds from the liquidation and sale of the investment.

Country : Germany



The Central Bank Law provides for the right to freely transfer funds abroad.

Country : **Indonesia**



Article (8) of the Investment Law grants the right to transfer capital and profits from Indonesia in accordance with the obligations stipulated in the law. The law also provides an illustrative list of payments and dividends that investors have the right to transfer in foreign currencies.

Country : **United States of America**



Foreign investors in USA may transfer all their funds and profits abroad, but these funds may be subject to local laws and regulations such as tax regulations.



› Sixth : **Protection against expropriation**

Country : **Turkey**



Article (3) of the Foreign Investment Law indicated that foreign investments in Turkey may not be expropriated or nationalized except for public benefit and under compensation in accordance with due legal process.

Country : **Singapore**



Domestic law does not explicitly protect against expropriation, but most international investment agreements provide protection against expropriation and, if any, with compensation at fair market value. Singapore has also not exercised divestment owned by foreign investors and has no laws that compel foreign investors to transfer ownership to the government.

Country : **United Arab Emirates**



The expropriation of any foreign investment is permitted only for public benefit and in return for fair compensation, but it does not provide adequate guarantees to investors.

Country : **Germany**



Protection against expropriation is stipulated in the German Constitution in Article (3) and (14). Any expropriation must be based on a law regulating compensation. Expropriation by the federal government is subject to specific laws such as the Building Code or the Federal Roads Act. In addition, each of the 16 German states has its own expropriation law but all require that expropriation shall be for public interest and only in cases where other alternative solutions are unenforceable. The laws of the Country guarantee effective and prompt compensation at fair market value.

Country : **Indonesia**



Article (7) of the Investment Law expressly guarantees protection against direct expropriation and the law also ensures that the expropriation will be in accordance with the law and that the government has to pay the stipulated compensation based on the market price. In addition, the law provides that in the event that no agreement is reached between the parties on compensation, it shall be settled by arbitration. The law does not guarantee protection from indirect expropriation, but all bilateral investment agreements in Indonesia do.

Country : **United States of America**



The United States Constitution provides protection for all foreign and domestic investors and provides that compensation shall be at fair price in the event of expropriation for the public interest.



› Seventh : Settlement of Disputes

Country : **Turkey**



Article (3) of the Foreign Investments Law includes the dispute settlement mechanism but does not mention international dispute settlement procedures.

Country : **Singapore**



Singapore relies on regional and international arbitration. The Arbitration Act 2001 is based on the UNCITRAL Model Law and the ICSID Convention entered into force for Singapore in November 1968.

Country : **United Arab Emirates**



Article (12) of the Foreign Investment Law stipulates that disputes that may arise from investment may be settled by all alternative means.

Country : **Germany**



Domestic arbitration and international arbitration are both permitted in national legislation and bilateral investment agreements to which Germany is a party.

Country : **Indonesia**



Article (32) of the Investment Law stipulates the mechanisms for settling investment disputes in Indonesia, where international arbitration for the settlement of disputes between foreign investors and the government is available in accordance with agreements concluded between the parties to the dispute. Disputes between the domestic investor and the government may be settled through arbitration rules by agreement between the parties or through the court in accordance with the relevant laws and regulations.

Country : **United States of America**



Domestic arbitration and international arbitration are both permitted in domestic legislation.



The table below shows a comparison between the investment law and investment laws in several countries

Subject	Kingdom of Saudi Arabia Investment Law 2022	People's Republic of China Foreign Investment Law 2019	United Arab Emirates Foreign Direct Investment Law 2018	Arab Republic of Egypt Foreign Direct Investment Law 2018	Turkey Direct Investment Law 2003	South Korea Foreign Investment Promotion Act 1998
Definition	✓	✓	✓	✓	✓	✓
Purpose	✓	✓	✓	✓	✓	✓
Investors' Rights and Obligations	✓	✓	✓	✓	✓	✗
Investment incentives	✓	✓	✓	✓	✗	✗
Recording direct investments	✓	✓	✓	✗	✓	✓
Excluded and Restricted Activities	✓	✓	✓	✗	✗	✓
Obtaining approval from the competent authority	✓	✓	✓	✓	✗	✓
Settlement of Disputes	✓	✓	✓	✓	✓	✗



Workshops with relevant authorities to discuss and review the law:

The Ministry reviewed and studied the received views and feedback - through "Istitlaa" platform - or directly from relevant government agencies (such as: the Saudi Central Bank, the General Authority for Competition, and the Saudi Authority for Intellectual Property), the private sector, local and foreign investors, and from relevant consultancy offices.

In addition, the Ministry held meetings and workshops with a number of government agencies, the private sector, local and foreign investors, Saudi universities, international organizations, and other relevant bodies to discuss the law, listen to their feedback and views on it, and update the law in light of those feedback and views. These bodies were as follows:

Government Entities:

 هيئة المدن والمناطق الاقتصادية الخاصة Economic Cities and Special Zones Authority	 وزارة الاقتصاد والتخطيط MINISTRY OF ECONOMY & PLANNING	 هيئة الزكاة والضريبة والجمارك Zakat, Tax and Customs Authority	 مركز الإقامة المميزة SAUDI CHAMBER OF COMMERCE	 وزارة المالية Ministry of Finance
 وزارة الطاقة MINISTRY OF ENERGY	 الهيئة العامة للتجارة الخارجية Saudi General Authority of Foreign Trade	 المركز الوطني للتنافسية NATIONAL COMPETITIVENESS CENTER TAYSEER تيسير	 الجمعية السعودية للمحاماة SAUDI BAR ASSOCIATION	 وزارة النقل TRANSPORT MINISTRY
 اتحاد الغرف السعودية Federation of Saudi Chambers	 هيئة السوق المالية Capital Market Authority			

International Organizations

 THE WORLD BANK	 UNITED NATIONS UNCTAD			
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Saudi Universities:

 جامعة الملك سعود King Saud University الهيئة الأولى المشتركة	 جامعة اليمامة Al Yamamah University
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Eighth

The expected financial, economic, functional and social impacts of the implementation of the law



Financial impacts:



Increasing non-oil revenues and job opportunities as a result of the law's adoption of the most important investment principles and policies consistent with international best practices which will enhance the investment flow into the Kingdom, which is one of the most important elements of financing in the national economy of countries. Therefore, increasing the flow of these investments will contribute to improving the state's general budget deficit. According to the semi-annual financial and economic performance report of 2021 issued by Ministry of Finance, the increase in non-oil revenues and its development is one of the main factors contributing to improving and reducing the state's general budget deficit. The report confirmed that the reason for the decrease in the budget deficit from 143 billion during the first half of 2020 to about 12 billion during the first half of 2021 is due to several reasons, the most important of which is the improvement of non-oil revenues and the decrease in total expenditures.

Economic impacts :



The law is an essential factor and an important movement towards openness to investment and make the business environment in the Kingdom more attractive to investors, which contributes to achieving economic diversification, increasing the effectiveness of partnership between the government sector and the private sector, and enabling the Kingdom to grow and compete with advanced economies. The adoption of the law, along with the existing government efforts of incentive initiatives and programs, will contribute to enhancing foreign investments in the Kingdom to reach 5.7% of GDP, in addition to increasing the contribution of the private sector to GDP to reach 65% and moving to one of the first (10) positions in the Global Competitiveness Index, by attracting local and foreign investors to invest in a modern investment environment governed by clear and flexible regulations, and compatible with the best global and regional practices and standards, which makes it an encouraging and attractive environment to attract quality investments, which in turn will contribute to achieving the objectives of the National Investment Strategy aimed at achieving the aspirations of the Kingdom's Vision (2030). The law will contribute, through its provisions and regulation, to the development of the regulatory and legislative environment, which is considered the most important factors influencing the decision of companies to invest abroad according to the study entitled "Global Investment Competitiveness 2019" issued by the World Bank Group, which conducted a survey of a group of multinational companies in (10) middle-income countries, as follows: (Brazil, China, India, Indonesia, Malaysia, Mexico, Nigeria, Thailand, Turkey, and Vietnam). The study included (15) factors influencing the company's decision to invest abroad. The most prominent of these factors was (the regulatory and legislative environment) as the most important factor for a company to take a decision if they will invest in the country or not. The law will contribute to the development of qualitative investment opportunities, maximize its utilization, and raise the Kingdom's competitiveness at the regional and international levels by attracting investments in a wide range of key sectors in the Kingdom, in addition to activating partnership with the private sector in many tracks under the umbrella of the Kingdom's Vision 2030 programs (such as: National Investment Strategy, Privatization Programs, and Shareek Program) by supporting and empowering the private sector to benefit from investment opportunities and privatizing some government assets and services, which in turn will enhance the reduction of the costs of these services, improve their quality and achieve gradually increasing returns during the coming period.

Functional impacts :



The main functional impact of the law is to facilitate the current investment landscape and bring about a radical change in the investment environment of the Kingdom to make it more attractive and competitive by combining the basic elements of the investment framework in the Kingdom and providing them to investors, which will result in an increase in the flow of investments in various sectors and fields, which contributes to creating job opportunities for all members of society, thus increasing employment rates and reducing the level of unemployment, as well as improving the level of qualification and training of human capital through the transfer and localization of international expertise and knowledge, which usually transfer via foreign investments.

Social impacts:



The adoption of the law will contribute to creating a competitive environment among investors of different backgrounds and sizes, which generates diversity in existing investments and experiences in the Kingdom and competition to provide services of better quality to beneficiaries at competitive prices. The law will also ensure equality between local and foreign investors and provide investment incentives to them in accordance with the laws and regulations in force and the international agreements to which the Kingdom is a party, which will reflect positively on the social situation in the Kingdom by promoting the principle of ensuring equal opportunities. In addition, the implementation of the law will contribute to the creation of a competitive work environment that stimulates and encourages innovation and continuously creates new opportunities for investment in different areas. As well as the application of the law will contribute to facilitating the registration procedures for investors by clarifying, simplifying and shortening the procedures in a way that seeks to achieve transparency and clarity in transactions.



Ninth:

Detailed laws and provisions and the corresponding provisions that will be cancelled or amended as a result of the issuance of the law



The investment law will cancel the Foreign Investment Law issued by Royal Decree No. (M/1) dated 51421/1/H, and its executive regulations issued by the decision of the Board of Directors of the General Authority for Investment -previously - No. (274/) dated 121435/5/ H.

Subject	Updated Investment law	Foreign Investment Law	The positive impact of the Law on the investment regulatory environment
Law Name and Scope	Investment Law, regulating the provisions of the local and foreign investor	Foreign Investment Law, Regulating the Provisions of the Foreign Investor	Increasing openness to investment to support the creation of investment opportunities
Investment Requirements	<ul style="list-style-type: none"> • Cancellation of investment license • Editing the practice of economic activities and limiting the exception to a list established by the Standing Ministerial Committee for the Examination of Foreign Investments according to objective criteria 	<ul style="list-style-type: none"> • Requirement for a foreign investor to obtain an investment license • Competence of the Council of Ministers to issue a list of types of activity excluded from foreign investment 	Increasing the ease of practicing business activities while taking into account sensitive and strategic sectors

Local and foreign investor treatment	Ensuring equal treatment between local investor and foreign investor	None	Achieving equality according to the principle of fair competition
Investment Incentives	Enhancing the governance of granting investment incentives and facilities granted to the investor	None	Reduce the cost of practicing business
Investor Rights	<ul style="list-style-type: none"> Investor protection governance by establishing a clear and transparent complaints handling mechanism Aligning local and foreign investor rights with international investment principles and policies Freedom to use the investment activity and freedom to transfer capital (without delay) Emphasizing on protection of intellectual property and confidential business information Addressing provisions for direct and indirect 	<p>None</p> <p>Allocation of specific rights to the foreign investor</p> <p>Possibility of transferring funds</p> <p>None</p> <p>Addressing provisions for direct expropriation</p>	Increased investor confidence
Violations	<ul style="list-style-type: none"> Determining serious and non-serious violations in the executive regulations Taking into account the principle of graduation and setting standards for penalties (taking into account the frequency of the violation, the size of the facility and the severity of the penalty) 	None	Achieving the principle of gradual application of penalty
Settlement of Disputes	<ul style="list-style-type: none"> The local and foreign investor may recourse to the competent court in the dispute with the government authority; unless the parties to the dispute agree otherwise Investors may agree to settle their disputes through alternative means of dispute settlement including arbitration, mediation and conciliation 	Settlement of disputes amicably between the foreign investor and the government	Enhancing investors' freedom to recourse to means of dispute settlement



Tenth:

International Agreements Directly Related to the Law



There is no conflict between the provisions of the Investment Law and the provisions of international agreements and the like to which the Kingdom is a party, which are set out in the table below:

No.	Agreements/ Protocols /Memorandums of Understanding	Authentication Decision
01	Agreement for the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the Republic of South Korea	Royal Decree No. (M/42) dated 31423/11/H
02	Agreement for the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the Republic of Singapore	Royal Decree No. (M/64) dated 181428/7/H
03	Agreement for the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the Federal Republic of Switzerland	Royal Decree No. (M/18) dated 21429/4/H
04	Agreement for the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the French Republic	Royal Decree No. (M/1) dated 211424/1/H

No.	Agreements/ Protocols /Memorandums of Understanding	Authentication Decision
05	Agreement for the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of Malaysia	Royal Decree No. (M/24) dated 241422/5/H
06	Agreement for the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the Republic of Iraq	Royal Decree No. (M/53) dated 61441/5/H
07	Agreement on the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the Republic of Ukraine	Royal Decree No. (M/36) dated 241430/6/H
08	Agreement on the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the Republic of Belarus	Royal Decree No. (M/29) dated 121431/6/H
09	Agreement for the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the Kingdom of Sweden	Royal Decree No. (M/20) dated 271430/3/H
10	Agreement for the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the Republic of China	Royal Decree No. (M/20) dated 231417/11/H
11	Agreement for the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the Federal Republic of Germany	Royal Decree No. (M/4) dated 211418/1/H
12	Agreement for the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the Republic of Austria	Royal Decree No. (M/8) dated 61423/3/H
13	Agreement for the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the Republic of the Philippines	Royal Decree No. (M/44) dated 11427/7/H
14	Agreement for the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the Republic of Italy	Royal Decree No. (M/15) dated 181417/10/H
15	Agreement for the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the Kingdom of Spain	Royal Decree No. (M/68) dated 11428/8/H
16	Agreement for the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the Czech Republic	Royal Decree No. (M/3) dated 91432/1/H

No.	Agreements/ Protocols /Memorandums of Understanding	Authentication Decision
17	Agreement on the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the Republic of Uzbekistan	Royal Decree No. (M/9) dated 61435/2/H
18	Agreement for the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of Japan	Royal Decree No. (M/53) dated 171437/8/H
19	Agreement for the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the Republic of Indonesia	Royal Decree No. (M/28) dated 291425/5/H
20	Agreement on the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the Republic of Azerbaijan	Royal Decree No. (M/19) dated 201427/3/H
21	Agreement for the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Belgian-Luxembourgian Economic Union	Royal Decree No. (M/18) dated 221423/4/H
22	Agreement for the Promotion and Protection of Investment between the Government of the Kingdom of Saudi Arabia and the Government of the Hashemite Kingdom of Jordan	Royal Decree No. (M/69) dated 111439/7/H
23	Framework Agreement for Economic Cooperation between the Gulf Cooperation Council and the Government of the Republic of Turkey	Royal Decree No. (M/8) dated 291427/1/H
24	Economic Agreement between the States of the Arab Gulf Cooperation Council	Royal Decree No. (M/58) dated 151424/8/H
25	Agreement for the Promotion, Protection and Guarantee of Investments among the Member States of the Organization of the Islamic Conference	Royal Decree No. (M/45) dated 81404/11/H
26	Unified Agreement for the Investment of Arab Capital in the Arab States (Amended)	Royal Decree No. (M/48) dated 41435/7/H
27	WTO	Joined by Royal Decree No. (M/54) dated 211426/9/H

Eleventh:

Explanation of the Articles of the Law



Article	Article Text	Explanation of Article
First	<p>Definitions</p> <p>In this Law, the following words and phrases shall have the meanings assigned thereto, unless the context requires otherwise:</p> <p>Law: Investment Law.</p> <p>Regulation: Implementing Regulation of the Law.</p> <p>Competent Authority: Any ministry or public agency with an independent legal personality.</p> <p>Ministry: Ministry of Investment.</p> <p>Minister: Minister of Investment.</p> <p>Investment: The use of capital to establish, expand, develop, finance, manage, or partially or fully own an investment project in the Kingdom for the purpose of economic gain..</p>	<p>This article tackles the terms to be defined in the provisions of the Law and clarifying their purpose, taking into account the best local and international practices in the application thereof. The definitions included clarifying what is meant by "Investment" and capital and what it includes. The article also clarified the definition of the local and foreign investor and other terms.</p>

Capital: Any asset which has a material value, whether cash, in-kind, or intangible, as specified in the Regulations, including the following in particular:

- A. Company shares and interests.
- B. Contractual rights.
- C. Fixed or movable assets.
- D. Intellectual property rights.
- E. Rights granted under any law, such.

as licenses, permits, or the like.

Capital shall not include loans, bonds, financing sukuk, and public and private debt instruments.

Investor: A local or foreign investor.

Local Investor: A natural or legal person of Saudi nationality who engages in investment.

Foreign Investor: A natural or legal person who engages in investment, and who is not deemed a local investor in accordance with the provisions of this Law.

Investment Incentives: The benefits, facilitations, or exemptions granted to an investor to encourage him to engage in investment, in accordance with relevant legal provisions.

List of Excluded Activities: A list of activities the investment therein by foreign investors is prohibited or restricted, as provided for in Article 8 of this Law.

Recognized Currency: Any currency recognized by the Saudi Central Bank.

This article tackles the terms to be defined in the provisions of the Law and clarifying their purpose, taking into account the best local and international practices in the application thereof. The definitions included clarifying what is meant by "Investment" and capital and what it includes. The article also clarified the definition of the local and foreign investor and other terms.

<p style="text-align: center;">Second</p>	<p style="text-align: center;">Purpose of the Law</p> <p>This Law aims to develop and enhance the competitiveness of the investment environment in the Kingdom, contribute to economic development, and create job opportunities by providing an attractive investment climate, in accordance with relevant laws; this shall include the following:</p> <ul style="list-style-type: none"> A. Facilitating the establishment of investments, ownership of assets therein, and the exit therefrom or liquidation thereof. B. Guaranteeing and promoting the rights of investors. C. Guaranteeing equal treatment for local and foreign investors. D. Ensuring transparent, efficient, and fair procedures for investors and their investments. E. Promoting the principle of competitive neutrality and fairness and ensuring equal opportunities in investments. 	<p>This article clarifies the main objectives of the Law, which are to attract investments and enhance the investment environment and its competitiveness by adopting several principles mentioned in the article, including ensuring equal treatment between local and foreign investors and promoting their rights.</p>
<p style="text-align: center;">Third</p>	<p style="text-align: center;">Freedom of Investment:</p> <p>Without prejudice to the provisions of Articles 8 and 9 of this Law and the provisions of relevant laws, an investor may engage in investment in any sector or activity available for investment.</p>	<p>This article shows that the investor has full freedom to invest in the various sectors and economic activities available for investment in accordance with the relevant laws, regulations and instructions.</p>

Rights of Investors

1. Without prejudice to the provisions of relevant laws, an investor shall have the following rights :
 - A. He shall be treated equally to other investors, and local and foreign investors shall be treated equally, under similar circumstances.
 - B. He shall be treated fairly and justly.
 - C. His investment may not be fully or partially confiscated except pursuant to a final judicial ruling, nor may such investment be directly or indirectly expropriated except for public interest, in accordance with legal procedures, and in return for a fair compensation.
 - D. He shall have the right to transfer his funds within or outside the Kingdom without delay; this shall include, but shall not be limited to, transferring the proceeds of his investment and the profits gained therefrom as well as the proceeds of the sale or liquidation thereof through legal channels using any recognized currency, and disposing of such funds through any other lawful means.
 - E. He shall have the right to manage his investment, dispose of such investment in accordance with the law, and own any property necessary for the conduct of his business.
 - F. Protection of his intellectual property and trade secrets.
 - G. Facilitation of administrative procedures and provision of necessary support and assistance by the competent authority.
2. The competent authority shall, upon taking any measures for public interest, including measures necessary to fulfill the Kingdom's international obligations, maintain public order, or protect national security, observe the rights stipulated in paragraph (1) of this Article.
3. The Ministry shall, as specified in the Regulations, provide the investor with any available information or statistical data as well as the necessary services to facilitate any procedures relating to his investment, and shall seek to resolve complaints filed thereby, in accordance with clear and

This Article seeks to achieve one of the objectives of the Law stipulated in Article 2 thereof, which is to determine the rights of the local and foreign investor, by enumerating the rights enjoyed by the investor. Additionally, this Article affirms the right of the foreign investor to be treated in a similar manner no less favorable than that granted to the local investor. The Article also clarifies the freedom of the investor to manage his own business. Furthermore, the Article stipulates several guarantees granted to the investor, which are compatible with the principles and policies of investment in the Kingdom, such as ensuring the protection of the property of all investments. The Ministry also seeks to provide information and statistics that in turn support the investor's business and also seeks to address complaints that the investor may submit so that the investor enjoys complete comfort throughout the period of his investment in the Kingdom.

Fifth	<p>Obligations of Investors</p> <p>The investor shall comply with all the laws and legislations applicable in the Kingdom and with the Kingdom's obligations under international agreements to which it is a party.</p>	<p>This article set out the obligations generally without going into detail and regulated under the laws and regulations that apply to all investors regardless of any consideration.</p>
Sixth	<p>Investment Incentives</p> <p>Without prejudice to relevant laws, the competent authority shall grant investment incentives to investors in accordance with objective and fair eligibility criteria. The Regulations shall specify the provisions necessary for the implementation of this provision.</p>	<p>In order to attract investments and to create a stimulating and enabling environment for investment in the Kingdom, the Law specified this article to investment incentives that distinguish the Law from the foreign investment Law. The granting of these incentives, as stipulated in the provisions of the article, shall be in accordance with objective and fair eligibility criteria in order to achieve equality and transparency in dealing therewith taking into account the laws and regulations in force in the Kingdom and the international agreements to which the Kingdom is a party.</p>
السابعة	<p>Registration</p> <ol style="list-style-type: none"> 1. The Ministry shall establish a national register for investors where all the information and data related to their investments are entered. The Ministry shall manage and update said register and maintain its confidentiality. 2. A foreign investor shall register with the Ministry prior to engaging in any investment, as specified in the Regulations. This shall not apply to investments in securities that are subject to the provisions of the Capital Market Law. 3. The competent authority shall provide the Ministry with any information or data required to establish or update the register provided for in paragraph (1) of this Article, in accordance with the manner specified in the Regulations. The Ministry may communicate with the competent authority to satisfy any requirements for establishing or updating said register. 4. The Ministry may, through its comprehensive service center, receive the investor's applications to obtain the legal approvals necessary for engaging in an investment activity, including licenses or permits. The Ministry shall coordinate with the competent authority in charge of issuing such approvals to ensure that the investor satisfies the necessary legal requirements. 	<p>This article specifies the mandatory cases for registering investments with the Ministry in accordance with the controls and mechanisms that will be determined by the executive regulation of the Law. The article also obligated the Ministry to establish a national register of investors in which all data and information of investors' investments are recorded, managed, updated and kept confidential. In Addition, the article imposed an obligation on other competent authorities to provide all necessary to complete this register. What distinguishes the Law from the foreign investmetn Law is that it provides for a comprehensive service center, which in turn emphasizes the importance of the existence of this center and the tasks entrusted thereto that enhance the provision of services to the investor and permanent innovative solutions to develop these services provided and enhance their effectiveness.</p>

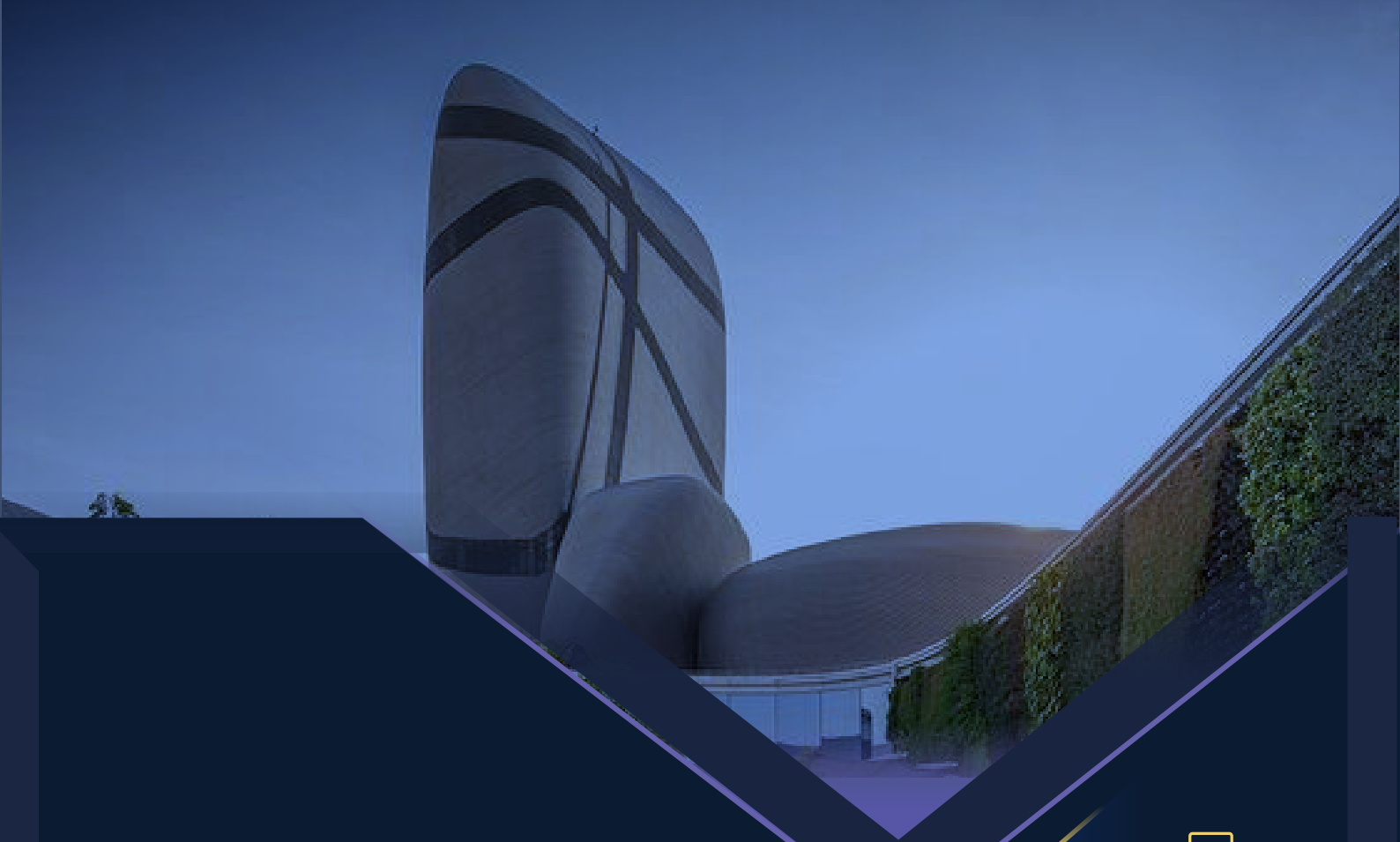
Eighth	<p>List of Excluded Activities</p> <ol style="list-style-type: none"> 1. The competent authority shall issue and update the list of excluded activities, and the Ministry shall publish said list. 2. The foreign investor shall, prior to engaging in any investment activity included in the list of excluded activities, apply to the Ministry for approval. The Ministry shall refer the application to the competent authority. 3. The foreign investor shall, prior to making any change in the ownership of his investment in any of the restricted activities included in the list of excluded activities, apply to the Ministry for approval. The Ministry shall refer the application to the competent authority. 	<p>This article specifies the competence of the competent authority to determine the list of excluded activities. This article also requires that the foreign investor shall apply for approval in the event that he wishes to invest in any of the excluded activities. This article also emphasizes the role of the Ministry in publishing that list with the aim of informing and notifying the foreign investor in order to achieve the principle of transparency and clarity.</p>
Ninth	<p>Protection of National Security:</p> <p>The Ministry may suspend any foreign investment for the purpose of protecting national security, provided that the suspension decision is based on objective grounds, is consistent with the Kingdom's obligations under international agreements to which it is a party, and is in accordance with the procedures specified in the Regulations.</p>	<p>This article affirmed the right granted to the Ministry of Investment as the foreign investment window of the Kingdom to prevent any investment to maintain national security, provided that the ban decision is based on an objective basis, which is consistent with the principles of international law regarding the rights of countries to prevent foreign investments whose entry may entail a risk to the national security.</p>
Tenth	<p>Use of Alternative Dispute Resolution Methods</p> <p>Without prejudice to relevant laws :</p> <ol style="list-style-type: none"> 1. The investor who is a party to any dispute, including disputes with the competent authority, may resort to the competent court, unless the parties to the dispute agree otherwise. 2. Investors may agree to resolve their disputes through alternative dispute resolution methods, including arbitration, mediation, and conciliation. 	<p>The article affirms the right of the investor, when he is a party to any dispute, including disputes that arise with the competent authority, to resort to the competent court, unless the parties to the dispute agree otherwise, which is an embodiment of the principle of the freedom of the contractors to determine the means they deem appropriate to adjudicate their disputes. The article also granted investors the right to agree on the settlement of their disputes through alternative means such as arbitration, mediation and reconciliation.</p>

Penalties

1. An investor who commits a non-serious violation of any of the provisions of Articles 7 or 8 of this Law shall be notified by the Ministry using any means determined thereby in order to rectify said violation within a period to be specified in the Regulations.
2. Without prejudice to any harsher penalty provided for in any other law, an investor who fails to rectify the non-serious violation referred to in paragraph (1) of this Article after the expiration of the period specified for rectification, or who commits a serious violation of any of the provisions of Articles 7 or 8 of this Law, shall be subject to one or more of the following penalties:
 - A. A warning.
 - B. A fine not exceeding three hundred thousand riyals (SAR 300,000). The fine may be doubled in case of a repeat violation.
 - C. Cancellation of registration.
3. The Regulations shall specify the serious violations and the procedures for detecting and recording such violations.
4. A committee or more shall be formed pursuant to a decision by the Minister comprising no less than three members, one of whom at least shall be a legal specialist. Such committee shall consider the violations and impose the penalties provided for in paragraph (2) of this Article, and shall, upon determining the penalty, consider the gravity and frequency of the violation and the size of the establishment.
5. The Regulations shall specify the committee's work rules and procedures, and the Minister shall, pursuant to a decision issued thereby, determine the remunerations of committee members.

This article clarifies the penalties that may affect the investor when he violates the provisions of this Law and its executive regulations. The article clarifies that the Ministry shall, in the first instance, notify the investor when he violates the provisions of this Law and its executive regulations, in order to remove the violation by the investor within the period specified by the Law, otherwise the investor is subject to any of the penalties stipulated in this article. The article took into account the progressivity in determining the amount of penalty with the gravity of the violation, its frequency, and the size of the establishment.

Twelfth	<p>Appeal</p> <p>Any person against whom a decision is issued by the Ministry may appeal said decision before the competent court within thirty days from the date of notification thereof.</p>	<p>This article affirms that a grievance may be filed before the competent court against the decisions issued by the Ministry with penalties, provided that it shall be made in accordance with the specified period.</p>
Thirteenth	<p>Obligations under International Agreements</p> <p>The provisions of this Law shall not prejudice any of the Kingdom's obligations under any applicable international agreement to which the Kingdom is a party.</p>	<p>The article clarifies that the Law does not violate any of the Kingdom's obligations under an international agreement in force to which the Kingdom is a party.</p>
Fourteenth	<p>Activities, Special Economic Zones and Acquired Rights</p> <p>The provisions of this Law shall not prejudice the laws of other agencies applicable to certain economic activities or the laws of the special economic zones in the Kingdom, provided that the investor enjoys, as a minimum, the rights stipulated in this Law.</p>	<p>This article confirms that this Law is issued without prejudice to the special laws and regulations that apply to specific activities of the economy or special economic zones.</p>
Fifteenth	<p>Regulations</p> <p>The Minister shall issue the Regulations within one hundred and eighty days from the date of publication of this Law. The Regulations shall enter into force on the date this Law enters into force.</p>	<p>This article authorizes the Minister to issue the executive regulations of the Law, and they shall come into force from the date of the entry into force of the Law according to the specified period of time.</p>
السادة عشرة	<p>Entry into Force</p> <p>This Law shall enter into force one hundred and eighty days following the date of its publication in the Official Gazette and shall repeal the Foreign Investment Law issued by Royal Decree No. (M/1) dated 51421/1/ AH as well as any provisions conflicting therewith.</p>	<p>This article emphasizes the publication of the Law through the official means of publication (the Official Gazette). It also explicitly states that the Law repeals the "foreign investment Law", and it also repeals all provisions that contradict it.</p>



Views on the Updated Investment law.



International Monetary Fund



The International Monetary Report noted that the new Investment Law introduced for public consultations will help create equal opportunities for Saudi and non-Saudi investors by protecting investors' rights and supporting transparency. The report stressed that there must be an effective strategy to publicize these measures, which will help to ensure confidence in policies, stabilize investors' expectations and reduce their uncertainty.



وزارة الاستثمار
Ministry of Investment