Gulf states

Investing in Saudi Arabia

The largest economy in the Gulf. The new Investment Law guarantees equal treatment of local and foreign investors, and investing starts with registration at the Ministry of Investment.



Riyadh skyline showing Kingdom Tower and the King Abdullah Financial District (KAFD), April 2016. Photo: B.alotaby — Wikimedia Commons, CC BY-SA 4.0.

Key facts for investors

Criterion	Value	Details as in the source
Corporate tax	20%[12]	Income tax on non-Saudi shares in resident companies; the share of Saudis and GCC nationals treated as Saudis is subject to zakat at 2.5%. Oil and hydrocarbon production has rates from 50% to 85%.
VAT	15%[3]	Since 1 July 2020, after starting at 5% on 1 January 2018.
Foreign ownership	Permitted, with a list of excluded activities[4]	Foreign investors register with the Ministry of Investment before investing and may invest in any available sector, subject to the list of prohibited or restricted activities.
Investment legal framework	Investment Law[4]	Issued by Royal Decree M/19 dated 16/1/1446H, repealing the Foreign Investment Law.
Foreign property ownership	Permitted within set geographic areas[56]	Under the Law of Real Estate Ownership by Non-Saudis, in force since 22 January 2026, within areas set by the Council of Ministers; a resident may own one home outside them, except in Makkah and Madinah.
Investor residency	Premium residency, permanent or fixed-term[7]	Premium Residency Permit Law: permanent and fixed-term types, each with products and fees approved by the Council of Economic and Development Affairs (Article 3); benefits include residence with family and property ownership outside Mecca, Medina and border areas (Article 2). Product amounts under verification.
Free & economic zones	5% income tax in 4 special economic zones[8]	The Economic Cities and Special Zones Authority lists four zones: King Abdullah Economic City, Ras Al-Khair, Jazan and the Cloud Computing zone in Riyadh, with incentives including 5% corporate income tax, 0% withholding tax and VAT, customs duty deferral and flexible workforce requirements.

Official bodies

- **Ministry of Investment** — Investor registration and services · misa.gov.sa
- **Zakat, Tax and Customs Authority (ZATCA)** — Zakat, income tax, VAT and customs · zatca.gov.sa

Sources

1. Simplified Guideline for Income Tax, second version — ZATCA (May 2026)
2. Implementing Regulations for Zakat Collection 1445H — ZATCA (2024, amended 1446H)
3. About Value Added Tax — ZATCA (Official page)
4. Investment Law — official translation, Ministry of Investment (Council of Ministers Resolution 40, 16 July 2024)
5. Law of Real Estate Ownership by Non-Saudis — Real Estate General Authority (Royal Decree M/14, 2025)
6. REGA announces entry into force of the law allowing non-Saudis to own property — Saudi Press Agency (22 January 2026)
7. Premium Residency Permit Law — English translation published by the Ministry of Investment (1445 AH version)
8. Special economic zones — Economic Cities and Special Zones Authority (Arabic) (Official page)

General information only, not investment, legal or tax advice. © 2026 Gulf Constructs · gulfconstructs.com