

Licensing Guidelines for Practicing Finance and Refinance Activities

Dhual-Qi'dah 1445h





I. Introduction:

The Finance Companies Control Law and its Implementing Regulations set forth the provisions regulating licensing for finance and refinance activities. SAMA has prepared and published the required licensing forms on its website, which can be viewed through the following link: [Finance \(sama.gov.sa\)](http://Finance(sama.gov.sa))

II: License Application Instructions for Finance and Refinance Activities:

1. The license application form should not be modified in any way. The license application must be submitted by the founders or their duly authorized representative with a copy of the authorization letter.
2. The forms and documents listed in the license application must be submitted in soft copies. The company must keep the original documents and submit them to SAMA upon request.
3. The terms and phrases mentioned in the license application shall have the same meanings stated in the Finance Companies Control Law and its Implementing Regulations. The term “Applicant” shall mean the founders or shareholders of the company applying to obtain SAMA’s approval to complete the incorporation procedures and obtain a license to practice finance or refinance activities.
4. The Applicant must ensure that the information provided in the license application is valid, accurate, comprehensive, and complete. Providing SAMA with false information or omitting material information that should have been disclosed for licensing purposes shall be deemed a violation of the Finance Companies Control Law, in particular Article 7 thereof, and may lead to the rejection of the license application or cancellation of the license.
5. The license application can be submitted to the following e-mail: (LICFCC@SAMA.GOV.SA).



III. Required Documents:

The forms and documents specified in the checklist in the license application must be submitted in soft copies through the e-mail provided in Section II above. The original documents must be presented to SAMA upon request.

IV. Documents required to be attached to the License Application:

1. Finance activities License application letter.
2. SAMA's license [application form](#) after completing all sections.
3. A copy of the company's draft [Articles of Association](#).
4. The organizational structure including all departments and functions with their mandates.
5. SAMA's Fit and Proper [Form](#) for each founding member after being completed and signed by each founding member, and approved by the person authorized to submit the license application.
6. In the event where a founding member is an entity, a Fit and Proper Form shall be submitted for every person (natural or legal) owning 5% or more of this entity.
7. SAMA's Fit and Proper [Form](#) for each candidate member in the board and its sub-committees after being completed and signed by the candidate, and approved by the person authorized to submit the license application.
8. The economic feasibility study and the business plan per the details specified in the license application.
9. An irrevocable [bank guarantee](#) equal to the minimum capital of the activity to be licensed issued by any local bank for SAMA and automatically renewed until the capital is paid in full. (provided that the original bank guarantee letter is submitted upon request.)



10. Draft agreements and contracts proposed with third parties, especially agreements and contracts with related parties and external service providers.

V. Licensing Procedures:

1. The Applicant must complete the license application as described in Sections III and IV above and submit the application to SAMA along with all the attachments listed in the application's checklist.
2. SAMA will notify the Applicant, in writing, of the completion of their application upon fulfilling all the requirements stipulated in the Finance Company Control Law and its Implementing Regulations.
3. Upon completion of the form, SAMA shall notify the Applicant, in writing, of its initial approval or reasoned rejection within 60 business days. SAMA's initial approval is not considered a license or permission to practice the activity.
4. The application will be referred to the Ministry of Commerce to complete the Company incorporation and registration procedures in accordance with the Companies Law. The company shall provide SAMA with the following:
 1. A copy of its commercial register and Articles of Association following its incorporation.
 2. Proof of full payment of the capital and any additional initial funding indicated in the business plan.
 3. Proof that all necessary steps to start practicing the activity have been taken, such as recruiting human resources and procuring systems and equipment.
5. The company must provide SAMA with proof that it has obtained the Legal Entity Identifier (LEI) from the Saudi Operating Unit accredited by the Global Legal Entity Identifier Foundation (GLEIF).
6. SAMA's staff will visit the company's premises, meet the executives, and review the regulations, procedures and records to verify that the regulatory requirements are met and that the company is ready to practice the activity.



7. SAMA will issue a decision to grant the license after the company fulfills the regulatory requirements and fees stipulated in Article 22 of the Implementing Regulations of the Finance Companies Control Law.