

# Guidelines for Applying for a License to Practice Finance Support Activities

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## **I. Introduction:**

The Rules of Licensing Finance Support Activities set forth the provisions for licensing finance support activities. SAMA has produced the forms for license application and published them on its website, which can be accessed through the link: [Finance \(sama.gov.sa\)](http://sama.gov.sa)

## **II: Instructions for Applying for a License to Practice Finance Support Activities:**

1. The license application should not be modified in any way. The license application must be submitted by the founders or their duly authorized representatives with authorization letter.
2. The forms and documents listed in the license application must be submitted.
3. The terms and phrases mentioned in the license application form must have the same meanings stated in the Rules of Licensing Finance Support Activities. The term “Applicant” must mean the founders of the company applying to obtain the approval of SAMA to complete the incorporation procedures and obtain a license to practice finance support activities.
4. The Applicant must ensure that the information provided is valid, accurate, comprehensive, and complete. Providing SAMA with false information or failing to disclose material information that should have been disclosed for licensing purposes is considered a violation of the Rules of Licensing Finance Support Activities and may result in the rejection or cancelation of the application.
5. The license application and any inquiries about it can be submitted to the following e-mail: [LICFCC@SAMA.GOV.SA](mailto:LICFCC@SAMA.GOV.SA).



### III. Required Documents:

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

### IV. Documents Required to be Attached to the License Application:

1. License application letter for practicing finance support activity.
2. SAMA's license application [form](#) after completing all sections.
3. A copy of the commercial register (for existing companies).
4. A list of founding members or shareholders/partners, the shares they own in the company, and their percentage.
5. The organizational structure including all necessary departments and functions with their mandates.
6. 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.
7. If one of the company's founders is an entity, a Fit and Proper Form must be submitted for each person (natural or legal) who owns 5% or more of this entity.
8. SAMA's Fit and Proper [Form](#) for each candidate member in the board after being completed and signed by the candidate, and approved by the person authorized to submit the license application.



9. A feasibility study identifying the targeted market, the services to be offered, the company's business model and strategy, and three-year business plan.
10. An irrevocable [bank guarantee](#) for an amount equivalent to the minimum capital for the activity to be licensed, issued in favor of SAMA by a local bank and automatically renewed until the capital is paid in full.
11. As an exception to Paragraph (10) of this Section, the bank guarantee provided to companies that practice the activity only through financial technology must be equivalent to 20% of the minimum capital of the activity, provided that the minimum capital is paid before obtaining the final license.
12. 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 their application completion upon fulfilling all the requirements set forth in the Rules of Licensing Finance Support Activities.
3. After the completion of the application, SAMA will issue a written notice informing the Applicant of either preliminary approval or justified rejection within (30) business days. SAMA's initial approval is not considered a license or authorization 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 must provide SAMA with a copy of the commercial register indicating the activities licensed according to SAMA's initial approval (within six months from the initial approval date). Moreover, the company must provide a copy of the Articles of Association, if any, following the establishment. It shall also present proof of full payment of the capital and any additional initial funding indicated in the business plan, in addition to taking all necessary steps to start practicing the activity, such as recruiting human resources and procuring systems and equipment.

5. The company shall provide SAMA with proof that it has obtained the Legal Entity Identifier (LEI) from the Saudi Operating Unit approved 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 requirements mentioned in this Section's Paragraphs (4) and (5).