

# System for Non-Saudi Ownership of Real Estate

Real Estate General Authority (REGA)

Rega.gov.sa | 199011

## Article One – Definitions

---

The following words and phrases, wherever they appear in this System, shall have the meanings set forth opposite each of them:

**The System:** The System for Non-Saudi Ownership of Real Estate.

**The Regulations:** The Executive Regulations of the System.

**The Authority:** The Real Estate General Authority.

**Non-Saudi:**

1. A natural person who does not hold Saudi nationality.
2. A non-Saudi company.
3. A non-Saudi, non-profit entity.
4. Any other juridical person designated by a decision of the Council of Ministers.

## Article Two

---

1. Non-Saudis may own real estate or acquire other real rights over real estate in the Kingdom, within the geographical scope determined by the Council of Ministers pursuant to paragraph (2) of this Article.

2. A decision by the Council of Ministers — based on a proposal from the Authority's Board of Directors and the approval of the Council of Economic and Development Affairs — shall determine the following:

- a- The geographical scope within which a Non-Saudi may own real estate or acquire other real rights over real estate.
- b- The types of real rights over real estate that a Non-Saudi may acquire.
- c- The maximum ownership ratio for Non-Saudis within the geographical scope.
- d- The maximum permitted duration for acquiring a usufruct right over real estate by a Non-Saudi.
- e- Any other controls related to Non-Saudi ownership of real estate or acquisition of real rights thereover.

## Article Three

---

1. A company not listed on the Saudi financial market, established in accordance with the Saudi Companies Law, in which one or more natural or juridical persons who do not hold Saudi nationality participate in ownership of its capital, may own real estate or acquire other

real rights over real estate, within the geographical scope referred to in paragraph (2) of Article Two of the System, including the cities of Makkah Al-Mukarramah and Madinah Al-Munawwarah.

2. Subject to what is stated in paragraph (1) of this Article and any benefits granted by other regulations, the company referred to in paragraph (1) of this Article may own real estate or acquire other real rights over real estate necessary for carrying out its activities and for the residence of its employees, both within and outside the geographical scope referred to in paragraph (2) of Article Two of the System; in accordance with what the Regulations determine.

3. In addition to the rights of Non-Saudis stipulated in paragraphs (1) and (2) of this Article, a Non-Saudi natural person legally residing in the Kingdom may own a single property designated for his residence outside the geographical scope referred to in paragraph (2) of this Article, excluding the cities of Makkah Al-Mukarramah and Madinah Al-Munawwarah. The Regulations shall specify the provisions of this paragraph.

4. The right of a Non-Saudi to own real estate or acquire other real rights — referred to in paragraph (1) of this Article — over real estate in the cities of Makkah Al-Mukarramah and Madinah Al-Munawwarah is restricted to Muslim natural persons.

## Article Four

---

Companies listed on the Saudi financial market established in accordance with the provisions of the Companies Law, investment funds, and special purpose entities licensed by law may own real estate and acquire other real rights over real estate in the Kingdom — including the cities of Makkah Al-Mukarramah and Madinah Al-Munawwarah — in accordance with the requirements of the Capital Market Law and its executive regulations, and the controls set by the Capital Market Authority in coordination with the Real Estate General Authority and other relevant entities.

## Article Five

---

The application of this System shall not prejudice the provisions of the Premium Residency System, the regulation of property ownership by GCC nationals in member states of the Gulf Cooperation Council for residential and investment purposes, or any other applicable regulations that grant Non-Saudis better rights with respect to owning real estate and acquiring other real rights thereover.

## Article Six

---

Non-Saudi ownership of real estate or acquisition of other real rights over real estate in the Kingdom does not entail any rights or privileges beyond those legally prescribed for the holder of a real right.

## Article Seven

---

On the basis of reciprocal treatment, diplomatic representations accredited in the Kingdom may own the official premises and the residence of their head and members, and international and regional organizations may — within the limits required by the agreements governing them — own their official premises; provided that the approval of the Ministry of Foreign Affairs is obtained.

## Article Eight

---

1. A non-Saudi company, a non-Saudi non-profit entity, or a non-Saudi entity designated by a decision of the Council of Ministers — referred to in paragraphs (2), (3), and (4) of the definition of "Non-Saudi" — must register with the competent authority before owning real estate or acquiring other real rights over real estate in the Kingdom, in accordance with what the Regulations determine.
2. Non-Saudi ownership of real estate or acquisition of other real rights over real estate in the Kingdom shall be valid only after registration in the Real Estate Registry in accordance with the applicable provisions.

## Article Nine

---

Without prejudice to any legally prescribed fees or taxes, the Authority shall collect a fee on the value of a Non-Saudi's disposition of real rights over real estate in the Kingdom, not exceeding five percent (5%) of that value.

## Article Ten

---

1. Without prejudice to any more severe penalty stipulated in any other regulation, any person who violates the provisions of this System or its Regulations shall be subject to any of the following:
  - a- Warning.
  - b- A fine not exceeding five percent (5%) of the value of the real right subject of the violation, provided it does not exceed ten million (10,000,000) Saudi Riyals.
2. The Regulations shall specify a schedule of violations and their prescribed penalties based on the provisions of the System and the Regulations, taking into account the severity of the violation, its circumstances, and its consequences when determining the penalty.

## Article Eleven

---

1. The Authority's Board of Directors shall form one or more committees of not fewer than three (3) specialists in regulations, which shall examine violations and impose the penalties set out in Article Ten of the System.
2. The Authority's Board of Directors shall determine the rules of work, procedures, and remuneration of committee members by a resolution.
3. Decisions of the committee may be appealed before the Administrative Court within sixty (60) days from the date of notification.

## Article Twelve

---

1. By way of exception to what is contained in Article Ten of the System, and without prejudice to any more severe penalty stipulated in any other regulation, a Non-Saudi who intentionally provides incorrect or misleading information resulting in his ownership of real estate or acquisition of any real right over real estate shall be penalized as follows:
  - a- A fine not exceeding five percent (5%) of the value of the real right subject of the violation, provided it does not exceed ten million (10,000,000) Saudi Riyals.
  - b- Sale of the real right over the real estate.

2. The Public Prosecution shall have jurisdiction to investigate and prosecute the act referred to in paragraph (1) of this Article, and the competent court shall adjudicate the matter and impose the penalty.
3. If the court orders the sale of the real right pursuant to paragraph (2) of this Article, the proceeds shall be returned to the perpetrator — after deducting the fines, any other legally prescribed fees, and costs of sale — or the amount paid to acquire the real right, whichever is less; and any remaining proceeds shall be deposited to the State's public treasury.

## Article Thirteen

---

1. The Council of Ministers shall issue the Regulations — based on a proposal from the Authority's Board of Directors and the approval of the Council of Economic and Development Affairs — within one hundred and eighty (180) days from the date of publication of the System in the Official Gazette; they shall take effect from the date the System enters into force.
2. The Regulations shall determine:
  - a- Procedures for a Non-Saudi to acquire real rights over real estate in the Kingdom.
  - b- Requirements for enforcing the System's provisions upon Non-Saudis not residing in the Kingdom.
  - c- The amount of the fee referred to in Article Nine of the System, to be determined based on the type of real right over real estate, its purpose, and the geographical scope.
  - d- Transactions subject to a zero-rate fee and the necessary conditions, controls, and requirements therefor.

## Article Fourteen

---

This System supersedes the System for Non-Saudi Ownership and Investment of Real Estate issued by Royal Decree No. (M/15) dated 17/4/1421 AH, and abrogates any provisions that conflict with it.

## Article Fifteen

---

This System shall enter into force one hundred and eighty (180) days after the date of its publication in the Official Gazette.