

October 2024

Market landscape

1. Saudi Arabia, officially the Kingdom of Saudi Arabia, is a country in West Asia and the Middle East. It is the largest country in the Arabian Peninsula and the fifth largest country in Asia by area.
2. The Capital Market Authority (“CMA”) is the regulatory body responsible for overseeing and regulating the capital markets in Saudi Arabia. The CMA is a government organization applying full financial, legal, and administrative independence, and has direct links with the Prime Minister.
3. The functions of the CMA are to regulate and develop the Saudi Arabian capital markets by issuing required rules and regulations for implementing the provisions of the Capital Market Law. The basic objectives are to create an appropriate investment environment, boost confidence, and reinforce transparency and disclosure standards in all listed companies, and to protect the investors and dealers from illegal acts in the market.
4. The two broad categories of funds offered in Saudi Arabia are public funds and private funds (domestic and foreign). The investors in Saudi Arabia are mostly institutional clients.

Regulatory regime for funds in Saudi Arabia

5. As of 31 Dec 2023, there were 1,285 investment funds in Saudi Arabia (including 291 public funds and 994 private funds).
6. Public funds in the country include equity funds, bond /debt, money market, real estate, fund of funds, balanced, index funds, closed-ended investment traded fund, feeder fund, capital protected, endowment, commodity, multi-asset, real estate investment traded



categories of institutional³ and qualified clients⁴; and to investors under the category of retail clients⁵ if the maximum amount payable per offeree is not more than Saudi Riyals 200,000 (about USD 53,000) or an equivalent amount.

- (c) submits to the CMA copies of any offering documents to be used in advertising the offer;
 - (d) conducts a due diligence check of the foreign fund and its manager before the distribution of that fund's units, and provides the CMA with it upon request within five days from the date of request;
 - (e) pays such registration fees as the CMA may prescribe; and
 - (f) provides any another information that the CMA requires.
16. The foreign fund and its manager do not require any approval from the CMA. However, the CMA will review the notification made by the distributor

