

Guidelines for Applying for a License to Practice Finance Support Activities



I. Introduction:

The Rules of Licensing of Finance Support Activities set forth the provisions for licensing finance support activities. SAMA has set up the forms for license application and published them on its website which can be accessed through the link (www.sama.gov.sa).

II. Required documents:

Hardcopy of the forms and documents listed on the licensing application's checklist should be submitted along with a USB containing an identical softcopy as provided in paragraph III below.

III. Documents required to be attached with the license application:

1. The letter requesting license to practice the finance support activity (hardcopy).
2. The license application form as set by SAMA, completed in accordance with the sections identified in the application (softcopy).
3. Copies of the draft memorandum of incorporation and articles of association (softcopy).
4. An organizational structure, including all necessary departments and functions and key responsibilities of each (softcopy).
5. A completed Fit and Proper Form as set by SAMA for each founding shareholder signed by the founding shareholder and attested by the person authorized to submit the license application (hardcopy and softcopy).
6. A completed Fit and Proper Form as set by SAMA for each nominated board member signed by the nominated board member and attested by the person authorized to submit the license application (hardcopy and softcopy).
7. A feasibility study identifying the targeted market, the services to be offered, the company's business model and strategy, and three-year business plan.
8. 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.
9. Draft proposed agreements and contracts with third parties especially those with related parties and external service providers (softcopy).

IV. License Procedures:

1. The applicant must complete the license application as described above in paragraphs II and III and submit it to SAMA with all documents listed in the licensing application's checklist.
2. After the completion of the application, SAMA will issue a written notice informing the applicant of either preliminary approval or justified rejection within (30) sixty business days. SAMA's preliminary approval does not constitute a license or approval to practice the activity.
3. The application will be forwarded to the Ministry of Commerce to complete the procedures for the establishment and registration of the company in accordance with the Companies Law. After the company is established, it should provide SAMA with copies of its commercial registration, the memorandum of incorporation, the articles of association (if any), proof that the capital has been paid in full in addition to any additional initial funding set out in the business plan. The company should take all necessary measures to start practicing the activity, including provision of the necessary human resources, systems, and equipment.
4. After completion of the requirements set forth in paragraph 4 of this item, SAMA will issue a decision granting the license.

