

WEBINAR

Saudi Sports and Entertainment
Wednesday, January 19, 2022

The government's foreign investment strategy for sports and entertainment

Saudi Market



GDP USD 790 Billion
with 25% of the world's oil reserves

40% to 65%
with 25% of the world's oil reserves

0.7% to 5.7%
increase in Foreign Direct Investment's
contribution to GDP by 2030

Only G-20
country in the region (MENA)

SAUDI ARABIA Fast Facts



Population 35.6 M (Jan 2021)
Youth (58+% under the age of 35)

84% of population
is urban



Foreign Investment strategy for sports and entertainment

- ◆ Saudi Vision of 2030
- ◆ The transformation of the entertainment and Sports sector in Saudi Arabia is significant.
- ◆ A few remarkable projects are:
 - ◆ Qiddiya Entertainment City
 - ◆ The Red Sea Project -
 - ◆ The King Salman Park The “Green Heart of Riyadh”
 - ◆ Amaala
- ◆ Key initiatives
 - ◆ In 2017 (Cinemas Return to KSA)
 - ◆ 2018 Women Allowed to Drive
 - ◆ 2019 Launch of Tourist visa program
 - ◆ 2022 Saudi Arabia relaxed dress code for women tourists

Image Credit: Red Sea Project

- ◆ Ministry of Investment of Saudi Arabia (MISA) role in foreign investment
 - ◆ Helps the local investor
 - ◆ Provide Access to cross government ecosystem
 - ◆ Coordinating meetings with government agencies
 - ◆ Facilitate doing business
- ◆ The National Classification for the Economic Activities ISIC is Internationally recognised system to categorize the commercial activities
- ◆ The main forms of legal entities
 - ◆ 1. Limited Liability Company (LLC).
 - ◆ 2. Limited Liability One-person Company.
 - ◆ 3. Joint Stock Company.
 - ◆ 4. Foreign Company Branch.
 - ◆ 5. Solidarity professional company

Saudi Investments Entertainment & Sport Sector

- ◆ The Quality-of-Life Program empowering the sectors of culture, heritage, sports, entertainment and tourism.
- ◆ Entertainment Sector Investment Value
 - ◆ 57 Billion US dollar allocated for the entertainment infrastructure
 - ◆ 4.2% will be the entertainment field participation in the national income by 2025
 - ◆ Increasing the foreign investment participations in the total local income to be 5.7% after being 0.7%
- ◆ Entertainments events

- ◆ Riyadh Season
- ◆ Adventure
- ◆ Evolution Dinosaurs





Service Investment License for The Entertainment Sector

- ◆ MISA to issue the foreign investment license
- ◆ The activities performed by the company must be according to ISIC activities, e.g. of ISIC code activities
- ◆ 932918: Entertainment events organization
- ◆ 799020: Booking and ticketing for sports and entertainment events, exhibitions and conferences
- ◆ 591101: Production of motion pictures (including traditional animation)
- ◆ 591311: Distribution of films to exhibitors and television networks

Service Investment License for The Entertainment Sector

- ◆ MISA Subscription fee is 10,000 SAR for the first year and 60,000 SAR annually from second year onwards.
- ◆ Additional License / approval from the authorized government sector in accordance with the ISIC activities mentioned on the license
 - ◆ General Entertainment Authority facilitates the issuance of Entertainment centers license; Entertainment events organization license; and Artistic and entertainment talents management and development license
 - ◆ The General Commission for Audiovisual Media facilitated the issuance of licenses for License to Distribute or Import Cinematic Movies, Videos and TV Shows; and Audiovisual Media Content Production License.

Sport's Events

Examples of sports venues hosted by Saudi Arabia




Undergoing projects to host sports events

Olympic Village

Playgrounds
Training Tracks
Swimming Pools
Fitness Center

Qiddiyah Sports Complex

In/Out-door Arenas
Water Sports
F1 Racetrac

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- ◆ License requirement : to perform sports activities you may consider the Service Investment License, which will indicate in detail the needed activities according to ISIC activities, such as:
 - ◆ 854101: Sports academies
 - ◆ 931901: activities of producers or promoters of sports events
 - ◆ 931221 – 931222: Men’s / Women's sports halls and centers
 - ◆ To perform a few sports activities, shall require approval from the Ministry of sports.

NAFES online platform



Ministry of sports Introduce the NAFES online platform:



Combined portal to ease licensing process for foreign investors who want to establish sports Clubs, Centers and Academies.



Nafes grants the investor to register with MOS, Shomoos portal, municipality, and participate with require federations.

نافيس
NAFES



INVEST IN SAUDI SPORT

رؤية
2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

برنامج جودة الحياة
QUALITY OF LIFE PROGRAM



وزارة الرياضة
Ministry of Sport

Case Study

- ◆ To establish Boxing & Martial Arts club for women in KSA owned by parent US company.
- ◆ US Company wants to establish Boxing & Martial Arts club for women in KSA

Structure	Capital	ISIC
LLC Subsidiary	\$100,000	931221 Activities of sports clubs 854105 Martial arts instruction 931222 Women's sports centers

Step 1: Entity Setup			Step 2: MoS Boxing Club License /NAFES Portal	
MISA>	Commercial Registration>	Municipality	Administrative Standards	Technical Standards
Service Lcs No Capital Ownership	Pay Fees Coc Signature Secondary reg	Municipality building standards	License Fees Union Membership Compliance	Trainers Facility Equipment

Secondary Registrations

Chamber of Commerce (CoC)
Based on the head office of
the company

Ministry of Human Resource
and Social Development
(HRSD)
In addition to all replated
portals such as; Mudad, Qiwa
and Muqem

General Organization of Social
Insurance (GOSI)
To enroll the company's
employees and indicate their
wages and allowances

Zakat, Tax and Customs
Authority (GAZT)
To upload annual returns and
compliance

Wasel & PO Box Registration,
Municipality and Civil Defense
License

Opening a Bank Account
With one of the banks in
Saudi Arabia, using the
general manager's Iqama

Nitaqat

- ◆ The programme, or known as ‘Saudization’
- ◆ Saudi workers (in specific professions) at the ratio of 100% in the activities and movie theaters and all related activities under the activities of producing movies, TV shows, records and broadcasting music in sale professions that including many professions such as ticket sales inside the cinema etc
- ◆ Latest update effective from 1 Dec 2021. This will allow the Saudization rate to increase gradually and proportionally with respect to the company’s headcount, instead of rising dramatically
- ◆ Strategies your incorporation with professionals



Nitaqat

Test the market by
deploying your GM/Key
person to Saudi

Understand the tax
implication on your
business and operations
structure

Plan your workforce

Consult and Decide yo ur
company Structure (HQ)

Decide on business
activities and learn about
impact on Saudizaton
and additional approvals

Consider timeline to draft
applications and
supporting documents
with authentication
process in home country

Finalize Project Plan

Execution

End

QUESTIONS
