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## YOUR CONTACT



### Mike CAMUS

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## SUPPORT BY THE CRÉDIT AGRICOLE GROUP



*Last updated: August 2023*

The International Desk in the Middle East provides support to Crédit Agricole Group's corporate clients in Saudi Arabia for their local operations, including banking and and regulatory advice, assistance in opening accounts, financing and setting up local branches.

For non-bank financial services, the International Desk helps its leading partners to internationalise.

## MEANS OF PAYMENT



### With Saudi Arabia

Company cheque  
Bank cheque  
SWIFT transfer  
Bill of exchange  
Promissory note  
Documentary remittance  
Documentary credit

## Usage

Weak / None

Weak / None

Weak / None

Common

Common

None

Common

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## ADVICE FROM THE INTERNATIONAL DESK



### General Information

The Kingdom of Saudi Arabia is a hydrocarbon-rich country and a prominent member of the GCC (Gulf Cooperation Council). There are no exchange controls or currency regulations that interfere with doing business in Saudi Arabia. In addition, SAGIA has recently relaxed the rules for obtaining a foreign investor's licence. The many reforms undertaken by the Kingdom are making the country more attractive to foreign companies.

It is important to note that there is a gap with western countries regarding the weekend: Friday and Saturday.

In 2016, the Kingdom launched the “Saudi Vision 2030” plan with the ambitious goal of reforming the Saudi economy and society. Among other things, the Kingdom encourages projects that aim to diversify the economy and local investment projects that create jobs.

All foreign investors must be licensed under Saudi Arabian Foreign Investment Law regulations. Before starting to do business in Saudi Arabia, a foreign investor must obtain a foreign investment licence from the Saudi Arabian General Authority for Investment (SAGIA). Different types of licences are issued to foreign investors, depending on the activity they intend to carry out in Saudi Arabia (industrial licence, service licence, commercial licence, construction licence, etc.).

SAGIA verifies, among other things, whether the project “contributes to the development of the national economy and sustainable development”. While in some sectors the foreign investor may hold up to 100% of the capital of a Saudi company, some industrial and service activities remain closed to foreign investment.

The Kingdom is developing no less than 200 mega projects across the country and offers many opportunities to French companies. It should be noted that the Saudis are keen to see foreign companies set up in the country, particularly SMEs.

The rise in oil prices, the resumption of government projects and spending and the economic recovery have bolstered business and consumer confidence in 2022 and 2023.

### Means of Payment & Banking Specificities

For transactions with the private sector, the US dollar is most frequently used because of its fixed parity with the Saudi riyal, but the euro is increasingly accepted. In contracts with public companies, the Saudi riyal (SAR) is often required; it is therefore essential to include an indexation clause, preferably on the US dollar or the euro, but with an exchange guarantee.

We recommend confirmed documentary credits.

Payment terms are mostly 30 days.

The risk of late payment can cause problems with some public Saudi administrations, including the agents who supply public administrations. Late payment occurs less frequently in the private sector and is often due to administrative problems.

## OUR OFFER AVAILABLE IN THIS MARKET



## OPTIMISE YOUR CASH FLOW

### RESIDENT COMPANY

Availability

#### Account opening

Local  
currency



International currencies



### NON-RESIDENT COMPANY

Availability

#### Local deposit account opening

Local  
currency



International currencies



### PROCESSING LOCAL PAYMENTS METHODS

Availability

Cheque



Bill of  
exchange



Electronic banking



Cash



### CASH MANAGEMENT/E-BANKING

Availability

MT940 Bank  
statements



MT101 Transfer  
order



MT942 Intraday bank  
statements



Cash pooling  
domestic



Cash pooling  
international

