

WORLD TRADE ORGANIZATION

RESTRICTED

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**Working Party on the Accession
of the Kingdom of Saudi Arabia**

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ACCESSION OF THE KINGDOM OF SAUDI ARABIA

Communication from Saudi Arabia

The Ministry of Commerce of the Kingdom of Saudi Arabia has submitted the following initial offer on services.

STRICTLY CONFIDENTIAL

THE KINGDOM OF SAUDI ARABIA: INITIAL OFFER ON SERVICES

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-sector	Limitations on market access		Limitations on national treatment		Additional commitments
I. HORIZONTAL COMMITMENTS					
ALL SECTORS AND SUB-SECTORS OF SERVICES INCLUDED IN THIS OFFER	3)				
	(i) Commercial presence subject to approval under the Foreign Capital Investment Law and the Companies Law. (ii) Only in the form of joint-ventures between Saudi individuals / entities and foreign individuals / entities, with the share of foreign partner (s) limited to 49% . (iii) Commercial presence for professional services and “other business services”, included in this offer, subject to the requirements of the Professional Companies Law, and the relevant Saudi regulations applicable to individual services.	(i) Non Saudi nationals may not, other than by succession, acquire the right of ownership to real-estate within Saudi Arabia. However, foreign establishments authorized to carry on their activities in the Kingdom under the Foreign Capital Investment Law may own real estate only for a specific use related to the licensed project. The concerned Minister's approval is a prerequisite before its review by a Ministerial Committee in the Ministry of Interior, which comprises of members from the Ministry of Interior and Ministry of Industry and Electricity. (ii) Non Saudi business entities are subject to income tax while Saudi entities are subject to Zakat. (iii) Non Saudi service entities not entitled to certain promotional programs such as market research and marketing programs including the organization of exhibitions or facilities of participation in international fairs and exhibitions, and the establishment of marketing centres. (iv) Foreign service entities not eligible for services subsidized by the State. (v) Foreign service entities must adhere to the rules for investment in Saudi Arabia.			

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	<p>4)</p> <p>Unbound, except as follows: As a matter of principle, since work is considered a Saudi citizen's right, a foreigner would not be employed when to do so would displace a Saudi worker. In applying this principle, the Labor and Workers Regulations establish, as a general rule, that any enterprise, Saudi or foreign owned, shall ensure that the "percentage of the Saudi workers engaged by the employer shall not be less than 75 percent of his total workforce". However, the Regulations also provide the Minister of Labor with the authority to temporarily reduce the required percentage in circumstances "where Saudi workers with necessary qualifications are not available". Permission of Ministry of Labor is required for obtaining work permits for foreign persons. Work permit shall not be given unless the following conditions have been satisfied:</p> <p>(i) Foreign natural person shall have entered the country legally and satisfies the conditions prescribed in the Residence Regulations.</p>	<p>4)</p> <p>Unbound, except as in the column for Limitations on market access</p>	

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		<p>(ii) The foreign person must possess occupational proficiency or academic qualification needed in Saudi Arabia, provided that no Saudi national with the same qualification is available or that the number of available Saudi nationals does not satisfy demand.</p> <p>(iii) The foreign person shall have entered into a contract with and guaranteed by a Saudi employer or a non-Saudi employer who is authorized under the Investment of Foreign Capital Regulation.</p> <p>The positions of all personnel officers, cashiers, civil security guards, transactions pursuers contacting government, and receptionists are reserved for Saudi nationals in all companies whether Saudi or foreign.</p>			
II. SECTOR SPECIFIC COMMITMENTS					
I. Business Services					
A. Professional Services					
(b) Accounting, auditing and bookkeeping services (c) Taxation Services		<p>1) None</p> <p>2) None</p> <p>3) Only in partnership between certified Saudi and foreign accountants</p> <p>4) Unbound, except as in the horizontal section.</p>		<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as in the horizontal section.</p>	

Modes of supply:				4) Presence of natural persons	
Sector or Sub-sector	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons	
	Limitations on market access	Limitations on national treatment	Additional commitments		
(d) Architectural services (e) Engineering services (f) Integrated engineering services (i) Veterinary services	1) None 2) None 3) None 4) Unbound, except as in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as in the horizontal section.		
B. Computer and Related Services: to (e)	1) None 2) None 3) None 4) Unbound, except as in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as in the horizontal section.		
C. Research and Development Services: (a) to (c)	1) None 2) None 3) None 4) Unbound, except as in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as in the horizontal section.		
F. Other Business Services: (a) Advertising services (b) Market research services (c) Management consulting services (d) Services related to management consulting (e) Technical testing and analysis services (f) Photographic services (g) Packaging services	1) None 2) None 3) None 4) Unbound, except as in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as in the horizontal section.		

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2. COMMUNICATION SERVICES					
B. Courier services		1) None 2) None 3) Subject to license from the Ministry of PTT and subject to the condition of a joint-venture between a Saudi and foreign company. 4) Unbound, except as in the horizontal section.		1) None 2) None 3) None 4) Unbound, except as in the horizontal section.	
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES					
A. General construction work for buildings:		1) None		1) None	
B. General construction work for civil engineering		2) None		2) None	
C. Installation and assembly work		3) Commercial presence permitted only in the form of a joint-venture. Subject to a license from the Ministry of Public Works and Housing.		3) None	
D. Building completion and finishing work		4) Unbound, except as in the horizontal section.		4) Unbound, except as in the horizontal section.	
6. ENVIRONMENTAL SERVICES					
A. Sewage services		1) None		1) None	
B. Refuse disposal services		2) None		2) None	
		3) None		3) None	
		4) Unbound, except as in the horizontal section.		4) Unbound, except as in the horizontal section.	

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7. FINANCIAL SERVICES					
B. Banking and other financial services (excluding insurance)		<p>1) None</p> <p>2) None</p> <p>3)</p> <ul style="list-style-type: none"> - Foreign commercial presence is permitted in the form of a joint-stock company incorporated in Saudi Arabia or as a branch of a foreign bank. - Foreign shareholders' participation in a joint-stock Saudi Bank may go up to a maximum of 40%. - Foreign participation is subject to license by the Minister of Finance and National Economy, upon the recommendation of SAMA, and subject to the approval of the Council of Ministers. - Number of banks and number of bank branches subject to economic needs, determined by the Minister of Finance and National Economy - Provision of services is subject to applicable rules. <p>4) Unbound, except as in the horizontal section.</p>		<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as in the horizontal section.</p>	

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8. HEALTH RELATED AND SOCIAL SERVICES					
A. Hospital services:		1) None 2) None 3) Subject to license from the Ministry of Health 4) Unbound, except as in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as in the horizontal section.		
B. Other human health services		1) None 2) None 3) None 4) Unbound, except as in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as in the horizontal section.		
9. TRAVEL AND TOURISM SERVICES					
A. Hotels and restaurants C. Tourist guides services		1) None 2) None 3) None 4) Unbound, except as in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as in the horizontal section.		
10. RECREATIONAL CULTURAL AND SPORTING SERVICES					
D. Recreational services		1) None 2) None 3) None 4) Unbound, except as in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as in the horizontal section.		
11. TRANSPORT SERVICES					
C. Air transport services (d) Maintenance and repair of aircraft (e) Computer reservation system		1) None 2) None 3) None 4) Unbound, except as in the horizontal section.	1) None 2) None 3) None 4) Unbound, except as in the horizontal section.		