



U.S.-Saudi Business Council  
مجلس الأعمال السعودي الأمريكي



# Saudi Arabian Private Sector Support Initiatives: What You Need to Know

April 20, 2020

# Housekeeping: How to Participate in Today's Webinar



**Questions will be taken by the Q&A feature, please send in questions often**



**Council Members and registered non-member participants will receive the recorded presentation and slides by email**



# About the Council

## Overview

Membership-based organization that has informed, counseled and connected thousands of U.S. and Saudi companies over our 25-year history to increase cross-border trade and investment.

- **230+** member companies in Saudi Arabia & U.S.
- Our members are part of our **extensive network** of business entities with access to:
  - ✓ Market intelligence
  - ✓ Member-to-member connections
  - ✓ Logistical support
  - ✓ Visa Services and more

Trade and Investment



Events and Services



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# Council Programs and Services



## Programs

Exclusive networking events on industry-specific opportunities in the Kingdom:

- Business Development missions
- Sector-Focused Conferences
- Business Opportunities Forums

## Publications

Information products on recent developments and business opportunities in U.S. and Saudi markets:

- Industry Sector Reports
- Weekly Market Briefs
- Monthly Business Bulletin

## Business Advisory Services

Customized quality business advice and support to U.S. and Saudi companies:

- Market Entry Strategy
- Partner Identification and Introduction
- In-country Appointments



# Introductions

**Moderator**



**Lisa Leander**  
**Director, Member Services**

***U.S. Saudi Arabian  
Business Council***

**Panelist**



**Osman Qureshi,**  
**Director of Customer  
Success**

***Proven***

**Panelist**



**Omer Saleem**  
**Director and Deputy CEO**

***Proven***



# COVID-19

## Private Sector Support Initiatives for Saudi Arabia

Omer Saleem – Director and Deputy CEO

Osman Qureshi - Director of Customer Success



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# About Proven

Proven facilitates businesses entering the region through advisory, consulting and support solutions. We have offices in Riyadh, Dubai, Bangalore with additional teams in Toronto and Cairo and have been established since 2009.

We specialize in business incorporation, corporate immigration, PEO, outsourcing and market entry requirements.

# Agenda

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- Current situation in Saudi Arabia
- Corporate Immigration
- Maintaining Employment Levels
- Saudi National Specific Measures
- Economic Initiatives
- Financial Measures

# Current Situation in Saudi Arabia

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- Work from home policy in full effect
- Exempt companies from the lockdown include the vital sectors, healthcare, education, telecommunications
- Country is observing full curfew for public with an exception to essential local travel
- Companies who need any exception to the regulation must apply for approval

# Corporate Immigration

- Extension of exit / entry visas of current residents
- Extension of current visit visa stayers in-country
- Refund of visa fees to employers
- Extension of residence permit (Iqama) validity
- Expat dependents' levy
- Exit permits for permanent leavers

# Maintaining Employment Levels

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- Employers and employees can come to a mutual agreement with reduced working hours and salaries and using annual leave balance to prevent redundancies and closures.
- Permission to transfer foreign workers between private sector companies eased.
- Transfer workforce through Ajeer portal (secondment portal)
- Exemptions to usual transfer requirements for special cases
- Exemptions to small enterprises on work permit fees for expats

# Saudi National Specific Measures

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Companies can apply for GOSI compensation as an alternative to terminating Saudi contracts

- The compensation worth equals 60% of GOSI-registered wages for a duration of 3 months, with a monthly SR9000 limit.
- It will cover all Saudis working in companies with less than 5 working nationals and 70% of Saudis in companies with more than 5 working nationals.
- Companies have the month of April to apply for the scheme .
- Following the compensation period, firms must resume payment of wages for all employees.

# Economic Initiatives

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- Corporate licenses
  - Ministry of Investment
  - MOCI
  - Municipality
  - MLSD
- Customs
- Utilities

# Financial Measures

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- Financial stimulus package of SAR 70 billion – postponement of some government dues
- SAMA package of SAR 50 billion – support banking sector, financial institutions and SMEs.
  - SAR 30 billion program to postpone payments
  - Lending financing program worth SAR 13.2 billion
  - Program to support funding guarantees worth SAR 6 billion

# Financial Measures

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- All GAZT fines will be canceled when any company registers for tax regulations and GAZT supervises the application
- Businesses who are filing the return now can delay payment of Zakat or tax till the extended due date
- Suspension of fines for:
  - late payment of instalments
  - amendment of declarations
  - noncooperation of taxpayers
  - examination fines

# Payments Deferral

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- Supporting private sector employees employed since 1<sup>st</sup> July 2019 with 1 billion SAR
- Postponing the collection of customs duties on imports for a period of 30 days
- Postponing of the commercial registration renewal fees

# Payments Deferral

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- WHT returns, filing and payments extended for three months  
Due dates of returns from the month of June 2020 will not change

Tax Period	Original Due Date	Extended Due Date
March 2020	10 April 2020	10 July 2020
April 2020	10 May 2020	10 August 2020
May 2020	10 June 2020	10 September 2020

# Payments Deferral

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- Monthly VAT returns and payments extended for three months  
Returns from June 2020 will not be postponed

Tax Period	Original Due Date	Extended Due Date
February 2020	31 March 2020	30 June 2020
March 2020	30 April 2020	31 July 2020
April 2020	31 May 2020	31 August 2020
May 2020	30 June 2020	30 September 2020

# Financial Relief

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- Quarterly VAT returns  
Note: Returns in the second quarter (April to June 2020) will not be extended. The original due date 31 July 2020 shall be applicable.

Tax Period	Original Due Date	Extended Due Date
Q1 January to March 2020	30 April 2020	31 July 2020

# Financial Relief

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- Deferred VAT payments on imports
- WPS is suspended until further notice
- Exempting all companies from GOSI late payment fines

# Payment Deferral and Other Financial Concerns

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- Reducing 25% of the financial compensation for factories that have an operating license from March 2020 to the end of the year
- Supporting factories that have operating licenses and whose activities have been affected by COVID-19 by postponing payment of fees for their facilities for three months

# Q&A

Please send in your questions to the Panelists  
via the Q&A Function.

**Moderator**



**Lisa Leander**  
Director, Member Services

*U.S. Saudi Arabian  
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**Panelist**



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# Thank you

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# Thank You!

## Upcoming Virtual Event

Virtual Meeting: B20 Saudi Arabia Initiative to Address COVID-19  
April 29, 2020 1:00-2:30 (EDT)

Register on our website today!

[www.us-sabc.com](http://www.us-sabc.com)

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