

SAUDI ARABIA: LAUNCHING OF FOUR NEW DEDICATED ECONOMIC ZONES

Posted on 11 May 2023



Categories: [Capital Markets](#), [Saudi Arabia](#), [Uncategorized](#)

Tags: [Economic Zones \(SEZs\)](#), [Saudi Arabian](#)



The Saudi Arabian government has recently announced the establishment of four new Special Economic Zones (SEZs) in various regions of the country. These zones aim to offer competitive incentives for businesses who invest in them, including a low corporate income tax rate of only 5% for up to 20 years.

Additionally, there will be 0% withholding tax on the repatriation of profits from SEZ into foreign countries, and customs duties deferral for goods inside the SEZ or 0% customs duties on capital equipment and inputs inside the SEZ. Furthermore, there will be flexible and supportive regulations around foreign talent during the first 5 years, 0% VAT for all intra-SEZ goods exchanged within and between the SEZs, and special tax treatment in line with OECD principles to avoid double taxation.

The SEZs will also have a competitive rate of utilities, notably electricity, and an exemption from operational fees for employees and their families within the SEZ. Each zone will have its own focused areas based on the location and circumstances of the respective zone.

Separate contact lines and communication channels have been established for investors to register their interest and acquire further information as required.

In conclusion, the establishment of four new Special Economic Zones in Saudi Arabia is a positive development for the country. The incentives offered by these zones are competitive and are likely to encourage foreign investment and drive economic growth. By creating separate contact lines and

communication channels for investors, the Saudi government is demonstrating its commitment to facilitating the investment process and supporting businesses that invest in the country.