

Insights

SAUDI ARABIA: NEW ULTIMATE BENEFICIAL OWNER (UBO) RULES ISSUED

Dec 18, 2025

In February 2025, Saudi Arabia adopted its first Ultimate Beneficial Owner (UBO) disclosure rules. On **26 November 2025 (05/06/1447H)**, the Ministry of Commerce (MoC) issued Ministerial Decision No. **267**, approving new/replacement UBO rules which become effective on the 4th of January 2026.

The new UBO framework introduces a formal definition of the UBO as any natural person who owns or exercises effective control over a company, directly or indirectly. Identification criteria have been simplified to three tiers: ownership of 25% or more of capital, effective control by any means, and, if neither applies, the company's manager, board member, or chairman.

Companies now face stricter obligations, including maintaining a dedicated UBO register at their head office, confirming UBO information annually, and submitting updates to MoC through the company's Saudi Business Center (SBC) account within **15 days of any change, with reasons provided**. Exemptions from UBO reporting have been narrowed to subsidiaries of companies listed on a Saudi exchange only, and disclosure requirements have expanded to include more detailed personal and identification data.

A significant change is the removal of confidentiality provisions found in the old rules. The new rules authorize MoC to share UBO data with supervisory authorities and foreign entities upon request, marking a shift toward greater transparency.

Please note: In addition to the new rules described above, a draft ministerial decision published on the Istitlaa platform proposes introducing **financial penalties for non-compliance**, including a fixed penalty of **SAR 500** for failure to disclose UBO information or submit the annual confirmation, and a **50% increase for repeated violations within the same year**. This draft has NOT been enacted and will only apply if formally approved and published in the Official Gazette.

If you have any questions or need assistance in complying with the new UBO requirements, please reach out to our team.

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