Before entering Saudi Arabia

Brand ownership distribution and establishment decisions

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The decision this paper helps you make

Before committing to a Saudi launch, decide who will sell, who will contract, who will own the brand and who will retain the records needed to change course. A distributor, a local entity and a staged combination solve different operating problems. Their legal requirements must be checked against the actual activity and investor profile.

This working paper is for founders, brand owners and foreign companies evaluating entry into Saudi Arabia. It combines an official market update with a proposed decision framework and reusable preparation tools. It does not provide a sector licence determination, a tax opinion or clearance of a specific trademark.

Three outputs to take away

• A one-page entry brief that describes the real activity, customer and contracting chain.

• A comparison of distribution, establishment and staged entry, without assuming any route is automatically available.

• A document and responsibility checklist for a productive legal scoping meeting.

How to use it

Read the market context, compare routes, then work through brand control, distribution and establishment. Use the scenarios to challenge your assumptions. Complete the workbook before asking for a quotation or signing an exclusivity commitment.

Evidence labels: numbered references identify official material. “Our analysis” and the tools are proposed research synthesis, not government requirements. Scenarios are hypothetical.

What the investment figures can tell you

An official Saudi Press Agency release dated 3 November 2026 reports approximately SAR 159 billion of foreign direct investment inflows in 2025, up 33.5% on 2024. It also reports FDI stock of SAR 1,059 billion at the end of 2025. These are annual investment indicators, not a forecast of sales for an individual entrant. [S1]

Our analysis

The figures give context for foreign-investor participation. They do not establish demand for your product, the attractiveness of your price or the availability of your preferred activity. A founder needs to connect the macro story to evidence about a specific customer and a workable transaction.

Question	Evidence to collect	Decision it informs
Who buys and why?	Buyer interviews and a documented use case	Which segment to test first
Can the offer compete?	Comparable offers, channels and landed-cost assumptions	Pricing and channel choice
Who can perform the activity?	Activity description and current regulatory checks	Entry structure and permissions
Can the relationship be changed?	Draft contract and handover arrangements	Exclusivity and exit conditions

A useful evidence standard

Record the date, source, coverage and limitation of each number. Separate signed orders from expressions of interest, and separate an adviser’s estimate from an official fee. If the market evidence is incomplete, describe the next test rather than presenting an unsupported market-size claim.

Working question: what must be true for this launch to succeed, and what evidence would show that assumption is wrong? Write down the answer before selecting the legal structure.

Compare the entry routes

The following comparison describes commercial design choices. It is not a statement that every route is eligible for every investor or activity. Foreign-investor registration and excluded-activity rules need separate checking under the Investment Law and its regulations. [S2–S3]

Route	Potential fit	Control to resolve	Work before commitment
Local distributor	Use an existing local sales channel	Brand use, pricing arrangements, customers and records	Partner checks and contract classification
Own local entity	Build a directly managed local operation	Governance, staffing, permissions and ongoing obligations	Activity and investor eligibility review
Staged combination	Test a channel while planning a later structure	Ability to transition without losing key assets	Written milestones and transition terms

Choose by operating facts

• Map who invoices the customer, imports the goods where relevant, holds stock, employs staff and provides after-sales service.

• Identify the assets you need to control: trademarks, domains, channel accounts, data and contractual rights.

• Decide which capabilities the partner supplies and which your business must build.

• Define evidence that would trigger expansion, renegotiation or withdrawal.

Compare total exposure

Build separate cost scenarios for each route. Include setup and adviser costs, channel margin or commission, operating costs, working capital and a transition or exit allowance. Add applicable tax and regulatory assumptions only after specialist verification. No cost or completion-time estimate in this framework is a government quotation.

Decision record: preferred route _____ Alternative _____ Unresolved eligibility questions _____ Evidence needed before approval _____

Keep brand control separate from the sales channel

SAIP distinguishes a trademark identifying goods or services from the trade name identifying the enterprise legally. Reserving or registering a trade name should not be treated as a substitute for trademark work. [S4]

Our proposed brand diligence sequence

• Map the assets: original name, intended Arabic version, logo, relevant goods and services, domains and marketplace or social accounts.

• Record the intended owner, existing registrations and any assignment or licence documents. Identify missing links in the ownership record.

• Prepare the scope for a Saudi search and professional assessment. A quick exact-name search alone does not answer all similarity or registrability questions.

• Agree who approves filings and brand changes, who receives official correspondence and who holds the files.

• Check the use and handover provisions in any distribution or agency arrangement against the intended ownership structure.

Control questions before launch

Asset	Question to resolve	Record to retain
Trademark file	Who is the applicant or owner?	Application and ownership documents
Arabic brand version	Who approves the form used?	Approved versions and usage guide
Domain and channel accounts	Who controls access and recovery?	Account and handover register
Artwork and packaging	Who can reuse or amend them?	Supplier and rights documentation

Do not assume a distributor relationship settles intellectual-property ownership or account access. Put the intended position into the review brief. The governing trademark rules and transaction documents must be checked by counsel for the actual facts. [S8]

Escalate before spending on packaging if the owner, intended Arabic form or filing authority remains unresolved. This is a proposed project control, not a statutory filing deadline.

Review the distribution relationship before signing

The Ministry of Commerce's agency registration service addresses commercial agents and distributors and sets conditions and documentary requirements. Do not classify an arrangement by its English title alone; ask counsel whether the actual model falls within the relevant framework. [S5]

Turn the contract into an operating plan

Topic	Commercial question	Evidence for the review
Scope	Which products, territory and channels are covered?	Product and channel schedule
Exclusivity	What performance justifies it?	Targets, measurement and review proposal
Authority	Who may commit the brand owner?	Approval and signing-authority map
Customer obligations	Who handles delivery, support and returns?	Operating responsibility schedule
Brand and records	Who holds filings, access and correspondence?	Ownership and account register
Ending the relationship	What happens to stock, orders and accounts?	Proposed transition plan

Our suggested negotiating discipline

Prepare a short commercial term sheet before a long agreement. List the terms agreed in principle and those still open. Ask for the counterparty's relevant corporate and authority documents, and review proposed exclusivity against the evidence from the market test.

A transition plan should identify the records and access needed to continue operating, the person responsible for each handover and the issues requiring negotiation. Do not assume that a proposed termination or handover term is enforceable merely because both parties want it; applicable rules and drafting matter.

For ASAS review: classify the relationship, confirm applicable registration and eligibility requirements, and review the proposed commercial terms. The firm must confirm the scope it will undertake.

Plan establishment as a sequence of decisions

The Investment Law provides for foreign-investor registration before engaging in investment, subject to the law and regulations, and for approval procedures concerning excluded activities. Registration does not by itself resolve every permission needed to operate. [S2]

The regulations distinguish prohibited and restricted activities and set out implementing procedures. Accordingly, the activity, investor profile and any conditions must be checked before setting a launch date. [S3]

A proposed preparation sequence

• Describe the activity precisely: product or service, buyer, delivery model and local operating functions.

• Confirm ownership and investor details, the applicable activity classification and questions about eligibility.

• Map required registrations, incorporation steps and sector or operating permissions with the relevant advisers.

• Build the corporate, signatory and supporting-document file; verify translation and authentication requirements for the actual application.

• Set up governance and an ongoing obligations register, with an owner for each recurring task.

Maintain the operation after setup

The Ministry of Commerce describes annual confirmation of company commercial-register data under the newer commercial-register framework. Include the applicable due date and responsible owner in the company’s compliance register, rather than treating establishment as a one-time project. Exact requirements should be rechecked for the company concerned. [S6]

What this paper does not estimate

It does not quote minimum capital, ownership limits, tax rates, total fees or a universal incorporation timetable. These depend on facts and current rules. Obtain a written scope with government charges, professional fees, assumptions, exclusions and third-party dependencies shown separately.

Test the decision against three scenarios

The scenarios below are hypothetical planning examples. They illustrate the framework and are not client cases or legal determinations.

A foreign consumer brand with a distributor offer

A brand has initial buyer interest and a partner asking for exclusivity. Its working decision is to evaluate a distribution route, subject to eligibility and contract review. Before signature, establish the intended brand owner, approved Arabic version, partner authority and account handover arrangements. Test whether the proposed sales targets justify the exclusivity requested.

Decision gate: do not treat a commercial promise as evidence that the legal or operating steps are complete. Move forward only after the open issues have named owners and a documented resolution.

A services company that needs a local delivery team

A company expects recurring contracts that require people delivering work locally. Compare a directly managed entity with any legally available partner model. Map who signs, employs, delivers and invoices before selecting the structure. A contact who introduces customers may not provide the operating capability the business needs.

Decision gate: confirm activity and investor eligibility, the permission map and the cost assumptions before fixing a start date.

A founder testing a brand before investing heavily

A founder wants to launch advertising and packaging while the ownership and Arabic name remain undecided. Separate the demand test from irreversible commitments. Prepare the brand file, define the search scope and decide who approves each asset. Ask counsel which actions can proceed while unresolved issues are assessed.

Decision gate: select a reversible test with a stated budget and evidence target. Do not represent the test as proof of registration, protection or legal clearance.

Apply the scenarios to your company

Closest scenario _____ Most costly assumption if wrong _____ Evidence still missing _____ Person responsible _____ Next review date _____

Prepare the entry decision workbook

The one-page brief

- Business and country of incorporation; intended Saudi activity and customer segment.
- Products or services, intended channels and who contracts and invoices.
- Preferred route and alternative; commercial evidence collected to date.
- Brand names and versions, intended owner and existing rights documentation.
- Proposed local partner, draft terms and unresolved authority or exclusivity issues.
- Launch assumptions, available budget and decisions requiring legal or tax input.

Priority flags for professional review

Record a flag wherever activity eligibility, brand ownership, signing authority, required permissions or the customer delivery chain is unclear. A flag means an unresolved issue needs review; it is not a legal risk score or a finding that a business is compliant.

Proposed thirty-day preparation sprint

Period	Output	Completion test
Days 1–7	Activity brief and market evidence log	Assumptions and missing evidence are explicit
Days 8–14	Route comparison and brand asset file	Owner identified for every open question
Days 15–21	Partner terms and permission map for review	Written adviser feedback obtained where needed
Days 22–30	Decision record and next-stage scope	Conditions, cost assumptions and responsibilities recorded

This is a suggested work plan, not a promise that government procedures can finish in thirty days. Adjust the plan for complexity and adviser availability.

How ASAS could support the next step

Proposed service connection, subject to the firm’s confirmation: reviewing the legal entry assumptions, trademark-related work and relevant commercial documents within an agreed scope. Submit the completed brief through the existing ASAS appointment page: asaslc.com/book-an-appointment/. Booking does not establish an engagement or acceptance of instructions.

Sources

Research cut-off: 5 November 2026. Use the source identifiers throughout the paper to separate official facts from our proposed analysis.

S1 Saudi Press Agency • 3 November 2026 • FDI inflows in 2025 Official source

S2 MISA • Updated Investment Law • Articles 7 and 8 Official source

S3 MISA • Implementing Regulations of the Investment Law 2025 Official source

S4 SAIP • Digital guide to trademarks Official source

S5 Ministry of Commerce • Commercial agency registration service Official source

S6 Ministry of Commerce • Annual confirmation for company commercial registers Official source

S7 Istitlaa • About the public consultation platform Official source

S8 SAIP law text hosted by MISA • GCC Trademarks Law Official source

Evidence limitations

The SAIP guide was available in indexed official material but its direct page returned a maintenance notice during review. The Commerce service material was retrieved from official indexed results; direct retrieval was intermittent. Recheck these pages, activity conditions and any amended rules before public release. English guidance is explanatory; authoritative legal texts and approved translations must be checked by ASAS.