



## 1

### Foreign investment fund

Foreign investment fund is an investment fund that differs from the public investment fund and the private investment fund, and it is established outside the Kingdom. The units are offered in a private placement to investors in the Kingdom in accordance with the provisions of Chapter Six of the Investment Funds Regulations.

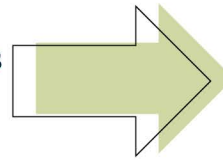
## 2

### The Private Placement requirements of a Foreign Fund

There are requirements and procedures that must be taken before the Capital Market Authority in order to initiate Private Placement of a Foreign Fund. These requirements and procedures also include special and detailed provisions whether procedural or substantial that must be followed.



#### First: Preparing the requirements for offering a foreign fund



Determining the proposed date for Private Placement of a Foreign Fund units so that the application shall be submitted at least (15) days before the proposed date.



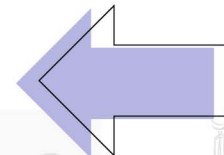
Preparing copies of the announcement of Private Placement of a Foreign Fund.



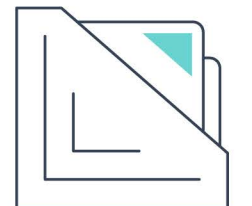
Appointing the intermediary distributor<sup>(1)</sup> assigned for submitting the application for offering the foreign fund.

**(1) Distributor:** is a financial institution licensed to engage in the activities of dealing with securities or the activities of managing investments and operating funds.

#### The form of requiring information regarding a foreign investment fund.



#### Second: The documents required for submitting the application for the private placement of the foreign fund, and the specific forms required to be filled out



The form requires filling out

**14**

fields

with information regarding the investment fund that will be submitted as placement of foreign fund.

- Name of the Fund.
- Category and type of the Fund.
- Place of establishment.
- Name of the supervisory body.
- Required approvals from the relevant government agencies, where applicable.
- Determining which of the categories mentioned in Article Ninety Eighth of the Investment Funds Regulations apply to the fund.
- The term of the investment fund and the fund's maturity date.
- The amount paid for the units offered.
- Number and type of securities.
- Date of registration.
- Brief description of the fund (its objectives and practices).
- The minimum, if any, to be paid by each subject.
- The end date of the proposed offering period.
- The start date of the proposed offering period.

**Disclaimer:** This mat does not constitute legal advice; neither does it contain the entire legal procedures stipulated in the law. Also, the purpose of this mat is to draw attention to the significance of the law and its main provisions, however, it does not offer a substitute to careful and detailed legal advice.





### The form of requiring information regarding the distributor for a foreign investment fund

The form requires filling out



fields

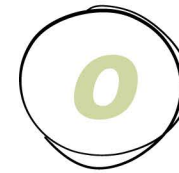
for information regarding the distributor who is appointed to submit a request for the Private Placement of a Foreign Fund.

- Name of the supervisory body.
- License/license/registration date.
- Name and address of the financial market institution that offers/distributes units or securities for the foreign fund.
- Address and contact details of the foreign fund manager.
- Name of the foreign fund manager and the place of incorporation.
- Acknowledgment of licensing the foreign fund manager in accordance with regulatory standards and conditions that are at least similar to the standards and conditions applied by the Authority.
- Disclosure of whether or not there is a conviction against the foreign investment fund or the fund manager, or any member of the board of directors, senior executives, shareholders owning a controlling stake, or founding shareholders of the fund manager from any judicial authority of committing any violation that includes fraud, treason, or any violation of the law The financial market, its implementing regulations or any legislation related to companies or money laundering.

*The details of this violation must be mentioned, including the details of the convicted party, the name of the judicial authority that convicted this party, the date of conviction, and full exact details of the violation and the penalty imposed.*

### The form of form requiring information regarding the custodian.

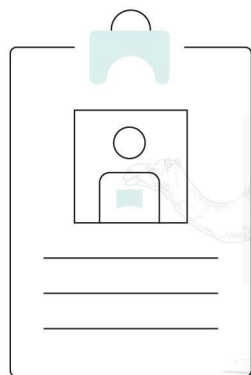
The form requires filling out



fields

for information regarding the financial market institution that is licensed to engage in custodial activity.

- The name of the foreign custodian and the place of incorporation.
- The name of the supervisory body.
- License date.
- Address and contact details of the foreign custodian.
- Acknowledgment of licensing the foreign custodian in accordance with regulatory standards and conditions that are at least similar to the standards and conditions applied by the Capital Market Authority of Saudi Arabia.



#### The Foreign fund shall consider the following:

- The person who is assigned to submit an application for Private Placement of a Foreign Fund must be licensed to engage in the activity of dealings in the capacity of a proxy.
- The foreign fund manager must be licensed in accordance with standards and regulatory requirements at least similar to those applied by the Capital Market Authority. The Capital Market Authority may, at its sole discretion, evaluate whether the applicable standards and regulatory requirements are at least similar to those applied by the Capital Market Authority of Saudi Arabia.

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