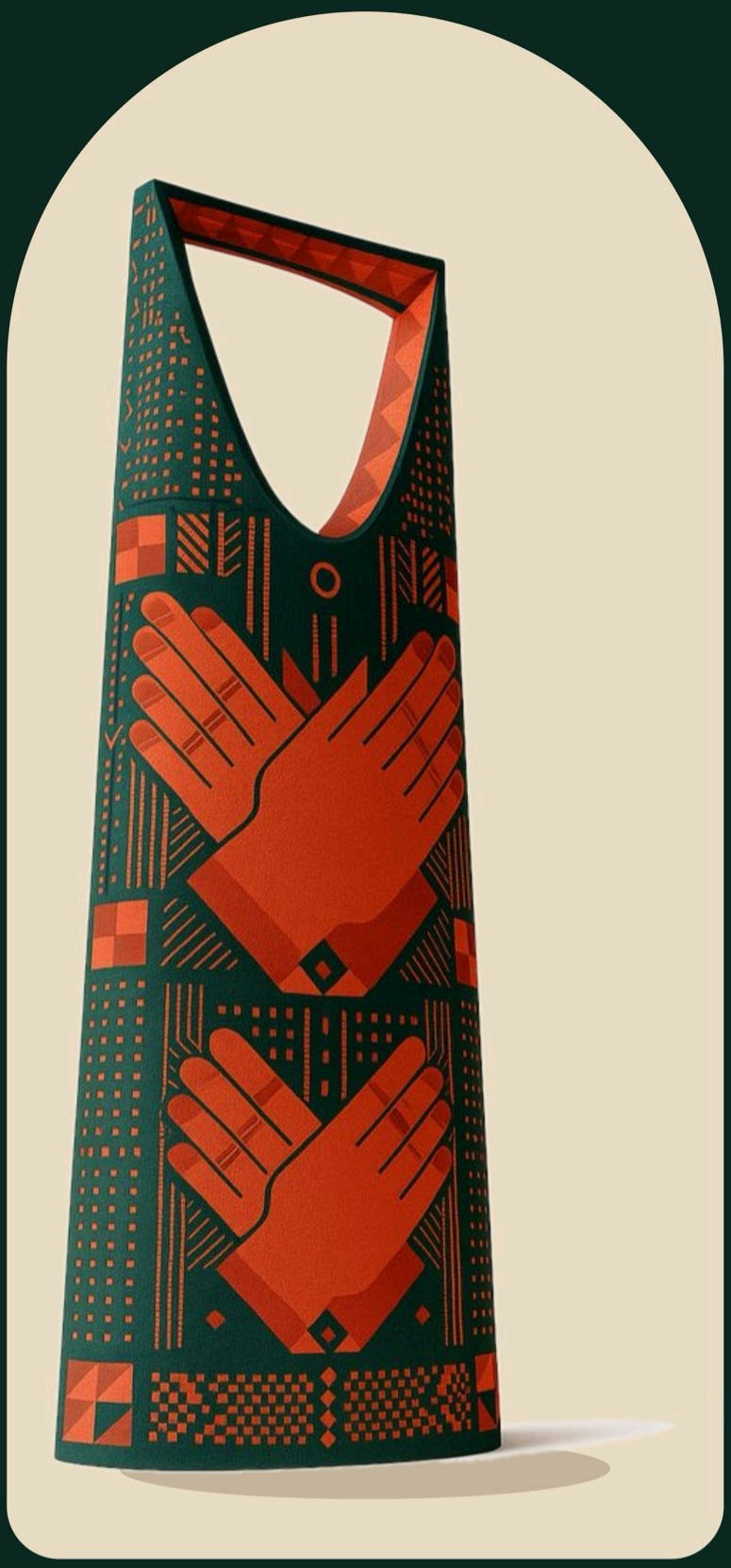
المناطق الاقتصادية الخاصة

4 SPECIAL ECONOMIC ZONES.

WHERE SHOULD FOUNDERS SET UP?

New implementing rules live since April 2026. Different tax and operating incentives for qualifying businesses.



5%
Corporate tax for up to 20 years in KAEC, Jazan & Ras Al-Khair

0%
Corporate tax for up to 50 years in Riyadh's logistics zone

100%
Foreign ownership possible for qualifying entities

THE FRAMEWORK · 2026

WHAT IS A SPECIAL ECONOMIC ZONE?

A designated area or regulatory framework in Saudi Arabia with tailored rules and incentives for licensed activities.

CORPORATE INCOME TAX ON QUALIFYING INCOME

Outside the zones — **20%**

Standard rate on the non-Saudi share of profits. Zakat and workforce rules depend on ownership and activity.

Inside KAEC · Jazan · Ras Al-Khair — **5%**

For 20 years. Plus potential withholding-tax relief, customs suspension, certain VAT treatments and up to 100% foreign ownership.

THE TIMELINE

2023
Four zones announced

APR 2026
Updated implementing regulations in force

AUG 2026
Economic substance rules take effect

ZONE 01 · KAEC

WEST · RED SEA

KING ABDULLAH ECONOMIC CITY

01

Red Sea coast, north of Jeddah. A port-linked manufacturing and logistics cluster.

5%

Corporate income tax · up to 20 years

On income from qualifying licensed activities.

SECTOR FOCUS

- Automotive & mobility
- Advanced manufacturing
- Pharmaceuticals
- Medical devices
- Consumer goods
- ICT
- Transport logistics

THE FOUNDER EDGE

King Abdullah Port and its industrial ecosystem make KAEC compelling for physical products, import-export and manufacturing at scale.

BEST FIT

A medtech manufacturer, automotive supplier or goods-based startup seeking Saudi and Red Sea distribution.

⚠ **REALITY CHECK** The 5% rate applies only to qualifying licensed activities, subject to regulatory and tax conditions.

ZONE 02 · JAZAN

SOUTH · RED SEA

JAZAN SPECIAL ECONOMIC ZONE

02

Southern Saudi Arabia. An industrial and logistics location with Red Sea access.

5%

Corporate income tax · up to 20 years

For qualifying activities under the SEZ incentive regime.

SECTOR FOCUS

- Food manufacturing
- Agribusiness
- Metals conversion
- Industrial processing
- Logistics & trade

THE FOUNDER EDGE

Connects food and industrial value chains with regional maritime routes, including East African markets.

BEST FIT

Food processors, agri-supply businesses, industrial suppliers and logistics operators with cross-border trade plans.

⚠ **REALITY CHECK** Location alone does not guarantee market access.

ZONE 03 · RAS AL-KHAIR

EAST · ARABIAN GULF

RAS AL-KHAIR SPECIAL ECONOMIC ZONE

03

Eastern Province. The Arabian Gulf industrial and maritime cluster.

5%

Corporate income tax · up to 20 years

Qualifying income benefits from the preferential rate, subject to compliance.

SECTOR FOCUS

- Shipbuilding
- Offshore platforms
- Maritime MRO
- Heavy engineering
- Industrial supply chains

THE FOUNDER EDGE

Proximity to Saudi Arabia’s energy and maritime industries opens customer and supplier relationships.

BEST FIT

Maritime technology, industrial maintenance, offshore engineering and specialist energy-services companies.

⚠ **REALITY CHECK** Contracts with major operators are not automatic.

ZONE 04 · CLOUD COMPUTING

DIGITAL FRAMEWORK

THE CLOUD COMPUTING SEZ

04

A specialised framework for cloud and digital infrastructure, with a different tax model from the three industrial zones.

20%

Standard corporate tax generally applies

Not a flat 5% zone. Special rules follow OECD principles for permanent establishment and payments to nonresidents.

SECTOR FOCUS

Cloud services | Data centres | AI compute infrastructure | Eligible digital services

THE FOUNDER EDGE

Designed around how cloud providers actually operate across borders.

BEST FIT

Cloud infrastructure and data-centre operators, rather than every SaaS startup by default.

⚠ **REALITY CHECK** Confirm licensing, qualifying activities and economic substance before assuming eligibility.

BONUS · RIYADH INTEGRATED

CENTRAL · RIYADH

THE SPECIAL INTEGRATED LOGISTICS ZONE

A separate logistics regime at King Khalid International Airport, administered by GACA.

0%

Corporate income tax · up to 50 years

For prescribed qualifying activities, subject to conditions.



WHAT IT OFFERS

- ✓ 100% foreign ownership
- ✓ Profit repatriation
- ✓ Withholding-tax relief
- ✓ Customs suspension on eligible goods

SECTOR FOCUS

Logistics · E-commerce fulfilment · Aerospace & aircraft parts · Repair & maintenance · Distribution & re-export

⚠ **REALITY CHECK** Not a blanket 0% VAT jurisdiction. Best for inventory-heavy regional distribution.

SAVE THIS · SIDE BY SIDE

THE ZONES AT A GLANCE

ZONE	CORP. TAX	BUILT FOR
KAEC Red Sea · north of Jeddah	**5%** 20 YRS	Manufacturing, medtech, automotive
JAZAN South · Red Sea	**5%** 20 YRS	Food, agri, metals, logistics
RAS AL-KHAIR East · Arabian Gulf	**5%** 20 YRS	Maritime, offshore, heavy engineering
CLOUD COMPUTING Digital framework	**20%** STANDARD	Cloud & data-centre operators
RIYADH INTEGRATED King Khalid Airport	**0%** 50 YRS	Logistics, e-commerce, aerospace

Rates apply to qualifying income and activities only. ECZA regulates the four SEZs; GACA administers the Riyadh logistics zone.

THE PROCESS · 2026

HOW TO REGISTER, STEP BY STEP

Confirm the exact licensing route with the zone authority before committing capital.

01

CHOOSE YOUR ZONE

Contact ECZA for the four SEZs, or GACA for Riyadh Integrated. Verify your specific activity qualifies.

02

PREPARE YOUR APPLICATION

Ownership and identity documents, business plan, proposed operations and financials. Exact list varies by licence.

03

COMPLETE LICENSING

Follow the SEZ or logistics-zone formation route. Do not assume a standard MISA registration is the only path.

04

REGISTER AND OPERATE

Tax, customs, employment and other registrations. Establish genuine operations and keep records.

05

PLAN FOR SUBSTANCE

Every year: suitable premises, adequate on-site staff, local operating spend and in-zone management.

THE FOUNDER INSIGHT

THE TAX RATE IS NOT THE STRATEGY.

The advantage is choosing the right operating base before your industry's supply chain gets crowded.



WHO SHOULD CONSIDER ONE

Saudi and foreign businesses with qualifying manufacturing, logistics, maritime, agribusiness or cloud operations.

THE REAL OPPORTUNITY

Better logistics, sector partnerships and lower tax on qualifying income, if licensing and compliance hold.

THE NON-NEGOTIABLE

AN SEZ IS NOT A PAPER TAX ADDRESS.

Economic substance rules require real premises, people and spend.

THE FOUNDER MOVE · COMPARE BEFORE YOU APPLY

Customer base · Qualifying revenue · Hiring plan · Site costs · Tax position

Start with **ecza.gov.sa** or **gaca.gov.sa** · General information, not tax advice.