

## Equity capital markets - KSA



“One of the deepest benches of any foreign firm in the market and many of its partners are among the region’s most long-established names.”

Chambers Global 2011

The Kingdom of Saudi Arabia (**KSA**) stock exchange (the Tadawul) is by far the most actively traded financial market amongst the Gulf Co-operation Council region (the **GCC**) countries. The depth and relative sophistication of the Tadawul is one of the reasons why *The Economist* magazine classes the KSA as the only GCC country to be an “*emerging market*” rather than a “*frontier market*”.

We are seeing an increased interest in raising capital in the KSA for a variety of reasons, including:

- the larger pool of both retail and wholesale investors in the KSA;
- large institutional investors (eg mutual funds and pension funds) with “*emerging market*” mandates monitoring the Tadawul.
- the high cost of bank loans means that raising equity is becoming a better alternative to adding debt to the balance sheet for expansion plans; and
- private placements to the relatively high number of high net worth individuals.

### Our services

Clyde & Co, in association with Abdulaziz Al-Bosaily Law Office are focused upon providing innovative solutions for businesses that are looking to raise funds in the KSA.

Our long term presence in the region allows us to understand the particular issues and potential solutions that are applicable to fundraising in the region.

We can provide assistance on:

- public offerings and listings on the Tadawul;
- public offerings and listings on the various regional financial exchanges and other markets such as the LSE, AIM and Luxembourg;
- private placements of securities and units in investment funds;
- public offerings and private placements of more complicated equity products (eg convertible securities, options, and equity derivatives); and



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law office in association with  
**CLYDE & CO LLP**

Licence No. (26/28)  
Dated (23/2/1428H), Riyadh

**مكتب عبدالعزيز عبدالله البصيلي**  
للمحاماة والاستشارات القانونية بالاشتراك مع  
كلايد اند كو ا.ل.م.ل.  
ترخيص مهني رقم (٢٦/٢٨)  
وتاريخ (١٤٢٨/٢/٢٣ هـ). الرياض

“Clyde & Co’s deep understanding of the complexities of international law is core to its commercial approach.”

Chambers Global 2010

**Further information**

If you would like further information on any issue raised in this overview please contact:

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- ongoing compliance with financial services laws, listing rules and related regulations.
- Our services would also include:
  - initial advice on your regulatory obligations;
  - a due diligence program suited to your particular needs and budget; and
  - an in depth review of the offering documents, regulatory compliance policies and procedures and any key agreements.

**On the ground expertise**

Our MENA equity capital markets team is led by 6 partners and assisted by over 10 associates and draws from lawyers and compliance specialists with diverse legal and regulatory backgrounds. Bringing international best practices and innovative thinking to the team and the market.

Our long standing presence in the region, spanning more than two decades, has enabled us to gain in-depth knowledge of KSA laws, the regulatory framework, culture and practices with the service-level and sophistication that is characteristic of an international law firm.

**Indicative experience**

- **Northern Region Cement Company:** advising in connection with its SAR 900 million IPO, including the preparation of public offer documents and an extensive due diligence process of business lines and commercial contracts.
- **Saudi Hollandi Capital:** advising as sole underwriter in relation to the rights issue shares of Anaam International Holding Company.
- **Co-operative insurance company:** preparing the client to list on the Tadawul. Our services included structuring advice, an extensive due diligence of the business lines and commercial contracts, drafting offer documents and advice on the enhanced corporate governance standards for a listed entity.
- **KSA investment bank:** Helping the client to underwrite IPOs on the Tadawul. Our services included negotiating and drafting complicated underwriting agreements for the listing of a telecom company and an insurance company on the Tadawul

- for an investment bank acting as joint underwriter and floatation manager.
- **USD 1 billion private placement to establish an insurance and reinsurance company:** assisting a US investment bank access more capital by advising on how it could make private placements to wholesale KSA clients with a minimum of cost and regulation.
- **Dual listing to address regulatory issues and increase access to investors:** advising an international bank on a proposed USD 1 billion dual listing where the primary listing was on a GCC market and the secondary listing was on a European market. This strategy of dual listing was used to address the problem of relative illiquidity of some GCC markets.
- **Saudi investment bank:** advising as sole underwriter and floatation manager in relation to the IPO of a cooperative insurance company in Saudi Arabia.
- **Le BLANC International Pte Ltd:** advising on sale of 49% of the share capital of KSA based company to Al Babtain Power and Telecommunication Company (listed on Tadawul). Described by HSBC Saudi Arabia as a “landmark transaction involving the first instance of a publicly listed Saudi corporate issuing equity as consideration to a foreign vendor.”
- **Lamprell plc:** advising a UAE based organisation with operations across the region, on its USD 750 million AIM listing.
- **Lamprell plc:** advising on its USD 366 million acquisition of Oslo stock exchange listed Maritime Industrial Services Company Ltd Inc - a public company funded in part by a rights issue.
- **Monarch Gold:** advising on its second listing of AUD 100 million on Nasdaq Dubai.
- **GCC company:** advising in connection with a proposed USD 1 billion public offering and listing on the Nasdaq Dubai and London Stock Exchange (**LSE**).

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