

Financial services - KSA



“A strong showing among regional lenders and borrowers who seek out the team for its balance of advisory and transactional skill.”

Chambers Global 2011

Many countries within the Gulf Co-operation Council region (the **GCC**) are making concerted efforts to diversify their economies into financial services. With undoubtedly the most active securities exchange in the GCC and with a large potential retail and wholesale market, the Kingdom of Saudi Arabia (**KSA**) is increasingly being considered as a place to do business for financial services firms.

Our services

Clyde & Co in association with Abdulaziz A. Al-Bosaily law office is committed to helping establish a successful financial services industry in the KSA. Our experience in the GCC and work with key financial services institutions has provided us with an in-depth understanding of the particular issues and solutions required to establish and operate a financial services business in the region.

We can provide assistance to the full spectrum of financial services businesses, including:

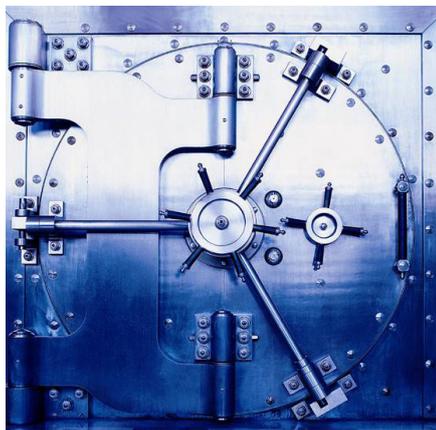
- assisting in the process of obtaining a license from the government regulator (eg the Capital Markets Authority) and/or the exchange body (eg the Tadawul);
- preparing or reviewing key documentation, such as: different client agreements (eg retail investors or professional investors)

for different types of financial products (eg securities, derivatives or commodities); and

- advising on day-to-day legal and compliance matters, such as: client reporting requirements, AML & CTF procedures, KYC procedures, regulatory reports and possible regulatory investigations.

We also provide tailored advice in relation to more specialised financial services businesses such as asset management, banking, brokerage or insurance, for example:

- obtaining a license for an asset management related business (eg as a funds manager, investment adviser or distributor of funds);
- preparing or reviewing key asset management documentation, such as: investment advisory agreements, investment management agreements, custody agreements, prime brokerage agreements,



“Abdulaziz Al-Bosaily has been awarded ‘deal of the year’ for his work on the first ever Sukuk approved by the Capital Markets Authority in KSA and his advice on the islamically compliant financing of an USD 8.5 billion refinery and petrochemical project.”

Deal of the year, Islamic Finance News Project Finance Deal of the year, Euromoney/ IFLR

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مكتب عبدالعزيز عبدالله البصيلي
للمحاماة والاستشارات القانونية بالاشتراك مع
كليرداندكو ال.ل.ل.بي
ترخيص مهني رقم (٢٦/٢٨)
وتاريخ (١٤٢٨/٢/٢٣ هـ). الرياض

product distribution agreements, segregated portfolio agreements, discretionary and non-discretionary investment mandates or client disclosure agreements;

- advising on the KSA requirements and international practices for operating a brokerage business (eg recording client instructions, regulatory capital requirements, order priority, transaction confirmations and other “back office” and “front office functions”); and
- assisting in more novel projects to grow a brokerage business, for example: establishing “throughbroker” arrangements with other brokers throughout the MENA region.

On the ground expertise

Our MENA financial services team is led by 3 partners and assisted by over 8 associates and draws from lawyers with diverse legal backgrounds and jurisdictions bringing international best practices and innovative thinking to the team. 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 to provide commercially oriented and practical advice to meet the growing business needs of our clients.

Uniquely, we are able to offer our clients the benefit of being a full service law firm, with specialist legal teams in addition to corporate including finance, real estate, marine, insurance, energy, employment, intellectual property & technology and construction. Being the largest international law firm in the GCC with over 140 legal staff on the ground with multi-locational offices, means that we can appropriately staff transactions of any size. In addition, our in-house government liaising department ensures that in a region where government approvals are critical to doing business, transactions are completed with minimal bureaucratic delays.

Indicative experience

- **Obtaining SAMA license for RFIB Group Ltd:** obtaining the license allows our client to conduct intermediary insurance and reinsurance business in the KSA.
- **Obtaining CMA licenses for leading international investment banks:** obtaining these licenses allows our clients to provide a wide variety of complicated financial services and products to “retail” and “wholesale” KSA clients.
- **Helping international clients to structure Shari’ah compliant products for KSA investors:** assisting leading international investment banks make their financial products Shariah compliant, making them much more marketable to KSA investors.
- **Advising leading investment banks of the CMA requirements to be “authorised persons”:** providing practical and commercial orientated advice to allow our clients to determine how and when to enter the KSA market for providing financial services.
- **Ensuring that securities offerings in the KSA are marketed in a compliant manner:** assisting numerous major international banks, fund issuers and fund distributors to successfully market securities in the KSA and take into account whether their target investors are “retail” or “wholesale” and whether they wish the offer to be by “private placement” or “public offer”.
- **Primary counsel for the first GCC focused hedge fund operated from the GCC:** assisting this client in addressing the many novel problems that it encountered in applying cutting edge alternative investment strategies to GCC based financial markets.
- **Structuring a USD 270 million Shari’ah compliant worldwide real estate investment fund:** advising a GCC based bank in connection with the structuring and establishment of the fund which was to be domiciled in the GCC.



- **Providing margin lending facilities for GCC investors on GCC listed shares:** providing adequate protection to for our clients required an in depth understanding of the way GCC exchanges operate and experience of how to take effective security over GCC shares.
- **Setting up “through brokerage” arrangements to trade throughout the MENA region:** a solution allowing co-operation between numerous brokers to give their clients access seamlessly trade in securities on numerous financial exchanges in the GCC, Levant and North African regions.
- **Creating a custody & clearing solution for shares listed on GCC markets:** assisting a leading multinational bank to enter into arrangements with GCC exchanges to provide “subcustody” services which allowed international global custodians to provide the level of “safekeeping” required by regulators in other jurisdictions.

Further information

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

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