

Types of Companies in Saudi Arabia



Limited Liability Company (LLC)



1

Description

The most popular business structure for small and medium-sized enterprises (SMEs). An LLC can have 1-50 shareholders, who are only liable up to the value of their shares.

Key Points

- Flexible management structure.
- Limited liability for shareholders.
- Minimum capital requirement

Joint-Stock Company (JSC)



2

Description

Suitable for larger businesses looking to raise capital by issuing shares. Can be public (shares traded on the stock exchange) or private.

Key Points

- Minimum of 2 shareholders for a private JSC; 5 for a public JSC.
- Higher capital requirements.
- Allows public fundraising (for public JSC).

Branch Office



3

Description

An extension of a foreign company established to conduct business in Saudi Arabia. It is not a separate legal entity but operates as a branch of the parent company.

Key Points

- No separate legal personality.
- Full liability lies with the parent company.

Sole Proprietorship



4

Description

A business owned and run by one individual with no legal distinction between the owner and the business.

Key Points

- Simple structure with minimal regulatory requirements.
- Full liability for the owner.
- No separate legal entity.

Partnership



5

Description

Formed by two or more partners who share profits, losses, and liabilities. There are two types: General Partnership and Limited Partnership.

Key Points

- General partners have unlimited liability.
- Limited partners have liability up to their contribution.
- Requires a partnership agreement.