



Major Amendments on the Rules for Qualified Foreign Financial Institutions Investment in Listed Securities

Current Rules

Updated Draft Rules



The minimum value of the assets under management is 18,750,000,000 SAR (or an equivalent amount) or more.



The inclusion of new Foreign Financial Institutions:

- Government and government related entities.
- Investment fund (including Endowment fund which includes university endowments fund).
- Any other institutions considered eligible by the CMA.



Lowering the AUM to SAR 3,750,000,000 SAR (or an equivalent amount) or more.



The concept of approved QFI client.



The elimination of the concept of Approved QFI clients.



The term of Fund Manager



Replaced with "foreign portfolio manager" as financial institution which manages the assets of clients, and engage or intend to engage with the QFI or the applicant for the purpose of investing the money of such person in the listed securities.



Elimination of the investment limits:

- Holding of 5% of any issuer's shares whose shares are listed by one QFI.
- The maximum proportion of the shares of any issuer whose shares are listed that may be owned by QFI clients is 20%.



- allowing for higher holding percentage in listed companies not reaching 10% of the shares outstanding of a single issuer for each investor.
- all foreign investors jointly to own no more than 49 % of the shares of any listed company