



# Annual Report

1445 – 1446 H

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The Custodian of the Two Holy Mosques

## **King Salman Bin Abdulaziz Al-Saud**

King of Saudi Arabia





His Royal Highness

# **Prince Mohammed Bin Salman Bin Abdulaziz Al-Saud**

Crown Prince and Prime Minister

## Capital Market Authority Board

Royal Order No. 53597 dated 6/8/1444H was issued to reform the CMA Board as follows:



His Excellency

**Mohammed Bin Abdullah El-Kuwaiz\***

Chairman

\* Royal Order number A/582 dated 22/10/1442H was issued to extend the service of His Excellency Mr. Mohammed Bin Abdullah El-Kuwaiz as Chairman of the Capital Market Authority Board at the rank of "Minister", for four years, as of 26/10/1442H.



Mr.

**Youssef Bin Hamad Al-Blihidi**

Vice Chairman



Mr.

**Khaled Bin Abdulaziz Al-Homoud**

Member



Dr.

**Walid Mohammed Al-Issa\*\***

Member



Mr.

**Abdulaziz Bin Abdul Mohsen Bin Hassan**

Member

\*\*  
Royal Order No. 84/A of 09/02/2024 (02/29/1446H) was issued, appointing His Excellency Dr. Walid Muhammed Al-Issa as member of the Shura Council.





## Capital Market Authority Board

## His Excellency Mohammed Bin Abdullah El-Kuwaiz

Chairman, CMA Board



### Academic Qualifications:

MBA, New York University's Leonard N. Stern School of Business, USA	2003
Bachelor's Degree, Law, King Saud University, KSA	1998
General Securities Qualification Certificate (CME-1)	2008

### Professional Experience:

Chairman, CMA Board of Directors	2017 – Present
Vice Chairman, CMA Board of Directors	2016 – 2017
CEO, Derayah Financial	2006 – 2016
Administrative Consultant, McKinsey & Company, UAE	2004 – 2006
Senior Manager of Investment Banking and Corporate Finance, Samba Financial Group	1999 – 2004
Broker, International Markets and Precious Metals, Arab National Bank	1996 – 1999

### Memberships:

Chairman, Board of Trustees, The Financial Academy
Chairman, Sukuk and Debt Instruments Development Committee
Board Member, General Authority for Awqaf.
Member, Financial Sector Development Program, Supervisory Committee, Council of Economic and Development Affairs (CEDA)
Member, National Financial Stability Committee
Member, Board of Trustees, Oqal Group
Former Member, Investment and Securities Committee, Riyadh Chamber of Commerce and Industry
Former Member, Investment Committee, King Faisal Foundation
Former Member, Investment Committee, Awqaf Sulaiman Bin Abdulaziz Al-Rajhi Holding Co
Former Member, Advisory Committee, Capital Market Authority
Former Member, Board of Directors, Bank Albilad
Former Member, Business Youth Committee, Riyadh Chamber of Commerce and Industry
Former Member, Board of Directors, Public Pension Agency
Former Member, Board of Directors, Al-Yamamah Steel

## Mr. Youssef Bin Hamad Al-Blih

Vice Chairman, CMA Board



### Academic Qualifications:

Master's Degree, Law, School of Law, Wake Forest University, USA	2008
Higher Diploma, Legal Studies (Professional Master's Degree), Institute of Public Administration, KSA	2002
Bachelor's Degree, Islamic Studies (Jurisprudence), King Saud University, KSA	2000

### Professional Experience:

Vice-Chairman, CMA Board of Directors	2017 – Present
Deputy of Legal Affairs and Enforcement, CMA	2016 – 2017
Director, Department of Follow-up and Enforcement, CMA	2016
Director, Department of Legal Affairs, CMA	2015 – 2016
Manager, Department of Legal Advice, CMA	2010 – 2015
Legal Adviser, Department of Legal Affairs, CMA	2005 – 2010
Case Lawyer, Legal Division, Royal Court	2002 - 2005

### Memberships:

Member, Insurance Authority Board of Directors
Chairman, Human Resources Development Committee, CMA
Chairman, Governance, Risk, and Compliance Committee, Insurance Authority
Head of CMA Delegation, meetings of the Executive Committee of the GCC Heads of Capital Market Authorities (or their equivalent)
Chairman / Member of a number of committees and teams comprising regulators of GCC Capital Markets for the integration of GCC Capital Markets Project
Head of CMA Delegation, Saudi-Emirati Coordination Council (the Retreat of Resolve)
Chairman / Member of a number of bilateral committees comprising CMA and other government entities with the aim to accomplish joint initiatives and tasks and set a mechanism to deal with overlapping jurisdictions, to ensure that work is functioning normally and each entity is accomplishing all tasks assigned to it.
Chairman of the Standing Committee for Awareness on Dealing in Securities Activities in the Unauthorized Foreign Exchange Market (Forex)
Chairman / Member of a number of committees and teams tasked with implementing regulations of the Capital Market Law and Companies Law
Chairman, Supreme Joint Committee to Separate the Functions and Jurisdictions of CMA and Tadawul
Vice-Chairman of Administrative Committee, CMA
Chairman, Supervisory Committee for the Capital Market Documentation Initiative

## Khaled Bin Abdulaziz Al-Homoud

Member, CMA Board



### Academic Qualifications:

Master's Degree, Business Administration, Kent University, Ohio, USA	1999
Bachelor's Degree, Accounting, King Saud University, KSA	1995

### Professional Experience:

Member, CMA Board of Directors	2017 – Present
Deputy of Strategy and International Affairs, CMA	2013 – 2017
Manager, Investment Funds Department, CMA	2006 – 2012
Chief Executive, Corporate Finance, CMA	2004 – 2005
Faculty Member (Financing and Investment), Saudi Central Bank (SAMA)	1995 – 2004

### Memberships:

Member, Human Resources Development Committee, CMA
Member, International Organization of Securities Commissions (IOSCO) Board of Directors
Vice-Chairman, Growth and Emerging Markets Committee (GEMC), International Organization of Securities Commissions (IOSCO)
Member, Zakat, Tax and Customs Authority Board of Directors
Member, Remuneration and Nomination Committee, Zakat, Tax and Customs Authority
Chairman, Supervisory Committee for the implementation of the risk methodology, CMA
Member, Financial Sector Conference, Supervisory Committee
Former Chairman, Capital Account Committee, Capital Market Awareness, CMA
Former Member, the National Committee for Saving
Former Member, Human Resources Development Committee, CMA
Former Member, E-Transactions Committee, CMA
Former Member, Savings and Investment Committee, CMA
Former Secretary, CMA Advisory Committee

## Dr. Walid Mohammed Al-Issa

Member, CMA Board



### Academic Qualifications:

PhD in Accounting, Penn State University, USA	2009
MBA, UCLA, USA	2003
Certificate in Finance, UC Berkeley, USA	2001
Certificate in Business Administration, UC Berkeley, USA	2000
Bachelor's Degree in Electrical Engineering, King Fahd University of Petroleum and Minerals (KFUPM)	1997

### Professional Experience:

Member, CMA Board of Directors	2023 – 2024*
Managing Director, Assila Investments, KSA	2019 – 2023
Chief Investment Officer, Assila Investments, KSA	2016 – 2019
Associate Professor of Accounting, École des Hautes Études Commerciales (HEC), Paris, France	2009 – 2016
Research Assistant, Penn State University, USA	2004 – 2009
Electrical Engineer, Saudi Petrochemical Company, Al-Jubail	1997 – 2000

### Memberships:

Member, Board of Directors, National Center for Family Business
Former Chairman, Audit Committee, CMA
Former Chairman, Scientific Committee for the Research Agenda Program, CMA
Former Chairman, Taibah Holding Group, Medina, KSA
Former Chairman, Al Aqeeq Real Estate Development Co., Medina, KSA
Former Member, Board of Directors, Makarem Al Marefa Hospitality Co., Medina, KSA
Former Member, Board of Directors, Al Gharra International for Real Estate Development Company, Medina, KSA
Former Member, Board of Directors and Executive Committee, Knowledge Economic City, Medina, KSA
Former Member, Board of Directors and Audit Committee, SABIC Agri-Nutrients, Jubail Industrial City, KSA
Former Board Member and Former Chairman of Investment Committee and Audit Committee, Assila Investments, Riyadh, KSA
Former Board Member and Former Chairman of Audit Committee and Nomination Committee, Fiber Glass Oasis Company (FGOC), Yanbu, KSA
Former Board Member and Former Chairman of Nomination and Remuneration Committee, Saudi Heritage Hospitality Company (Nuzul), Riyadh, KSA
Former Board Member and Former Chairman of Audit Committee, Arab Resort Areas Co., Medina, KSA
Former Board Member and Former Chairman of the Audit Committee and Nomination and Remuneration Committee, Herfy Food, Riyadh, KSA

\*\*Royal Order No. 84/A of 09/02/2024 (02/29/1446H) was issued, appointing His Excellency Dr. Walid Muhammed Al-Issa as member of the Shura Council.



## Abdulaziz Bin Abdul Mohsen Bin Hassan

Member, CMA Board



### Academic Qualifications:


Strategic Alignment Diploma, Said Business School, Oxford, UK	2020
Bachelor's Degree, Law, King Saud University, KSA	1991
On-the-job training at Lehman Brothers Investment Bank (London 1999) – Barclays Capital (2001) – Citibank (New York, 1998)	

### Professional Experience:

Member, Board of Directors, CMA	2023 – Present
Chairman, Board of Directors, Al Alamiya Insurance	2018 – 2023
CEO and Managing Director, Credit Suisse, KSA	2010 – 2019
Board Member and Managing Director, Rana Investment Company (RIC)	March 2010 – June 2010
CEO, Arab Finance Corporation	2008 – 2009
Vice President and Head of Treasury and Investment, Muscat Bank, KSA	2006 – 2008
Assistant General Manager, Alternative Investments Department, Samba Financial Group	1994 – 2006
Dealer, Corporate Management Unit, Riyad Bank	1992 – 1994

### Memberships:

Vice-Chairman, E-Transactions Committee, CMA
Member, Human Resources Development Committee, CMA
Former Member, Board of Directors, Al Faisaliah Group (AFG)
Former Member, Board of Directors, Saudi Fransi Capital
Former Member, Board of Directors, Saudi Stock Exchange (Tadawul)
Former Chairman of Governance and Compliance Committee and Audit Committee, Saudi Fransi Capital
Former Chairman of Risk Committee and Former Member of Policy and Oversight Committee, Saudi Stock Exchange (Tadawul)
Former Chairman of Investment Committee and Former Member of Nomination and Remuneration Committee, Al Alamiya Insurance
Former Member of Advisory Committee, CMA
Former Member of Audit Committee, Arab National Bank (ANB)



This report was prepared to demonstrate CMA's compliance with the highest standards of transparency, and to inform the public of its business during the past year pursuant to the requirements of Article 16 of the Capital Market Law (CML) which states that "The Chairman of the Board shall present to the President of the Council of Ministers an annual report on the CMA's activities and its financial position during the preceding year, within ninety days from the end of the year". The preparation of the report fulfills the requirements of the guide for the production of annual reports for public sector entities<sup>1</sup>, as applicable to the CMA.

1. In implementation of High Order No. 25819 of 23/04/1443H, stipulating the adoption of the guide for the production of annual reports for public sector entities, which shall, as of the financial year 1443 – 1444H (2022), replace the requirements of the preparation of annual reports as mandated for ministries and public agencies, including universities and other government bodies.





## Chairman's Message Capital Market Authority

### Mohammed Bin Abdullah El-Kuwaiz

It is with great pleasure that I present the CMA Annual Report 2024 (1445 – 1446H). This year's report clearly highlights CMA's continued efforts towards developing the capital market and promoting its attractiveness and depth, in alignment with the Saudi Vision 2030 objectives. It also demonstrates CMA's constant focus on advancing regulatory, legislative, and supervisory frameworks in accordance with best international practices. CMA's work stems from its commitment to creating an attractive investment environment that meets the aspirations of investors and stakeholders.

In 2024, CMA adopted its strategic plan 2024–2026, taking into account the most recent economic developments and changes. In order to develop its plan, CMA carried out a comprehensive study and analysis of capital market sector aspects, and coordinated with stakeholders to identify improvement and development areas, as to meet the needs of the upcoming phase. The plan comprised of nine objectives distributed across three strategic pillars, the first of which is activating the capital market's role in financing and investment. This first pillar entails encouraging companies to offer and list their shares, creating an attractive environment for investors, developing the Sukuk and debt instruments market, empowering the asset management industry, attracting international investments, and strengthening the global position of the Saudi capital market. The second pillar focuses on empowering the capital market ecosystem by supporting capital market institutions in providing diverse and advanced services and products, in accordance with best international practices. The goal of such efforts is to keep pace with local and global advancement and to create a regulatory environment that supports innovation in financial technology (FinTech). This ultimately encourages startups to develop innovative products and services that promote financial inclusion. As for the third pillar, it centers around protecting investor rights and aims to enhance oversight and promote transparency, disclosure, and governance. It focuses on ensuring investors' rights, improving mechanisms for handling major cases, and strengthening deterrents to reduce potential risks in capital market activities. Through implementing its strategic plan, CMA aspires to realize its vision of making the Saudi capital market a main source for financing and investment to support national economic growth, and to position it among the leading capital markets in the world.

In 2024, the Saudi capital market witnessed developments that further strengthened its regional and international position. The asset management industry in Saudi Arabia achieved an exceptional growth of over 20%, with total managed assets surpassing SAR one trillion by the end of the year. Exchange-traded funds (ETFs) recorded an unprecedented increase of 935%, with total managed assets reaching a value of about SAR 6.7 billion compared to the previous year. Venture capital funds also saw significant growth, with assets increasing by 63% and exceeding SAR 4 billion by the end of 2024. The value of assets in funds of funds (FoF) rose by 126.5%, surpassing SAR 10 billion. CMA approved the public offering of 44 new funds, marking a 51% increase compared to the previous year. Of these, 15 are equity funds, 7 are endowment (Waqf) funds, 5 are money market funds, 5 are funds of funds, 4 are Exchange-Traded funds, 2 are multi-asset funds, 2 are closed-end investment traded funds, 1 is a Sukuk and debt instrument fund, 1 is a



capital protected fund, 1 is a closed-end traded real estate investment trust (REIT), and 1 is a feeder fund. The total number of subscribers to public and private investment funds, thus, reached 1,742,040, reflecting a 47% increase compared to the previous year.

With the aim of further deepening the capital market, CMA approved 60 applications for public offering and share registration in the main and parallel markets, marking a 36.4% increase in 2024 compared to 2023. 13 companies listed in the main market, compared to 27 companies in the parallel market, bringing the total proceeds for initial public offering in both markets to over SAR 13 billion. With the 44 new listings, the total number of companies listed became 247 in the main market and 106 companies in the parallel market.

The Sukuk and debt instruments market underwent a range of positive developments in 2024, including the adoption of the largest array of regulatory improvements since the market's launch this same year. These improvements aim to accelerate issuer access to financing, expand the investor base, deepen the market, enhance liquidity, and increase competitiveness—ultimately promoting market stability and sustainable growth. Other developments also include the regulation of market-making activities, the licensing of the first-ever company in Saudi Arabia to conduct exchange in the form of alternative trading system for Sukuk and debt instruments, and the acceptance of five financial institutions in the Primary Dealers Program. These changes led to a 20% increase in the total value of Sukuk and debt issuances, which reached SAR 663.5 billion by the end of 2024. In addition, the total amount resulting from Sukuk and debt offerings increased by 35%, reaching SAR 40.43 billion by year-end. CMA continued its efforts to develop the Sukuk and debt market as a vital channel for financing ambitious national projects and plans. Current initiatives include improving the regulatory framework for the issuance of Sukuk and debt instruments via investment funds, and introducing a crowdfunding model for debt instruments, in order to offer wider services within a sustainable environment. CMA also made progress regarding broader regulatory developments, including the approval of Instructions on the Offering of Real Estate Contribution Certificates, and a series of amendments to implementing regulations, such as the Capital Market Institutions Regulations, Investment Accounts Instructions, the Implementing Regulations of Companies Laws for Listed Joint-Stock Companies, and the Rules on the Offer of Securities and Continuing Obligations.

With a view to emphasize its important role in protecting investors, CMA increased the value of compensations awarded by the peremptory decisions of Committee for Resolution of Securities Disputes (CRSD) and Appeal Committee for the Resolution of Securities Disputes (ACRSD) by 59% compared to 2023. The total value of compensations exceeded SAR 389 million, and the number of investors receiving compensation was 921. The strategic indicator for average litigation time also continued to improve, as the average duration of legal proceedings decreased to 4.41 months in 2024, compared to 5.54 months in 2023, indicating a 20.4% improvement. CMA also issued sanction enforcement decisions against 171 violators of regulations and rules under CMA jurisdiction and followed up on the enforcement of 45 decisions.

Saudi Arabia achieved advanced rankings in capital market-related indicators, securing top positions among G20 countries in the Capital Market Index, Stock Market Capitalization Index, Shareholders' Rights Index, and Venture Capital Index. The Kingdom also ranked second in the Stock Market Index and Boards of Directors Index, according to the IMD World Competitiveness Yearbook 2024. Furthermore, CMA continued its work on promoting dual listings across Gulf markets. For instance, it concluded a series of agreements and partnerships aimed at enhancing cooperation and integration between these markets. Most notably, CMA signed a Memorandum of Understanding (MoU) with the Central Bank of Bahrain, seeking to strengthen bilateral cooperation in areas such as dual listings and the Know Your Customer (KYC) framework. In another step towards regional integration, a regulatory framework for cross-registration of financial products among capital market regulators in the Gulf Cooperation Council (GCC) was adopted, after receiving approvals from the relative Councils of Ministers.

In conclusion, and on behalf of all CMA employees, I express my sincere thanks and gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and to His Royal Highness Crown Prince Mohammed bin Salman bin Abdulaziz Al Saud—may Allah protect them both—for their continued support CMA. It is because of their unwavering support that CMA has further developed and reached important regional and international standings. I would also like to thank CMA and its exceptional staff members for their efforts and high professionalism in serving the financial sector. May Allah grant us all success in serving our nation and society.



## Definitions

CMA	Capital Market Authority
The Board	The board of the Capital Market Authority
Chairman	Chairman of the CMA Board
CML	The Capital Market Law issued by Royal Decree No. M/30 dated 2/6/1424H and the Companies Law
Implementing Regulations	Any regulations, rules, instructions, procedures or orders issued by CMA to implement the provisions of the CML
Competent Party	CMA Board/ Chairman
Market	The basic market or the alternative exchange system. It includes, where the context allows, any committee, sub-committee, employee, official, affiliate, or representative that could be presently assigned to carry out any of the market's functions. The phrase "in the market" means any activity that is carried out through the facilities provided by the market
Basic Market	A market licensed to operate in the exchange of securities in the Kingdom
Main Market	The market in which stocks which were registered and offered in accordance with Part 4 of the Rules on the Offer of Securities and Continuing Obligations are exchanged
Parallel Market	The market in which stocks which were registered and offered in accordance with Part 8 of the Rules on the Offer of Securities and Continuing Obligations are exchanged
Market-Maker	A capital market institution licensed in dealing in securities or other assets, which continuously buys and sells securities to provide liquidity, in accordance with any regulations, rules or procedures issued by CMA or the market
Listing Application	In the Rules on the Offer of Securities and Continuing Obligations, a listing application is any request made to the market to list securities of any kind
Listing	To list securities in the main or parallel market, or – where the context allows – to apply to the market to list securities
Registration and Offer	To register securities with the CMA or - where the context allows – to submit a request to CMA to register and approve the listing
Registration	To register shares with the CMA or – where the context allows – to submit a request to CMA to register the shares for the purpose of direct listing in the parallel market
Acquisition	A transaction that consists of buying and selling shares for a company whose shares are listed in the market by submitting a private offer or deal to buy and sell
Merge	A deal which, however concluded, includes an Offeree Company whose shares are listed in the market. The deal results in one of the following: 1) The absorption of the Offeree Company by another company whose shares are listed in the market 2) The absorption of the Offeree Company by another company whose shares are not listed in the market 3) Formation of a new legal entity by merging two companies or more (including the Offeree Company)
Private Placement Notification	The notification which should be sent to CMA in accordance with sub-paragraph (2) of paragraph (a) of Article 10 of the Rules on the Offer of Securities and Continuing Obligations. In the context of the Investment Fund Regulations, the private placement notification is the notification which should be sent to CMA in accordance with sub-paragraphs (1, 2 and 3) of paragraph (a) of Article 81 of the Investment Fund Regulations in relation to private funds, as well as sub-paragraph (1, 2 and 3) of paragraph (a) of Article 99 of the Investment Fund Regulations in relation to foreign funds

Investment Fund	Joint investment program that aims to enable investors therein to collectively participate in the program's profit. It is managed by the fund manager in exchange for specific fees	
Real Estate Investment Fund	Joint real estate investment program that aims to enable investors therein to collectively participate in the program's profit. It is managed by the fund manager in exchange for specific fees	
Traded Real Estate Investment Trust	It is a real estate investment fund whose units are traded in the main or parallel markets. Its main investment goal is to invest in structurally developed real estate, capable of producing periodic rental income. It distributes a specific percentage of the fund's net profit in cash to unit owners in this fund throughout its duration, at least once per year	
Unit Owner	An individual who owns units in an investment fund or real estate investment fund which represent an undivided share in the fund's net assets	
Special Purpose Entity	An entity that is established and licensed according to the regulated rules of special purpose entities	
Prospectus	The document that is required to offer securities either publicly or in the main or parallel market in accordance with the Rules on the Offer of Securities and Continuing Obligations	
Registrable Functions	Any of the functions that CMA specifies must be performed by a person registered with CMA	
Authorized Credit Rating Agency	A legal person established in the Kingdom and authorized to carry out credit rating activities according to the provisions of the Credit Rating Agency Regulations or the Authorized Foreign Credit Rating Agency	
Executive Member	According to the Capital Market Institutions Regulations, the executive member is a member of the Board of Directors who is part of the executive management of the capital market institution on a full-time basis and engages in its day-to-day activities	
Independent Member	According to the Capital Market Institutions Regulations, the independent member is a non-executive member of the Board of Directors who has total independence in their position and decisions, and who is not subject to any independence issues stipulated in Paragraph (c) of Article 53 of the Capital Market Institutions Regulations.	
Non-Executive Member	According to the Securities Markets and Depository Centers, the independent member is a non-executive member of the Board of Directors who has total independence in their position and decisions. This includes the absence of any other business, kinship or relationship that could lead to a conflict of interest related to the market or depository center, or the management or membership thereof, in addition to not having any of the mentioned relationships during two years before their membership in the Board of Directors	
Accounting Firm	According to the Capital Market Institutions Regulations, the non-executive member is a member of the Board of Directors who does not manage the capital market institution on a full-time basis and does not engage in its day-to-day activities	
Certified Public Accountant	The entity which carries out audit engagements in accordance with the provisions of the Law of the Profession of Accounting and Auditing, whether it is an individual or professional firm	
Financial Technology (FinTech) Products	eht yb deussi stropser tidua fo gningis eht dna ,ecnamrofreP rieht ,stnemegagne tidua rof elbisnopser si dna tuo seirrac ohw nosrep larutan eht gnitiduA dna gnitnuocca fo noisseforP eht fo waL eht fo snoisivorp eht htiw ecnadrocca ni mrif gnitnuocca	
Financial Technology Experimental Permit (Permit)	Innovative fintech products, services and business models	
Securities Crowdfunding	A permit to enable applicants to participate in the fintech lab to deploy and experiment their innovative fintech products related to the capital market within specified parameters and timeframes	

# Executive Summary

The CMA Annual Report 1445-1446H (2024) reviews CMA's most progress in its most important assignments and tasks in 2024. It highlights the capital market's strategic plan key outcomes and sheds light on successful CMA efforts in capital market regulation, development, supervision, and oversight.

In 2024, and pursuant to its responsibilities in regulating the capital market, CMA approved the Instructions on the Offering of Real Estate Contribution Certificates, aimed at organizing the registration and offering of such certificates. CMA also approved a number of amendments to implementing regulations, such as the Capital Market Institutions Regulations, Investment Accounts Instructions, the Implementing Regulations of Companies Laws for Listed Joint-Stock Companies, and the Rules on the Offer of Securities and Continuing Obligations.

Emphasizing its key role in protecting investors and dealers in the market, CMA focused on completing all necessary procedures related to violations of laws and regulations within its jurisdiction. In 2024, CMA finalized 121 out of 160 cases submitted by internal departments during the year. The value of compensations awarded by peremptory decisions of CRSD and ACRSD on civil claims (private right) increased by 59% in 2024, with total

compensation reaching SAR 389 million by year-end compared to SAR 245 million in 2023. The number of individuals or entities receiving compensation increased significantly to 921 investors compared to 579 in the previous year.

Financing and investment activity remained robust in 2024, with strong momentum in offerings and listings on both the main and parallel markets. Public offerings by 40 companies raised SAR 13.2 billion, while 22 private offerings secured over SAR 4 billion. Additionally, eight rights issues and share offerings with suspended priority rights were completed. The total value of these equity offerings reached approximately SAR 72 billion. Furthermore, three companies registered shares for direct listing on the parallel market, and one Real Estate Investment Trust (REIT) was listed.

SAR 389 million

Total value of compensations

921

People or entities receiving compensations

SAR 13.2 billion

Value of 40 companies' shares offered for public offering in the main and parallel markets

The CMA significantly focused on developing the Sukuk and debt instruments market, a key financing channel in the Kingdom. Key developments included regulating market-making activities and licensing a company to conduct an alternative trading system for these instruments (i.e., Sukuk and Debt). Consequently, the total value of listed Sukuk and debt instruments grew by 20.6% to SAR 663.5 billion by year-end 2024, up from SAR 549.8 billion in 2023.

To empower the capital market ecosystem, the CMA licensed 25 new capital market institutions, bringing the total to 186 by late 2024. Revenues for these institutions increased by 29.6% year-on-year to SAR 17 billion, while profits rose by 39.3% to SAR 8.8 billion. The CMA also continued to authorize FinTech companies; in 2024, four experimental FinTech permits were granted for models in investment fund and REIT distribution, robo-advisory, debt offering and investment, and social trading. This brought the total number of active FinTech authorizations to 46 by year-end.

To enhance investor awareness and financial literacy regarding securities, the CMA actively engaged in educational outreach. In 2024, this included disseminating over 2,900 social media posts, issuing more than 250 press releases and website announcements, and launching over 90 communication campaigns. Furthermore, 169 hours of diverse educational content (visual, audio, and written) were produced, reaching a wide range of market participants. The CMA also conducted over 13 media meetings to discuss capital market development, gather perspectives, and identify challenges and opportunities for improvement.

Finally, the Saudi capital market's performance in the IMD World Competitiveness Yearbook 2024 improved in 8 out of 12 capital market indicators, reflecting recent initiatives and reforms aimed at developing the market and aligning with international best practices.

SAR **663.5** billion

Total value of listed Sukuk and debt instrument issuances in the Saudi capital market

**46** permits

Issued for FinTech experimental models by the end of 2024

# Executive Summary



SAR **307** million

Total fines and penalties issued by the CMA, CRSD and ACRSD.



**121** cases

Procedures completed for violations of rules and regulations subject to CMA competence.



**8,963** complaints

Settled in 2024.



**27,748** transactions

Via CRSD electronic system and regulations subject to CMA competence.



**1,865** cases

Via ACRSD electronic system.



**3.65** months

Average time for processing violations from the moment of suspicion till the case is closed by CMA.



**4.41** months

Average time for litigation procedures in securities disputes.



**171** violators

Had sanction enforcement decisions issued against them.



**44** listings

Number of listings in the main and parallel markets.





**1,549**

Number of investment funds.



**7.5** million subscribers

Number of individual subscribers through different subscription channels.




**SAR 1** trillion

Total value of assets under management.



**1,724,040** subscribers

Number of subscribers to public and private funds by the end of 2024.



**SAR 40.43** billion

Total collected funds from Sukuk and debt instrument offerings.



**186** capital market institution

Licensed by the end of 2024.



**SAR 3,447** million

The value of Sukuks and bonds offered through debt instrument platforms.



**SAR 3,434.9** million

Value of portfolios managed in robo-advisor platforms.



**SAR 423** billion

The ownership value of foreign investors in the main market.



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## **CMA Overview**

1. CMA Establishment
2. CMA Main Functions
3. Parties Supervised by CMA
4. CMA Organizational Structure





## 1. CMA Establishment

The Capital Market Authority was established pursuant to the “Capital Market Law” (CML) issued by Royal Decree No. (M/30) dated 02/06/1424H corresponding to 31/07/2003. CMA reports directly to the President of the Council of Ministers, has a legal personality, and enjoys independent financial and administrative autonomy. It is responsible for supervising, regulating, and developing the capital market as well as issuing regulations, rules, and instructions required to implement the provisions of the Capital Market Law.



## 2. CMA Main Functions

Under Article 5 of the Capital Market Law (CML), CMA is responsible for issuing relevant regulations, rules, and instructions, as well as implementing the provisions of the CML. To this end, CMA undertakes the following:



Regulate and develop the Exchange, improve the methods of systems and entities trading in securities, and develop procedures that would reduce the risks related to securities transactions.



Regulate and monitor the issuance and dealing of securities.



Regulate and monitor business activities of parties subject to CMA's control and supervision.



Protect citizens and investors in securities from unfair and unsound practices or practices involving fraud, deception, cheating, or manipulation.



Seek to achieve fairness, efficiency, and transparency in securities transactions.



Regulate and monitor the full disclosure of information related to securities and their issuers, the dealings of informed persons, major shareholders, and investors, and define and make available information which the participants in the market provide and disclose to shareholders and the public.



Regulate proxy and purchase requests and public offers of shares.



License the establishment of special purposes entity, and regulate and control its business, uses, issuance of securities, the registration in its registry established by CMA and the provisions of its articles of incorporation, and regulate the provisions of the registration of funds transferred to it, including documentation of the rights thereof, its legal standing against others, and the issuance of rules governing thereof.



Regulate the pledge of securities and its enforcement.



### 3. Parties Supervised by CMA

CMA supervises the following entities:



Capital Market Infrastructure Institutions



Capital Market Institutions



Listed Companies



Capital Market Dealers and Participants



Special Purpose Entities (SPEs)



Credit Rating Agencies and Companies



Investment Funds and Collective  
Investment Schemes in the Capital Market



Fintech Product Providers Authorized by  
CMA

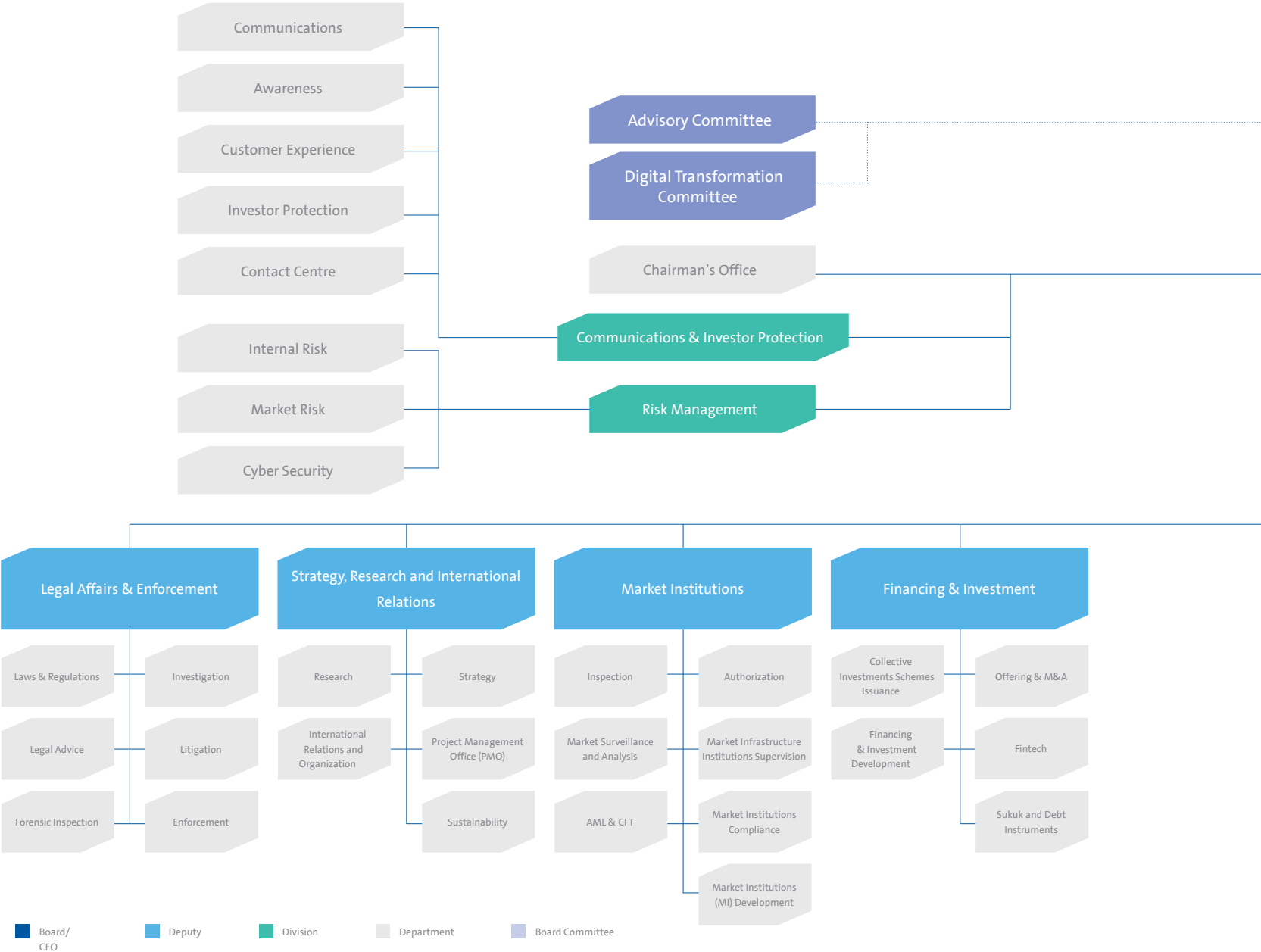


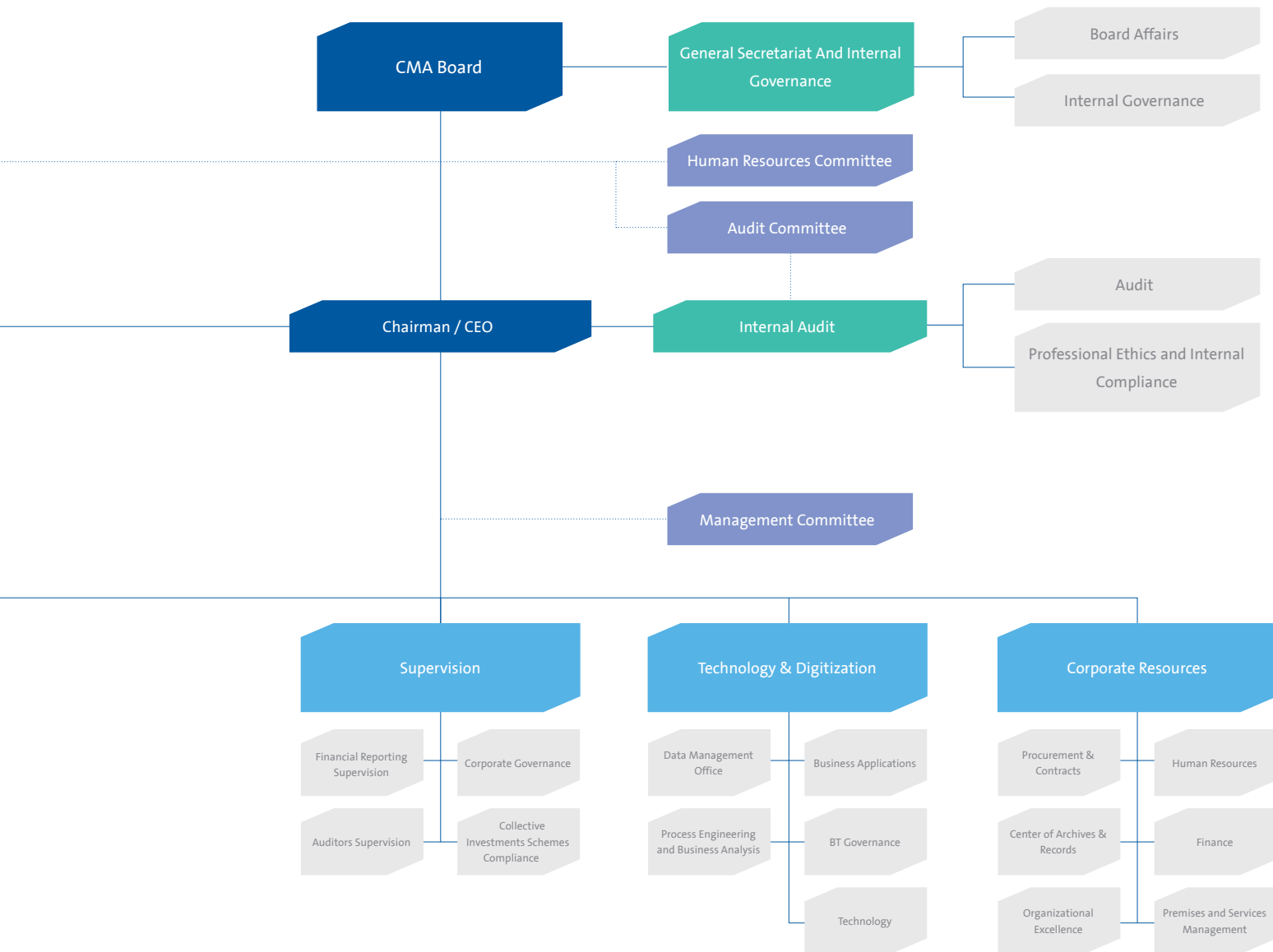
Auditors of Entities Subject to CMA's  
Supervision



# Organizational Structure

Figure (1): CMA’s Organizational Structure









01



# Chapter 01

## Capital Market Strategic Plan

First: Vision, Mission and Values

Second: Capital Market Strategic Plan (2024-2026)

Third: Interconnection between the Capital Market Strategic Plan and the Financial Sector Development Program

Fourth: Governance

Fifth: Achievements in 2024

Sixth: State of Approved Initiatives

Seventh: Aspirations for 2025, Challenges, and Required Support

## First: Vision, Mission, and Values



### Vision

To make the Saudi capital market a primary source of financing and investment and one of the most important capital markets in the world.



### Mission

Regulating and developing the capital market in order to protect investors and enhance stability therein, as well as creating an investment environment that supports the growth of the national economy.



## Values

### ➤ Innovating Continuously

CMA constantly develops and improves its business policies and procedures, laws, and programs used to run tasks, thus enhancing services for capital market participants and actively supporting national economic growth.

### ➤ Nurturing Our Staff and Community

CMA believes that its employees are its greatest assets and that strengthening their loyalty is beneficial to the society and the Kingdom. Therefore, CMA is dedicated to creating a supportive and motivating work environment and , providing various development and training programs for its employees, and offering financial awareness programs to the society.

### ➤ Striving for Excellence

CMA is known for its competent employees. It seeks to develop their skills and expertise to achieve the highest levels of quality and professional conduct, , and ensuring the provision of the best services to capital market participants.

### ➤ Assuming Full Responsibility

The CMA demonstrates a strong sense of responsibility and duty towards its community and staff. This includes the responsibility borne by its employees towards their tasks, and a dedication to work honestly and faithfully to achieve its vision and mission.

### ➤ Communication and Consultation

Promoting professional cooperation, consultation, and communication as a work team, adhering to the highest levels of professional conduct when dealing with capital market participants, within and outside the CMA.

## Second: Capital Market Strategic Plan (2024-2026)

With the conclusion of the 2021–2023 strategic plan, it is important to reflect on CMA's achievements while it pursued its ambitious vision of making the Saudi capital market the leading market in the Middle East and one of the top ten capital markets globally. In recent years, the market witnessed significant growth and development. The value of assets under management increased by 42%, from SAR 612 billion in 2020 to SAR 871 billion in 2023. The number of listed companies increased by 50%, as well, from 207 companies in 2020 to 310 companies in 2023. In addition, foreign ownership reached record levels, growing by 93%, from SAR 208 billion in 2020 to SAR 401 billion by the end of 2023.

Building on the accomplishments achieved under its 2023 strategic plan, CMA developed a new three-year strategic plan for 2024–2026, aligned with the Financial Sector Development Program goals to keep pace with local and global developments in the capital market and to serve Saudi Vision 2030, which strategically focuses on expanding the capital market's financing capacity by developing various channels to meet the funding needs of both public and private sector projects. Ultimately, the CMA aims to realize its vision of making the Saudi capital market a primary source for financing and investment in the national economy and one of the most important capital markets globally. Key areas of focus in the new strategy include leveraging the multi-channel capital market to increase its contribution to financing and investment, supporting and empowering capital market institutions, and developing the FinTech sector to position Saudi Arabia as a leader in this field, thereby promoting financial sector depth and diversity.

The CMA also places great importance on investor protection, dedicating an entire strategic pillar to improving the efficiency of oversight and enhancing transparency, disclosure, and governance. This pillar aims to safeguard investor rights and strengthen mechanisms for handling specialized cases, thus reducing risks in securities transactions. The CMA believes that creating a safe investment environment that guarantees investors' rights is essential to building trust in the capital market.

The strategic plan revolves around 3 main pillars:



### **First Pillar: Activating the Role of the Capital Market in Financing and Investment**

enhancing the role of the stock market in financing the national economy by encouraging companies to offer and list their securities, providing an attractive environment for investors developing the Sukuk and Debt Instruments Market empowering the asset management industry, attracting international investments, and enhancing the position of enhancing the international position of the Saudi capital market.



### **Second Pillar: Enabling the Capital Market Ecosystem**

empowering capital market institutions to provide diverse and advanced services and products in accordance with the best international practices to keep pace with advanced levels locally and globally, and providing a regulatory environment that encourages innovation in financial technology (FinTech), to enable startups in the field to develop innovative products and services that contribute to promoting financial inclusion.



### **Third Pillar: Protecting Rights of Investors**

providing a safe and stable investment environment by continuing to develop effective mechanisms to protect investors in securities from unfair practices, reduce risks associated with securities transactions, and strengthen the regulatory environment and market stability. CMA will work on enhancing the level of transparency and supervision in the market, in addition to facilitating compensation, improving mechanisms for handling complaints, disputes, and significant cases, and increasing deterrence efficiency.

These three pillars comprise of 9 strategic objectives, which branch into more than 50 strategic initiatives.



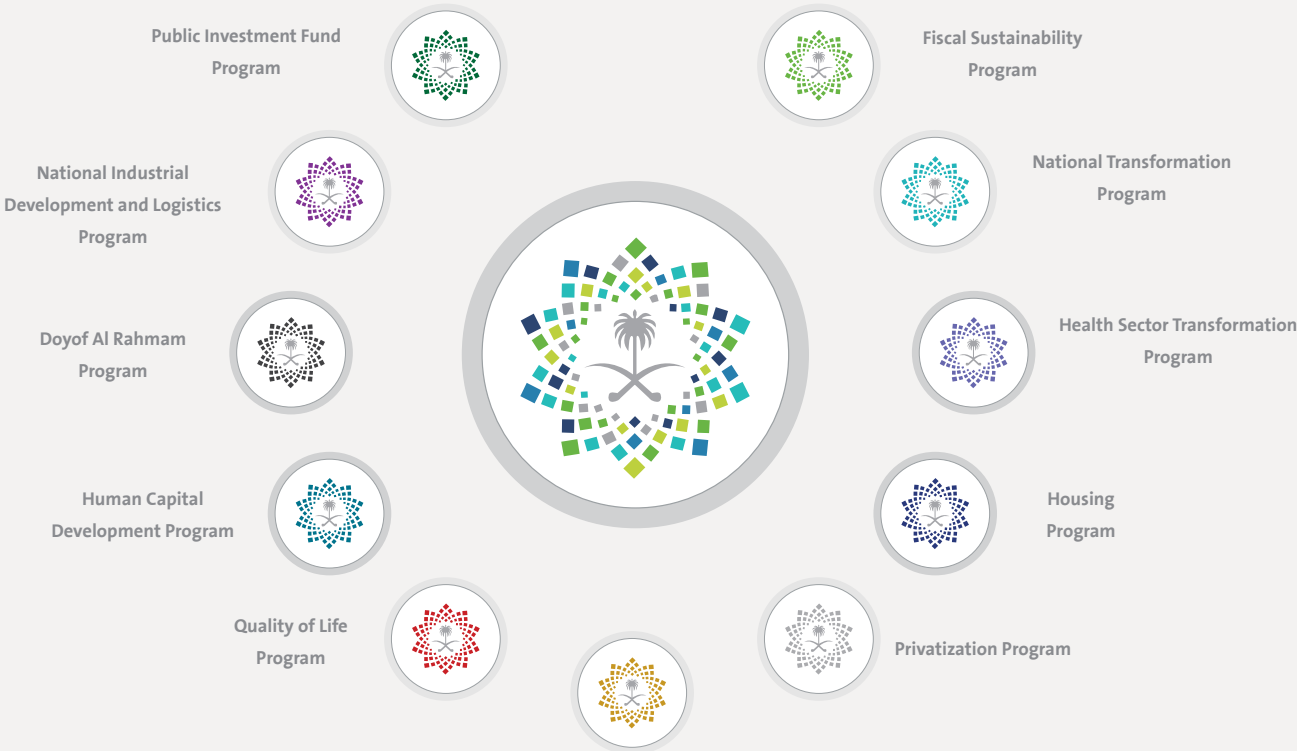
Figure (2): Strategic Plan’s Pillars and Strategic Objectives



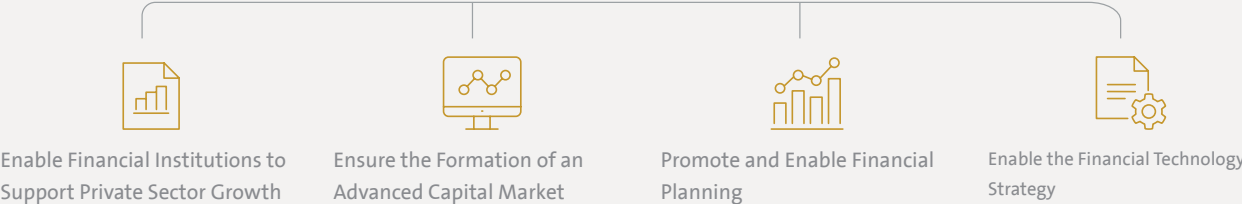
### Third: Interconnection between the Capital Market Strategic Plan and the Financial Sector Development Program

The Saudi Vision 2030 has laid strong foundations for success toward a brighter future and has set the cornerstone of success in three main axes, which branch into 96 strategic objectives achieved through Vision Realization Programs launched by the Council of Economic and Development Affairs in 2017. One of these key programs is the Financial Sector Development Program (FSDP) that is related to the two themes of Vision 2030, which are a “thriving economy” and an “ambitious nation”. The FSDP aims to develop a diversified and effective financial sector that supports the national economy’s development, diversifies sources of income, and stimulates savings, finance, and investment. This can be achieved by empowering financial institutions and developing the Saudi capital market to become an advanced capital market without compromising the strategic objectives aimed at maintaining the stability of the financial services sector. Moreover, as an FSDP member, CMA has worked on elaborating its implementation plan and the strategic objectives for the second strategic pillar (Developing an Advanced Capital Market) through setting strategic KPIs and initiatives that help improve the financial sector, increase its efficiency, and further develop the capital market to become an advanced capital market that provides investment alternatives and various financing sources. Furthermore, through its participation in the FSDP, CMA aims to support national economic growth by developing the financial sector, improving the Saudi capital market, and enhancing its capacity to face challenges to establish a capital market that plays a key role in fulfilling the financing needs of national projects.

# Saudi 2030 Vision Programs



## Financial Sector Development Program



» CMA Strategic Plan (2024 - 2026)

## Fourth: Strategic Plan Governance

Since CMA began developing its strategic plans, it has adopted an integrated governance framework aimed at ensuring the institutionalization of work, increasing efficiency, and facilitating coordination among stakeholders, thereby enabling CMA to follow up on the implementation of its strategic plan effectively. In an effort to improve performance management and take corrective actions in a timely manner, CMA periodically follows up on the implementation of strategic initiatives. It develops detailed plans for each initiative, specifying implementation steps, delivery deadlines, responsibilities, external business partners, and their expected roles. In addition, CMA follows up on the results of the strategic KPIs, submits periodic reports on the performance of the strategic plan to CMA's Board, and holds quarterly performance review meetings in the presence of CMA's Board and top management to ensure that strategic plan activities are progressing as expected and discuss the challenges facing the implementation process and appropriate solutions.

The governance framework includes several bilateral and joint committees with external entities. This ensures coordination with shareholders in implementing their related strategic initiatives and joint activities. CMA participates in four main bilateral committees with the Saudi Central Bank, the Commercial Ecosystem, the Saudi Tadawul Group, and the Zakat, Tax and Customs Authority. It is also a member of the Sukuk and Debt Instruments Market Development Committee. Furthermore, CMA continuously coordinates with the General Authority for Awqaf regarding common topics and activities. To ensure work continuity and flexibility in the face of implementation challenges and obstacles, guarantee continuous improvement, and stay abreast of changes, CMA periodically reviews all strategic plan components to identify gaps and develop initiatives that ensure targets are met. In a related strategic governance context, CMA also works with the National Center for Performance Measurement (Aada) to measure the performance of CMA's KPIs included in the FSDP. This is achieved through the implementation of standardized models, methodologies, and tools based on global best practices in the field, as well as performance reports to measure progress made toward achieving FSDP strategic objectives.

# Fifth: Strategic Plan Achievements in 2024

By developing the Saudi capital market and enabling it to meet the financing needs of the national economy, and by developing programs and initiatives that help reach its strategic goals, CMA contributes to the process of continuous economic development with a view to achieve the Saudi Vision 2030 and create a prosperous economy for both the Kingdom and its citizens.

Most prominent Strategic Plan achievements in 2024 and their expected impact:

Plans or Tasks Achieved	Impact
Adopting strategic directions to raise the attractiveness of the asset management sector in Saudi Arabia	<ul style="list-style-type: none"><li>- Developing the asset management industry and enhancing its attractiveness</li><li>- Diversifying investment products</li><li>- Enhancing transparency and governance</li><li>- Strengthening Saudi Arabia’s regional and international standing in the asset management industry</li></ul>
Unprecedented growth in the asset management industry in the Kingdom, with assets under management exceeding one trillion Saudi Riyal by the end of 2024	<ul style="list-style-type: none"><li>- Increasing investment flows</li><li>- Promoting investor confidence in the capital market</li><li>- Increasing capital market efficiency and attractiveness</li><li>- Strengthening the regional and global position of the Saudi capital market</li></ul>
Launching the first Saudi Exchange-Traded Fund (ETF) tracking Hong Kong stocks	<ul style="list-style-type: none"><li>- Expanding the investor base</li><li>- Promoting innovation in capital market products</li><li>- Diversifying investment opportunities</li></ul>
Launching two funds focused on Saudi stocks in Shanghai and Shenzhen	<ul style="list-style-type: none"><li>- Facilitating the joint listing of funds</li><li>- Expanding the investor base</li><li>- Increasing liquidity in the capital market</li><li>- Attracting foreign investments</li></ul>
Launching single stock options contracts for four companies	<ul style="list-style-type: none"><li>- Attracting foreign investments</li><li>- Enabling investors to hedge and manage their portfolio risks effectively</li><li>- Increasing liquidity in the capital market</li><li>- Diversifying investment products</li></ul>

Plans or Tasks Achieved	Impact
Adopting strategic directions to develop the Sukuk and debt instruments market	<ul style="list-style-type: none"> <li>- Diversifying investment products</li> <li>- Developing the infrastructure for the Sukuk and debt instruments market</li> <li>- Facilitating regulatory procedures</li> <li>- Promoting confidence in the Sukuk and debt instruments market</li> <li>- Attracting more funding sources</li> <li>- Supporting sustainable economic growth</li> </ul>
Licensing the first company in Saudi Arabia to conduct exchange in the form of an alternative trading system for Sukuk and debt instruments	<ul style="list-style-type: none"> <li>- Improving the secondary market for debt instruments</li> <li>- Expanding the investor base</li> <li>- Diversifying products in the capital market</li> <li>- Providing efficient technical solutions to facilitate linking and trade</li> </ul>
The adoption of the largest array of regulatory improvements since the launch of the Sukuk and Debt Instruments Market.	<ul style="list-style-type: none"> <li>- Accelerating issuers' access to financing through the Sukuk and debt instruments market</li> <li>- Deepening the Sukuk and debt instruments market</li> <li>- Diversifying issuers and products</li> <li>- Expanding the investor base</li> <li>- Increasing liquidity</li> <li>- Increasing the Sukuk and debt instrument market's competitiveness regionally and internationally</li> </ul>
Increased enforcement activity, which resulted in the conviction of several violators of the Capital Market Law and its regulations. These convictions included orders to compensate for illegal gains and settle fines totaling over SAR 300 million.	<ul style="list-style-type: none"> <li>- Increasing investor confidence in the Saudi capital market</li> <li>- Protecting investor rights in the Saudi Exchange</li> </ul>
Awarding 921 investors compensations by peremptory decisions of CRSD and ACRSD	<ul style="list-style-type: none"> <li>- Promoting investor and participant confidence in the Saudi capital market</li> <li>- Protecting investor rights in the Saudi Exchange</li> </ul>



Plans or Tasks Achieved	Impact
Listing 44 companies on the Saudi capital market during 2024	<ul style="list-style-type: none"> <li>- Developing new and promising industries</li> <li>- Diversifying financing sources</li> <li>- Increasing investor confidence in the Saudi capital market</li> <li>- Increasing liquidity and market size</li> </ul>
Introducing improvements to the share buyback program and share selling process for listed companies	<ul style="list-style-type: none"> <li>- Increasing investment efficiency in the capital market</li> <li>- Increasing capital market attractiveness</li> <li>- Regulating share exchange for listed companies</li> <li>- Increasing liquidity in the market</li> </ul>
Signing a Memorandum of Understanding (MoU) with the Real Estate General Authority (REGA) to regulate real estate contributions	<ul style="list-style-type: none"> <li>- Unifying "Know Your Customer" (KYC) models for capital market institutions</li> <li>- Increasing integration among GCC markets</li> <li>- Promoting dual exchange</li> </ul>
Approving the Instructions on the Offering of Real Estate Contribution Certificates	<ul style="list-style-type: none"> <li>- Activating the real estate industry and opening new financing and investment channels</li> <li>- Organizing contributors' records</li> <li>- Protecting the rights of the parties involved in real estate contribution</li> </ul>
Allowing capital marketing institutions to open omnibus accounts for clients	<ul style="list-style-type: none"> <li>- Promoting fairness among clients</li> <li>- Developing available exchange mechanisms in the capital market</li> <li>- Stimulating investment</li> <li>- Increasing capital market attractiveness and efficiency</li> </ul>

The Saudi market continued to rank among the top ten global markets by size in 2024<sup>1</sup>. It also achieved advanced rankings in several other indicators. For instance, it ranked 8th worldwide in the number of initial public offerings and 24th in terms of the number of listed companies, with the total number of listed companies exceeding 350 by the end of 2024.

Saudi Arabia’s Ranking in Selected Global Indicators for 2024.<sup>2</sup>



1. The rankings in these indicators are calculated based on the total number of stock exchanges in each country.  
2. World Federation of Exchanges (WFE), Bloomberg, Bank for International Settlements (BIS), Edaa, World Competitiveness Yearbook, Research Department.  
3. Data in mid-2024.  
4. The size of debt instruments markets was estimated based on the total government and corporate issuances in each country.

Table (1): Results of Strategic Indicators for the Year 2024

#	Performance Indicator	2024 Target <sup>1</sup>	Value Realized at the end of 2024 <sup>2</sup>	Achievement Rate
1	Number of listings in the capital market	24	44	183%
2	Equity market capitalization as a percentage of GDP (%) <sup>3,4</sup>	79.4%	86.7%	109%
3	Debt instrument market capitalization as a percentage of GDP (%) <sup>6</sup>	22.1%	20.8%	94%
4	Assets under management as a percentage of GDP (%) <sup>6</sup>	29.4%	26.3%	89%
5	Trading volume of institutional investment as a percentage of total trading volume (%)	42%	46.2%	110%
6	Foreign investor ownership of equity market capitalization (free floating stocks) <sup>6</sup>	17%	11%	65%
7	Number of listed micro and small enterprises as a percentage of the total number of listed companies (%) <sup>5</sup>	45%	65.9%	146%
8	Percentage of investment accounts opened through electronic Know your Client (KYC) procedures	>=90%	98.9%	110%
Target achieved 100% - 90%		Slightly below target 90% - 80%	Low achievement less than 80%	

1. refers to greater than or equal.  
2. Data at the end of 2024.  
3. This index does not take into account the impact of the Aramco IPO.  
4. The GDP used is that of 2023, issued by the General Authority for Statistics.  
5. Definition of the World Economic Forum: micro enterprises have a market capitalization less than 65 million US Dollars, and small enterprises have a market capitalization between 65 and 200 million US Dollars (Financial Sector Development Program).  
6. Based on the recommendations included in the Performance Review Report issued by the National Center for Performance Measurement (Adaa) and the directive from the CMA and the Financial Sector Development Program (FSDP) to study and update the targets of indicators that have underperformed for more than one consecutive measurement cycle, the FSDP Committee approved the request to revise the targets of the indicator, and the new targets are in the process of being officially adopted.

## Sixth: Status of Approved Initiatives

Two initiatives were approved as per the official procedures under the National Center for Public Agencies Performance Measurements (Adaa). Table (2) presents the status of approved initiatives.

Table (2): Status of Initiatives Approved According to Official Procedures

Initiative	Status	Start Date	Workflow Summary	Actual Completion Rate	Planned Completion Rate	Specified End Date	Program to Achieve Vision
Developing regulations to encourage foreign companies to offer their shares in the Saudi capital market	Completed	01-01-2023	Work is completed	100%	100%	31-12-2023	Financial Sector Development Program
Incentivizing the private sector towards listing and offering their shares in the Saudi capital market		12-04-2017	Work is progressing as planned	89%	89%	31-12-2025	Financial Sector Development Program

 On track, difference is less than or equal to 5%

 Delayed by 5% - 15%

 Very late, delayed by more than 15%<sup>1</sup>

1. Work on the initiative has been completed, and its outcomes are underway. A report will be submitted to the Financial Sector Development Committee after two and a half years to outline the initiative's impact and steps for foreign companies' offerings.



Vol B	Bid	Offer	Vol O	Close	Total
606600	58.75	59.00	1306600	54.75	43
6628500	30.50	30.75	4834200	29.75	57
2881800	33.75	34.00	1871500	34.25	46
155600	184.50	185.00	600200	186.00	4
15105100	8.05	8.10	5239800	8.05	96
689100	36.75	37.00	803700	35.75	21
1107400	48.50	48.75	6182200	47.75	13
1635800	15.80	15.90	2898000	16.20	35
6474100	8.85	8.90	194400	9.00	58
291800	24.00	24.10		23.90	17

2.20

Vol/Value(K)

1905700

42662

High/Low

22.60

22.20

Ceil/Floor

29.00

15.20

Avg/Close

22.39

22.40

Op

Volume

119600

Ticker

Volume by Price

Chart

News

## Seventh: CMA Aspirations for 2024, Challenges, and Required Support

CMA is continuing its ongoing journey of economic development. It is further developing the capital market as an advanced market to create a diversified and effective financial sector capable of supporting the growth of the national economy, varying sources of income, and incentivizing savings, funding, and investment while deepening capital market institutions. In this regard, and to complement the efforts made and achievements gained in developing the financial sector, CMA will continue its work in line with its strategy and in fulfillment of Saudi 2030 Vision. It will direct its efforts towards the supply side of capital in the market and enabling companies of various types to offer and list their shares on the market. CMA also supports the development of new and promising sectors by providing them with appropriate funding channels to enhance their contribution to the national economy. CMA also seeks to increase the attractiveness and regional and international competitiveness of the asset management industry in Saudi Arabia by offering diverse investment products, developing investment environment components, and adopting international best practices in capital markets.

CMA gives high priority to the development of the Sukuk and Debt Instrument Market. It aims to continuously improve the legislative and regulatory environment in order to deepen the market and increase

its attractiveness, especially given its importance in economic growth and activity. The Sukuk and debt instruments market is considered one of the most vital capital market financing channels that support public and private sector projects.

CMA will also continue its efforts to increase the standing of the Saudi capital market and its attractiveness to international investors to become a leading market regionally and globally. In this regard, CMA will cooperate with relevant entities to address regulatory challenges that hinder international investment flows and develop mechanisms that increase international investments in the Saudi capital market. Moreover, CMA aims to increase its representation in global indices and offer investment facilities and attractive opportunities for international investor. Through the Financial Sector Development Program, CMA will continue its efforts to achieve further accomplishments, with the aim of promoting economic growth and sustainability in all areas and laying new foundations for income diversification.


In the coming period, CMA may face challenges that affect its future aspirations, such as global and local economic and regulatory developments, which may impact the capital market and its attractiveness to local and international issuers and investors. It is important to mention, as well, that weak demand for debt instruments and the private sector's

insufficient issuance of debt instruments undermine their market in Saudi Arabia. Challenges facing the Sukuk and debt instruments market must be overcome, and efforts should be made to enhance the market's role in financing development projects and the economy as a whole. Nonetheless, CMA will continue its work in coordination with relevant capital market participants to address these challenges and mitigate their impact.





02



## Chapter 02

### CMA Activities

Section One: Current Status of CMA

Section Two: Regulating the Capital Market



02



## **Section One: Current Status of CMA**

First: CMA Internal Environment

Second: Committees

Third: International Relations

# First: CMA Internal Environment

## 1. Actions Taken to Implement Royal and High Orders and Council of Ministers’ Resolutions

During 2024, CMA received several High Orders, Council of Ministers’ Resolutions, and Royal Court Circulars, and took several measures to ensure their implementation. They can be summarized as follows:

### 1. Royal Court Circular No. 46584 Dated 24/06/1445H

Circular No. 46584 is related to Council of Ministers’ Resolution No. 483 dated 20/06/1445H, addressing the translation of draft laws, regulations, similar legal instruments, and approved legal documents as outlined in the resolution.

In the implementation of the Circular, CMA has undertaken the following:

- CMA proactively coordinated with the Official Translation Division at the Bureau of Experts regarding the provisions of the Resolution and reviewed its internal procedures accordingly. CMA documented its internal procedures to ensure alignment with the Resolution’s provision.

### 2. Royal Court Circular No. 49493 Dated 06/07/1445 AH

The Circular includes a reference to Council of Ministers Resolution No. 532 of 04/07/1445H, which stipulates that government entities operating under their own organizational frameworks and independent and approved administrative bylaws (such as authorities, institutions, centers, programs, and similar bodies) must amend their administrative regulations to ensure the number of official holiday days for Eid Al-Fitr and Eid Al-Adha be a minimum of four working days and a maximum of five working days, alongside other arrangements stated in the resolution.

In implementation of the Circular, CMA has undertaken the following:

- CMA took action in accordance with the Circular, specifically as regards holiday limits outlined in clause “First” of the Resolution. It ensured that the number of official holiday days for both Eid Al-Fitr and Eid Al-Adha is no less than four working days and no more than five working days.

### 3. Royal Court Circular 4848 Dated 19/01/1446 AH

The Circular emphasizes the need to leverage available opportunities to develop human capital and cadres in the public sector, as provided for by the Memorandum of Understanding (MoU) between the Government of the Kingdom of Saudi Arabia and the Government of the Republic of Singapore for Cooperation in the Field of Human Capital Growth and Leadership Development in the Public Sector in Both Countries.

In implementation of the Circular, CMA has undertaken the following:

- CMA provided its employees with the opportunity to participate in and select from training programs offered by educational institutions in Singapore. A total of 22 employees participated in these programs during 2024. CMA is also working with its counterpart, the Monetary Authority of Singapore (MAS), to exchange expertise through ongoing communication.

### 4. Royal Court Circular No. 50788 Dated 11/07/1445H

The Circular tackles coordination between CMA and the Zakat, Tax and Customs Authority (ZATCA) to prepare the cross-border registration regulations referenced in Article Three of the Cross-Border Registration Regulation among the capital market regulators in GCC countries.

In implementation of the Circular, CMA has undertaken the following:

- CMA coordinated with the Zakat, Tax and Customs Authority and requested its insight regarding the provisions of the Cross-Border Registration Regulation for Investment Funds, in line with its areas of jurisdiction, in preparation for the approval of the regulation.

## 2. CMA Board Meetings and Resolutions

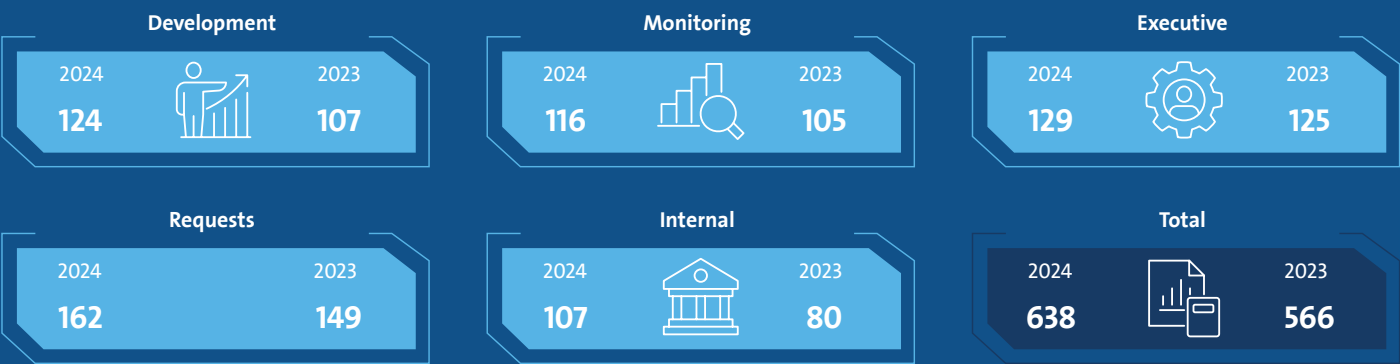
Paragraph (a) of Article 10 of the Capital Market Law states the following: “The Board shall hold its meetings at the request of its Chairman. Meetings should be attended by at least three of its members, including the Chairman or Vice-Chairman. Its decisions shall be made upon a vote of a majority of the members attending the meeting. In case of equal votes, the Chairman of the meeting will have a casting vote.”

Board meetings classified by the number of members attended:



In 2024, CMA’s Board discussed and issued decisions regarding a total of 638 topics, compared to 566 topics in 2023.

Topics discussed by CMA Board, classified by type:



\* Royal Order No. (A/84) was issued on 29/02/1446 AH, corresponding to 02/09/2024 AD, appointing His Excellency Dr. Walid Muhammed Al-Issa as member of the Shura Council. Consequently, the number of CMA Board members thus became 4.



## 2. Human Resources, Training & Development Programs, and Social Responsibility

### » Work Force

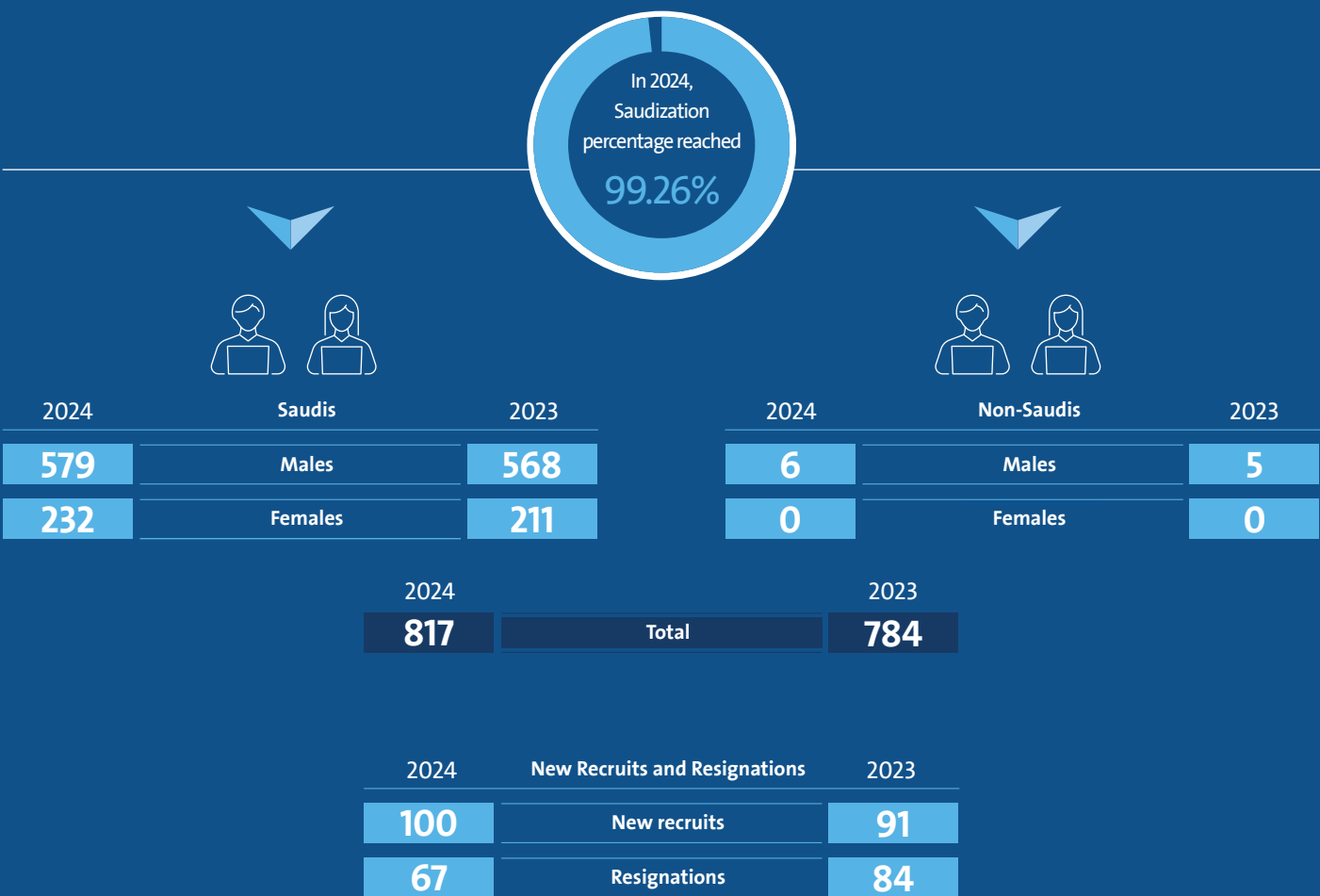
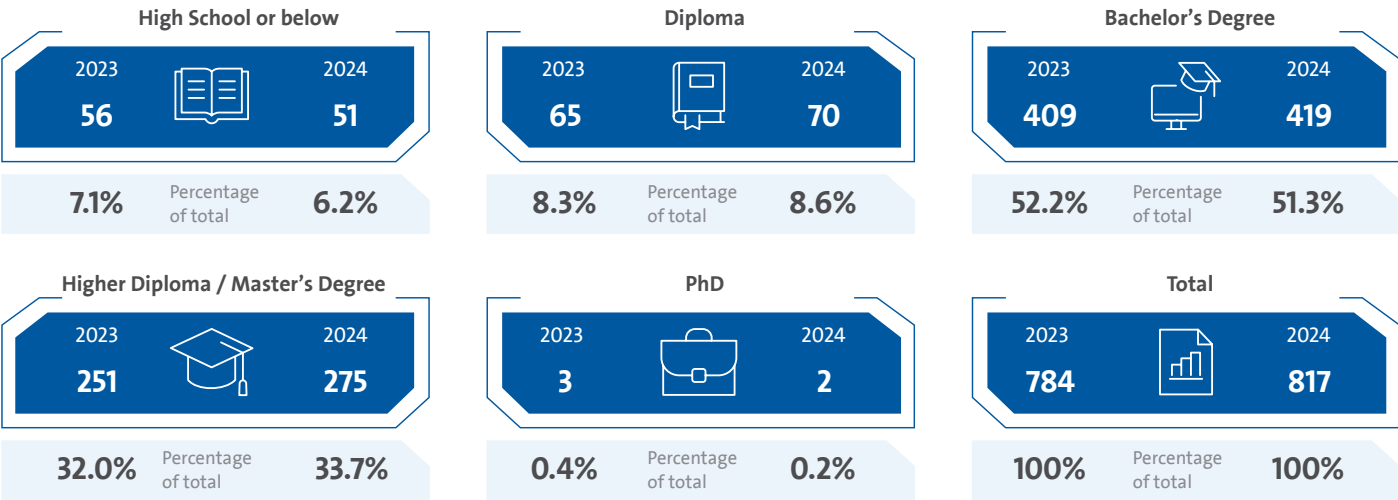


Table (3): Educational Qualifications of CMA Employees



» Training and Development Programs

Number of CMA employees participating in human resources development programs



## ➤ High Potential Program for Leadership Positions

The High Potential Program for Leadership Positions targets CMA specialist employees who demonstrate leadership skills and capabilities that qualify them to assume future leadership positions within CMA. Such high-performing individuals are key to succession planning, which helps mitigate operational risks at CMA. The program focuses on ensuring business continuity by growing employees' leadership competencies and providing them with the necessary tools, resources, support, and attention throughout a defined period of time.

## ➤ Social Responsibility

CMA maintained its effective contributions to society in 2024, most notably through:



### On-the-job training within CMA for outstanding Saudi graduates from various universities

The program attracts outstanding university graduates with relevant qualifications to develop the professional knowledge and skills of students on “on-the-job-training” methods in the areas and activities of the capital market. Participants enrolled in the program in 2024 reached 142 male and female trainees, distributed among five specialized tracks: finance, law, accounting, management, technology, and digitization.



### Cooperative training programs for male and female students at the Kingdom's universities and colleges

CMA provides male and female students from universities and institutes whose specialization requires on-field practice the opportunity to train in one of the various departments of CMA (according to their specialization). CMA provides them with competitive advantages and supports and helps them achieve their goals from the program. 144 male and female students from different universities and disciplines joined this program during 2024.



### Research Agenda

Through its research agenda, CMA aims to establish open communication channels with researchers, enhance the representation of the Saudi capital market in academic literature, and foster knowledge exchange between researchers and academics on one side and market practitioners on the other. The research agenda also aims to improve the quality of research and studies, contribute to evidence-based policy making and decision-making, and help raise the level of financial literacy and awareness among capital market participants. CMA periodically opens the door for all researchers to apply to its Research Agenda Program, emphasizing its social responsibility towards the research community, capital market participants, and all those interested in the field.



➤ In line with its commitment to enriching scientific research related to the capital market, CMA's Board issued a decision to form the Scientific Committee for the Research Agenda Program, tasked with the following:



Develop the general program policy



Increase the number and quality of research regarding the Saudi capital market



Improve the data and information environment with regard to the capital market



Strengthen research partnerships between the capital market, its institutions, universities, and research centers

➤ In its first term, the Committee constituted a group of academic and professional members with extensive experience in research and publication in peer-reviewed scientific journals:



Dr.  
Abdullah Abdulrahman AlShwer  
Chairman of the Committee



Dr.  
Assem Khalid Al-Humaidi



Dr.  
Hiba Abed Qazzaz



Dr.  
Haitham Akram Al-Zo'bi

➤ In 2024, the fourth round of the Research Agenda Program was launched. It included the following proposed research areas:



Capital market and market structure



Derivative securities and other investment products



Measuring regulation impact



Capital market institutions



Corporate and foreign investment



Behavioral finance



Other topics<sup>1</sup>

1. During the Program's fourth round, the Committee allowed researchers to submit research proposals outside the suggested topics, provided that they are relevant to the Saudi capital market.

## 4. Savings Plan and Employee Housing Finance Programs

CMA offers its staff the following two incentive programs:



### ➤ 1. Savings Program:

Keen to promote the culture of saving, CMA has implemented the Savings Plan to encourage employees to save their income. It is a flexible long-term savings plan, under which CMA provides a financial contribution to supplement the contributions made by employees subscribed to the plan. Joining and withdrawing from the program is optional and at any time. Up until the end of 2024, the beneficiaries of the “Savings Program” reached 578 male and female employees, representing 70.6% of CMA's total employees.



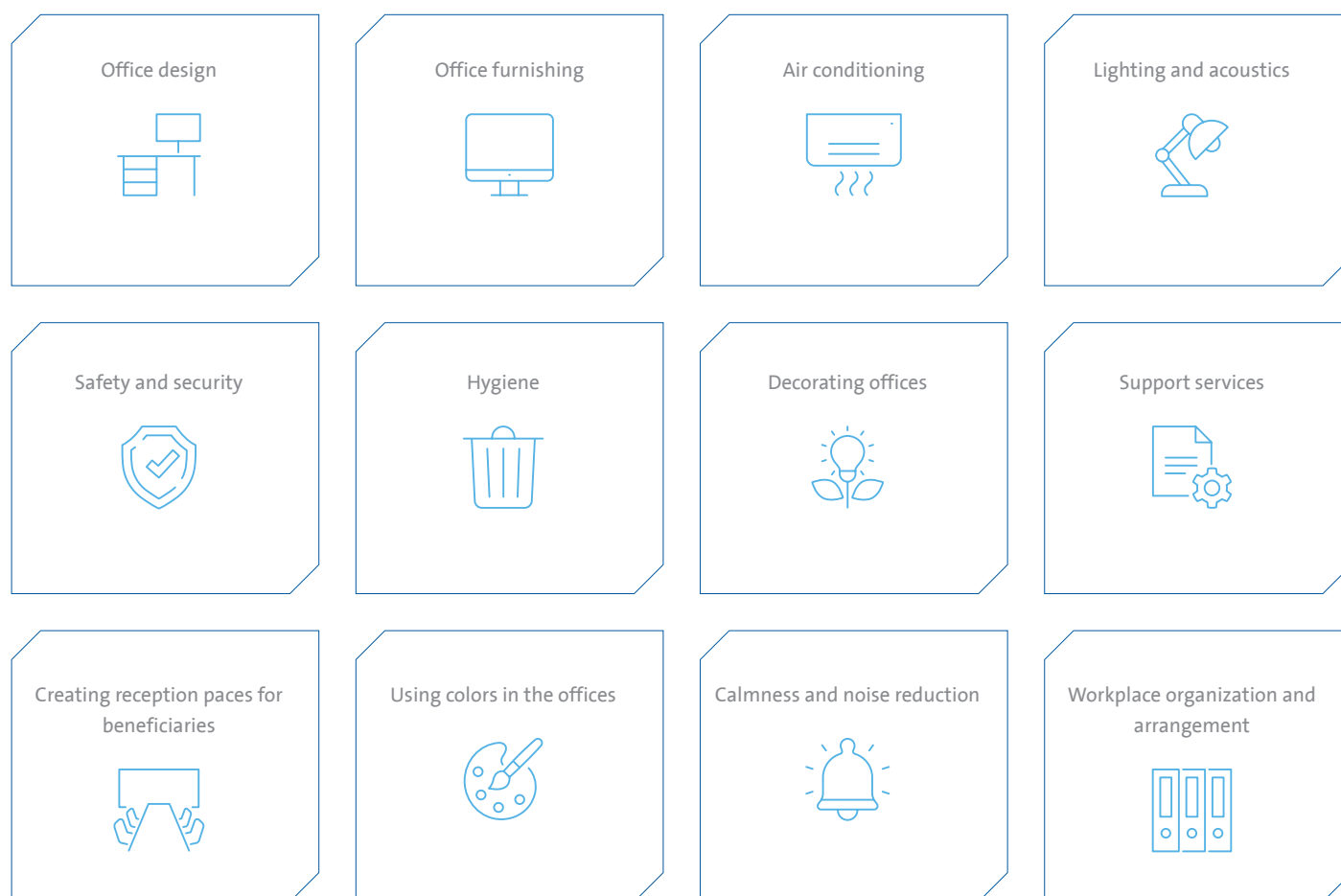
### ➤ 2. Housing Finance Program:

To anchor its relationship with its employees and promote a sense of belonging, and in line with the Government's directives to improve citizens' well-being and provide appropriate accommodation, CMA has fostered an “Employee Housing Finance” program in cooperation with local banks, where CMA bears the full Murabaha rate on finance. The program offers long-term financing, and CMA's Saudi employees may benefit from the program in accordance with the applicable terms and conditions, only once during their service period at CMA. By the end of 2024, the beneficiaries of the Housing Finance Program reached 221 male and female employees, which accounts for 27.1% of CMA's total employees.

## 5. Physical Work Environment of CMA

The guidebook for the physical work environment establishes the benchmark principles and standard specifications for ensuring an effective working environment for both the employees of the government agencies and those receiving their services. The various components and corresponding indicators established based on the results of field studies and surveys, aim to ensure the quality of the physical environment and its related effects on the employees in those environments, and thus on the productivity of the government agency.

The main components of the offices physical working environment, as provided in the guidebook for government agencies issued by the Ministry of Human Resources and Social Development, consist of the following:







Reviewing the guidebook and elements of the physical working environment and comparing them with the practices applied at CMA revealed the following:

➤ **342**

Elements are covered by the guidebook.

➤ **326**

Elements are currently applied at CMA.

6 elements can be improved according to the nature of CMA’s business:

- |     |                                      |     |  |     |  |
|-----|--------------------------------------|-----|--|-----|--|
| 01. | Central and separate heating units.  | 02. | Alternative energy sources air conditions.                           | 03. | Using solar energy to power the workplace.                           |
| 04. | Allocating awards for clean offices. | 05. | Providing reading rooms with the latest books and knowledge sources. | 06. | Compliance with the Saudi Building Code regarding health and safety. |

10 elements do not apply, given the nature of CMA’s business:

- |     |  |     |   |     |  |
|-----|--|-----|---|-----|--|
| 01. | Using audio devices for purposes other than those for which they are intended. | 02. | Water filtration system.                                  | 03. | The agency is located in the vicinity of factories and industrial workshops. |
| 04. | The agency is located in the vicinity of educational complexes.                | 05. | The agency is located next to various transport stations. | 06. | The agency is located in the vicinity of government complexes.               |
| 07. | Office machinery and equipment are considered a source of noise.               | 08. | Doors are considered a source of noise.                   | 09. | The agencies' beneficiaries are considered a source of noise.                |
| 10. | The agency’s workers are considered a source of noise.                         |     |   |     |  |

## 6. Center of Archives and Records

The Center of Archives and Records is responsible for preserving and archiving the CMA's documents in accordance with the rules and regulations issued by the National Center for Archives and Records. The Center fulfills its role of organizing administrative transactions through a technical system that tracks the flow of transactions, ensuring their completeness, readiness, and retrievability.

The Center's main achievements in 2024 are as follows:



CMA's new administrative communication system (Tarasol) was launched at the beginning of the second half of 2024, marking the first output of the Digital Transformation Plan within the Internal Beneficiary Management and Digitization Initiative, a digital and technical initiative CMA is implementing as part of its commitment to the Digital Transformation Strategy. This effort also aligns with compliance requirements related to the regulations and guidelines governing administrative communications in government entities.



The Documents and Archives Regulation was updated in compliance with the following government legislations:

1. Council of Ministers' Resolution No. 584 dated 18/07/1445 AH, approving the «Regulations for Official Communications and Document Preservation», communicated to CMA via His Excellency the President of the Royal Court's letter No. 53544 dated 22/07/1445H.
2. Resolution No. 135 dated 06/05/1445H issued by the National Center for Archives and Records' Board of Directors, and communicated to CMA through Circular No. 1/539 dated 11/06/1445AH, which mandates the amendment of the Center's Regulation on Data Destruction and the stipulation of provisions and procedures related to the «Government Documents Security Initiative».



Awareness campaigns were launched for CMA employees on the importance of protecting confidential documents and information, emphasizing it as a "national duty." These campaigns came in implementation of Royal Order Circular No. 30699 dated 24/04/1445 AH and other requirements issued by the Royal Court in this regard.



The Document and Archive Preservation Guidebook was published in response to the requirement to "raise employee awareness and knowledge regarding documents and archives," as stated in Article 11 of the General Policy for Documents and Archives, issued by the National Center for Archives and Records via Telegram No. 1/759 dated 16/09/1445AH.



Administrative organization documents were updated as per the changes in CMA's organizational structure, in coordination with the National Center for Archives and Records.

## 7. CMA Owned and Rented Buildings



### Owned

- » CMA Headquarters Building - Riyadh



### Rented

- » CMA Building No. 2, Eastern Tower, King Abdulaziz Center for Cultural Communication – Riyadh
- » Car parking outside the main Headquarters building, Riyadh, for staff

## 8. Strategic, Operational, and Capital Projects

CMA worked on the implementation of five projects, with a total cost of approximately SAR 19 million, closely related to CMA’s strategic plan objectives. The average implementation rate of these projects is 65%, given that a number of them will be completed in the coming years.

CMA also implemented a number of operational and capital projects in 2024, focused on achieving the objectives of administrative, maintenance, and operational services, as well as improving the internal business applications and infrastructure projects of the company. The total cost of these projects reached approximately SAR 257 million. Most of these projects are related to the required and continuous operational services.

Table (4): Operational, Capital, and Strategic projects

Project Type	Total Costs (SAR)	Budget Allocation (SAR)	Average Implementation Rate <sup>1</sup>
Operational	210,605,048.8	213,845,237.6	Ongoing Services
Capital	46,525,649.3	47,827,589.1	61%
Strategic	19,418,334.2	19,418,334.2	65%
<b>Total</b>	<b>276,549,032.3</b>	<b>281,091,160.9</b>	<b>62%</b>

1. Most of CMA’s operational projects are service projects, to which the implementation ratio is not applicable. The implementation ratio is measured at the expiration of the contract with the service provider.

# Second: Committees

## 1. Advisory Committee

The Advisory Committee was formed by virtue of CMA Board Resolution No. 5-80-2023 of 20/02/1445H (05/09/2023), consisting of the following members:



His Excellency Dr.  
**Nabeel Koshak**  
CEO of Saudi Venture Company



Dr.  
**Waleed Abdullah Al-Mogbel**  
CEO and Managing Director of Alrajhi Bank



Eng.  
**Omar Bin Abdullah Al-Nomany**  
CEO of Arabian Internet and Communications Services Co.



Mr.  
**Adel Al-Ateeq**  
CEO of Awaed Alosool Capital



Ms.  
**Kholoud Abdulaziz Al-Dakhil**  
Owner and CEO of Erteqa Financial Company



Mr.  
**Rashed Ibrahim Sharif**  
CEO of SNB Capital



Mr.  
**AbdulAziz AlOmrn**  
Founding Partner and CEO of Impact46



Mr.  
**Bassem Al-Salloum**  
Managing Director of Sure Global Tech



Dr.  
**Abdulwahab Al-Gahtani**  
Associate Professor at King Fahd University of Petroleum and Minerals  
- Economic writer



Dr.  
**Sultan Al-Masoud**  
Managing Partner at Dr Sultan AlMasoud & Partners in association with Shearman & Sterling



Mr.  
**Saleh Abdullah Al-Yahya**  
Partner at Turki Abdulmohsen Alluhaid & Saleh Abdullah Al Yahya Accountants & Auditors



**Abdulwahab Al-Fayez**  
Chairman of the Individual Investors Protection Association

The CMA Advisory Committee aims to activate communication between CMA and actors in the capital market, as well as to find a regulating mechanism that facilitates achievements of tasks and goals. Committee tasks include:



Providing proposals, recommendations, and views regarding any topic raised by the CMA



Expressing opinions and presenting recommendations on all matters contributing to the development of the market and the protection of investors in securities

The Advisory Committee carries out its tasks in its capacity as advisor to the CMA Board of Directors.

Throughout its tenth business cycle in 2024, the Advisory Committee held 4 meetings, in which it presented recommendations and proposals regarding different topics. The most prominent topics discussed were as follows:



Developing the merger and acquisition mechanism in light of past experiences and the new Companies Law.



Preparing the regulatory framework for listing Special Purpose Acquisition Companies (SPACs).



Studying the status of GCC investors' investments in the Saudi capital market.



Facilitating the regulations for offering, listing, and registration of debt instruments.



Elaborating regulatory requirements for investment funds.



Launching the operating model for omnibus accounts in the Saudi capital market.



Reviewing the regulatory frameworks for direct listings in the capital market.



Discussing dividends for listed companies in the Saudi capital market.



Shareholder register analysis.



Increasing flexibility in fund structures.



Developing the regulatory framework for financing funds.



Proposal to assess the appropriateness of increasing disclosure levels for major shareholders in listed companies.

## 2. Management Committee

Management Committee regulations were amended by CMA Board Resolution No. 5-12-2022 dated 24/01/2022 (21/06/1443H). The membership of the Committee was determined as follows:

01.	<b>Chairman of the Board</b> Chairman of the Committee	02.	<b>Vice-Chairman of the Board</b> Vice Chairman of the Committee	03.	<b>Secretary General of the Board and Internal Governance</b> Member and Secretary of the Committee
04.	<b>CMA Deputy of Corporate Resources</b> Member	05.	<b>CMA Deputy of Legal Affairs and Enforcement</b> Member	06.	<b>CMA Deputy of Finance and Investment</b> Member
07.	<b>CMA Deputy of Strategy, International Affairs, and Research</b> Member	08.	<b>CMA Deputy of Technology and Digitalization</b> Member	09.	<b>CMA Deputy of Market Institutions</b> Member
10.	<b>CMA Deputy of Supervision</b> Member	11.	<b>Director of Risk Management Division</b> Member	12.	<b>Director of Communication and Investor Protection Division</b> Member

▶ **25** meetings

Held with the attendance of all Committee members in 2024.

▶ **57** topics

Discussed by the Committee in 2024.





### 3. Digital Transformation Committee

In accordance CMA Board Resolution No. 5-45-2024 dated 01/10/1445H (15/04/2024), the Digital Transformation Committee membership was reconstituted as follows:

01.

Chairman of CMA Board  
Chairman of the Committee
02.

CMA Board Member Abdulaziz Bin Hassan  
Vice-Chairman of the Committee
03.

CMA Deputy of Strategy,  
International Affairs, and Research  
Member
04.

CMA Deputy of Technology  
and Digitalization  
Member
05.

Mr. Mohammed Bin Abdulrahman Al- Shaalan  
Independent Member
06.

Head of the Customer Experience  
Department  
Member

3 CMA employees  
Members

The Committee Chairman appointed the above three members, as follows:

07.

Program Sponsor: Client  
Journey Management  
and Digitization for Listed  
Companies  
Mr. Abdullah bin Mohammed  
bin Ghanam
08.

Program Sponsor: Client Journey  
Management and Digitization for  
Market Institutions  
Mr. Bandar bin Suleiman Al-Ayed
09.

Program Sponsor: Management  
and Digitization of Suspicious  
Transactions Handling and  
Processing and Enforcement  
Procedures  
Mr. Badr bin Mohammed  
Balghunaim

9 meetings  
Held by the Committee in 2024

30 topics  
Discussed by the Committee, with the issuance of 11  
decisions

**The Digital Transformation Committee achieved many accomplishments, most notably:**

1. Approval of the updated Digital Transformation Governance Framework to ensure the implementation of the digital transformation strategic plan, objectives, and indicators, to maximize alignment between business sectors and technology.
2. Development of the Digital Transformation Roadmap 2025–2026, and the approval of the final recommendations and the estimated budget.
3. Reviewing the internal and external user experiences and development of an improvement plan for digital services, with quarterly performance analytics.
4. Development of a mechanism to measure the post-launch impact of digital services on beneficiaries.
5. Improvement of market data availability and development of a data governance system for investors, thereby enhancing transparency in the capital market.
6. Launching several digital systems and services to strengthen CMA's digital transformation and enhance integration with various government entities, contributing to a seamless and integrated digital service experience for capital market participants and other stakeholders. Initiatives in this regard include:
  - Enhancing the digital transformation of CMA's services for external beneficiaries by launching the Unified Platform for External Beneficiaries.
  - Launching new services for capital market institutions through the Unified Platform for External Beneficiaries.
  - Promoting internal digital transformation by launching the pilot phase of the internal unified platform for managing interdepartmental requests and linking all critical systems to it.
  - Launching digital services aimed at improving the experience of individual investors and litigation procedures.
  - Introduce specialized services to strengthen enforcement mechanisms and integration with government entities, including:
    - » Carrying out enforcement procedures via the Administrative Enforcement Platform of the Board of Grievances.
    - » Introducing the omnibus accounts initiative.
    - » Empowering the Board of Grievances to enforce administrative rulings.
    - » Launching the service for suspending deceased individuals' accounts in coordination with the Ministry of Interior.
    - » Improving digital services related to data sharing with capital market institutions. For example, through full automation, AlAhli Capital was able to process disclosure requests regarding investment assets received from the Ministry of Justice. Work is ongoing to enable additional capital market institutions to do the same, which will enhance operational efficiency.
    - » Enabling CMA to integrate the unified electronic platform for service suspension.

The Digital Government Authority launched the 12th Digital Transformation Measurement , "Qiyas" 2024, and CMA ranked 7th in the financial and funds group, with a score of 81.40%, placing it in the Integration Stage.



## 4. Human Resources Committee

Pursuant to CMA Board Resolution No. 5-14-2024 of 18/11/1445H (07/02/2024), the Human Resources Committee was restructured as follows:



CMA Board Vice-Chairman  
**Mr. Youssef Bin Hamad  
Al-Blih**  
Chairman



CMA Board Member  
**Khaled Bin Abdulaziz  
Al-Homoud**  
Vice Chairman



CMA Board Member  
**Abdulaziz Bin Abdul  
Mohsen Bin Hassan**  
Member

According to Article 3 of the Committee's Work Regulations, as amended by CMA Board Resolution No. 4-14-2024 dated 26/07/1445AH (07/02/2024), the Human Resources Committee's main functions include the following:

1. Approving the human resources development plan.
2. Raising a recommendation to approve the human resources development budget.
3. Approving regulations governing human resources development programs.
4. Approving nominations for educational programs and secondments to external organizations.
5. Reviewing special cases referred by the HR Department regarding employees enrolled in educational and training programs and taking appropriate decisions in their regard.
6. Raising recommendations regarding strategies and general directions for human capital, as well as any amendments thereto.
7. Conducting periodic review and follow-up of HR activities to ensure alignment with the overall human capital strategy and raising recommendations in this regard.
8. Raising recommendations regarding the general regulatory framework for the Graduate Program.
9. Raising recommendations regarding nomination and succession plans for employees under senior management.
10. Reviewing cases not covered by existing HR policies and recommending appropriate actions.
11. Raising recommendations regarding promotions for employees in grade 10 and above.
12. Raising recommendations regarding the approval of organizational structure changes at and above department level.
13. Raising recommendations regarding the approval of the annual workforce plan.
14. Raising recommendations regarding the approval of the functional composition of organizational units.
15. Raising recommendations regarding the approval of compensation and benefits programs for CMA employees.
16. Raising recommendations regarding the appointment of deputies and general directors who report to the Chairman.
17. Raising recommendations regarding the approval of promotions for deputies and general managers who report to the Chairman.
18. Raising recommendations regarding the approval of the performance appraisal mechanism for supervisory roles.
19. Raising recommendations regarding the Savings Program and any amendments to it.
20. Raising recommendations regarding increasing the budget for the Savings Program.
21. Raising recommendations regarding approval of terms and benefits for medical insurance policies.
22. Raising recommendations regarding the approval of emergency medical expenses coverage up to SAR 500,000.
23. Raising recommendations regarding the approval of the Housing Finance Program.

The Human Resources Committee held 20 meetings throughout 2024 and discussed 52 topics listed on its agenda to make the relevant decisions and recommendations in their regard. The Committee issued a total of 37 decisions.



# 5. Audit Committee

Pursuant to CMA Board Resolution No. 1-74-2024 of 07/12/1445H (13/06/2024), the Audit Committee was restructured as follows:



**Dr. Walid Mohammed Al-Issa**  
Chairman



**Mr. Khalid bin Mohammed Al-Khwaiter**  
Independent Member – Vice Chairman



**Mr. Abdulaziz bin Hebdan Al-Hebdan**  
Independent Member

Royal Decree No. (A/84) dated 29/02/1446 AH (02/09/2024) was issued, appointing Dr. Waleed bin Mohammed Al-Issa as a member of the Shura Council. Accordingly, the CMA Board issued Resolution No. 2024-128-8 dated 25/04/1446H (28/10/2024) assigning Mr. Khalid bin Mohammed Al-Khwaiter, a Committee member, as Acting Chairman of the Audit Committee, until Board members appoint a new chairman.

The Audit Committee abides by the tasks and powers identified in the authority matrix.

## The Audit Committee’s responsibilities are as follows:

1. Following up on the tasks of the CMA Internal Audit Division, including the Professional Ethics and Internal Compliance Department to verify efficiency in carrying out tasks and functions.
2. Examining any restraints placed on the Internal Audit Division that may impede its ability to carry out its tasks and functions, and raising to the Board of Directors proposals and recommendations for resolving them.
3. Examining the CMA Internal Audit System and preparing a report with relevant proposals and recommendations to submit to the Board of Directors.
4. Raising a recommendation to the CMA Board to approve the internal risk management framework.
5. Examining CMA internal risk reports and raising a recommendation in their regard to the competent authority.
6. Reviewing key internal risk indicators, monitoring their periodic results, and raising recommendations to the competent authority regarding the addition, modification, or removal of any of the indicators.
7. Raising recommendations to the CMA Board regarding internal risks and risks that exceed acceptable levels.
8. Deciding on the differences in opinion between the Risk Management Department and other relevant departments concerning the evaluation of internal risks and controls.
9. Reviewing any constraints CMA’s Internal Risk Management Division activities, which may affect its ability to perform its duties, and submitting proposals and recommendations to the CMA Board to address them.
10. Approving the Internal Audit Plan and any amendments to it.
11. Reviewing internal audit reports and following up on the implementation of corrective actions as outlined in those reports.

12. Examining cases of disagreement in addressing internal audit and compliance issues escalated to the Audit Committee in relation to, but not limited to, the postponement of internal audit operations, deciding on corrective actions, and the implementation of Audit Committee decisions.
13. Raising recommendations to the competent authority regarding the «Director of the Internal Audit Division» position, particularly in areas such as appointment, promotion, performance appraisal, job transfer, termination of service, non-renewal of employment contract, or resignation.
14. Raising recommendations to the competent authority regarding the development and adoption of internal regulations, rules, and policies (and their amendments) related to the Internal Audit Division, including policy manuals, the Internal Audit Charter, the Code of Professional Conduct, and the Authority Matrix.
15. Raising recommendations to the competent authority regarding the approval of financial budgets, staff decisions, organizational changes, and operational performance indicators related to the Internal Audit Division.
16. Approving the services scope and technical evaluation criteria related to contracting for external quality assessment (QA) of internal audit activities, to be conducted every five years.
17. Ensuring the suitability and adequacy of the arrangements and measures taken by CMA regarding the Employee Professional Code of Conduct.
18. Making recommendations to the CMA Board regarding the appointment, remuneration, and termination of the external auditor, given that their maximum tenure is five consecutive years, following which there must be a period of two years before they can be reinstated.
19. Examining the external auditor's plan for external auditing.
20. Following-up on the tasks of the external auditor and examining the observations made and the difficulties faced by them, as well as the actions taken in their regard, providing relevant suggestions, and recommendations, and convening with the external auditor at least once a year.
21. Reviewing reports submitted by the Finance Department regarding budget performance and analyzing discrepancies between the actual expenses and the adopted estimated budget.
22. Reviewing CMA's financial statements and final accounts and submitting recommendations to the Board regarding the approval of the same.
23. Examining accounting policies adopted in preparing CMA's financial statements and final accounts and offering observations regarding the same to the CMA Board if necessary.
24. Carrying out any tasks requested by the CMA Board regarding the work of the Committee and raising any issues that require attention and action to the competent authority, along with recommended measures to be taken in their regard.

Throughout 2024, the Audit Committee held 7 meetings and discussed 59 topics listed on its agenda, issuing 33 decisions and raising 8 recommendations in their regard. Discussions covered reports submitted by the Finance Department regarding performance and deviations between the actual expenses and the adopted estimated budget, FOLLOWING UP on quarterly reports of the Professional Ethics and Internal Compliance Department, reviewing CMA financial statements and final accounts and submitting recommendations to the Board regarding their approval, examining internal risk reports and audit reports listed on the agenda in order to ensure the presence and adequacy of the internal control system and its effective implementation, and to raise any recommendations that would enhance and develop the internal control system, all with a view to achieve CMA goals and safeguard its interests with high efficiency and convenient costs.



## Third: International Relations

### 1. International Affairs

CMA has continued to develop and strengthen its regional and international relations with organizations, authorities, and institutions involved in regulating and monitoring capital markets, while making use of best international experiences and practices in related areas. In order to gain and exchange expertise and information, consolidate bilateral and multilateral relations, and explore areas of joint cooperation, CMA collaborated with several regulators in Various relevant areas and participated in international teams for implementing capital market projects. In 2024, CMA participated in a number of international conferences and forums related to capital markets, their development, and oversight.

Most important CMA contributions and achievements with international organizations:

1. Royal Decree No. M/125 dated 09/07/1445H was issued approving the Regulatory Framework for Cross-Border Registration of Financial Products (passporting of financial products) among financial market regulators in GCC, as a public document aimed at regulating cross-border promotion of financial products.
2. CMA participated in the annual meetings of the International Organization of Securities Commissions (IOSCO), its Africa/Middle East Regional Committee (AMERC), and its Growth and Emerging Market Committee (GEM).
3. CMA maintained its seat on the IOSCO Board, following the election of Mr. Khalid bin Abdulaziz Al-Homoud, CMA Board member, as Vice Chair of the Growth and Emerging Markets Committee (GEM) for the second consecutive term for the new cycle (2024–2026), knowing that GEM is IOSCO's largest committee.
4. CMA hosted the periodic meeting of the FinTech Working Group within IOSCO's Africa/Middle East Regional Committee (AMERC) on Monday, 29 Safar 1446H (September 2, 2024) in Riyadh. The meeting was attended by Working Group members, as well as a distinguished group of specialists and stakeholders from KSA's FinTech sector.
5. CMA representative, Mr. Saeed Ali Jureibi, Director of CMA's Market Surveillance and Analysis Department, won the election for Vice Chair of IOSCO's Committee on Regulation of Secondary Market Regulation (Committee 2) for the new term (2024–2026).
6. CMA took part in IOSCO's World Investor Week, which joined many regulators and stakeholders from around the world with the aim of promoting investor financial literacy and protection.
7. CMA chaired the 18th annual meeting of the Union of Arab Securities Authorities (UASA), held on Wednesday, 15 Shawwal 1445H (April 24, 2024) in Doha. The meeting was attended by Their excellencies UASA Board members and representatives.
8. CMA participated in the 28th meeting of the Committee of the GCC Heads of Capital Markets (Committee of Heads), held in Doha on Thursday, 16 Shawwal 1445H (April 25, 2024), hosted by the Qatar Financial Markets Authority (QFMA). CMA also took part in the 29th meeting of the Committee of Heads, which was held virtually on Sunday, 8 Jumada Al-Awwal 1446H (November 10, 2024)

9. CMA assumed leadership of the Gulf Investment Awareness Program «Mulim» operations for the third year in a row. “Mulim” was launched in 2022 by the Securities Commissions in the GCC countries, with the participation GCC Capital Market Authorities, in order to raise awareness regarding financial transactions and investment in capital markets through a number of awareness campaigns and events, including the Smart Gulf Investor Award.
10. CMA participated in the International Forum of Independent Audit Regulators’ (IFIAR) Plenary Meeting and General Assembly, which were held in Osaka, Japan, between 16–18 April 2024, with the participation of IFIAR member representatives and major audit firms.
11. CMA signed a Memorandum of Understanding (MoU) with the Central Bank of Bahrain to cooperate in the areas of dual listings and the unification of the Know Your Customer (KYC) model, in line with the efforts of the Third Meeting of the Saudi-Bahraini Coordination Council.
12. CMA participated in the Governance and Ethics Board of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), which issued a number of standards and draft standards during 2024.
13. CMA became member of the Inspection Workshop Working Group (IWWG) of the International Forum of Independent Audit Regulators (IFIAR), which aims at benefitting from member country expertise and international best practices related to auditor inspection.


CMA is also a member of the following international and regional organizations:



اتحاد هيئات الأوراق المالية العربية  
UNION OF ARAB SECURITIES AUTHORITIES

The Union of Arab Securities Authorities


Abu Dhabi CMA Joining Date: 2007



IOSCO

The International Organization of Securities Commissions (IOSCO)

Madrid CMA Joining Date: 2010



Islamic Financial Services Board

Kuala Lumpur CMA Joining Date: 2017



GCC Financial Markets Integration Project

Riyadh CMA Joining Date: 2010



AAOIFI

Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)

Manama CMA Joining Date: 2016



IFIAR

International Forum of Independent Audit Regulators

Tokyo CMA Joining Date: 2019



## 2. International Indicators

Saudi Arabia ranked high in capital market indicators. In the 2024 IMD World Competitiveness Yearbook, the Kingdom achieved an improvement in 8 out of 12 indicators related to the capital market, and maintained its rank in 1 indicator, as compared to its 2023 results. This progress reflects efforts and measures undertaken by CMA in the capital market during the past year with the aim of developing the capital market sector and applying relevant global best practices. CMA will also pursue its efforts to achieve the Saudi Vision 2030 by focusing on the theme of a prosperous economy, which would allow the Kingdom to reach advanced ranks in a number of global competitiveness indicators.

Table (5): Saudi Arabia Ranking in 2024 IMD World Competitiveness Yearbook Among G20 Countries and Globally

#	Index Name	KSA Ranking in G20 Countries	KSA Ranking Globally
1	Capital Market Access Index (easy access to foreign and local capital markets)	1	7
2	Stock Market Index (providing financing for companies)	2	7
3	Board of Directors Index (effectiveness of Board in overseeing company management)	2	13
4	Capital Market Index (percentage change in the index)	18	60
5	Stock Market Capitalization Index (Percentage of GDP)	1	2
6	Value Traded on Stock Market (USD per Capita)	10	20
7	Initial Public Offering Index (average for the period between 2021 and 2023)	7	7
8	Shareholder Rights Index (shareholder rights are adequately applied)	1	9
9	Venture Capital Index (ready availability of venture capital for businesses)	1	2
10	Listing of Local Companies (number of local companies listed)	15	24
11	Merger and Acquisition Activities (deals per listed companies)	13	33
12	Stock Market Capitalization (billion USD)	8	9



02



## **Section Two: Regulating the Capital Market**

First: Implementing Regulations

Second: CMA Methodology in Issuing and Developing its Implementing Rules and Regulations



## First: Implementing Regulations

CMA undertakes the responsibility of drafting and enacting the regulations and rules governing the capital market and issuing instructions according to the provisions of the Capital Market Law (CML) and Companies Law.

CMA exercises its regulatory and development roles in a balanced way that guarantees no overlap. It regulates and develops the capital market, in addition to improving and developing the processes applied by the parties and public entities working in securities trading. CMA also promotes measures that limit the risks associated with securities transactions, enforces fairness, efficiency, and transparency, and promotes the disclosure principle as stipulated in Article Five of the CML.

## New Implementing Regulations

In 2024, CMA adopted the following new implementing regulations:

### Instructions on Offering of Real Estate Contributions Certificates

CMA Board issued Resolution No. 3-6-2024 dated 05/07/1445AH (17/01/2024) approving the Instructions on Offering Real Estate Contribution Certificates, along with amendments to the Rules on the Offer of Securities and Continuing Obligations and the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority.

The Instructions aim to regulate the registration and offering of real estate contribution certificates in Saudi Arabia through specifying the requirements that must be met before offering, marketing, announcing, and collecting funds for real estate contribution certificates, alongside the requirements for public and private real estate contribution certificates offering, CMA obligations for offering, contributors' records, and keeping books and records.

## Amended Implementing Regulations

CMA approved, in 2024 several amendments to implementing regulations, as follows:

### 1. Amended Capital Market Institutions Regulations and Investment Accounts Instructions (Amendments to CMA's Implementing Regulations in light of the adoption of the omnibus accounts mechanism)

CMA Board issued Resolution No. 4-122-2024 dated 13/04/1446H (16/10/2024) approving the amendment of the Capital Market Institutions Regulations, initially issued by Board Resolution No. 1-83-2005 dated 21/05/1426AH (28/06/2005), as well as the amendment of the Investment Accounts Instructions, originally issued by Board Resolution No. 4-39-2016 dated 25/06/1437H (03/04/2016).

The amendment aims to develop available trading mechanisms in the Saudi capital market, stimulate investment, and increase the market's attractiveness and efficiency, particularly by allowing the opening of omnibus accounts.



## 2. Amendment to Article Seventy-Seven of the Capital Market Institutions Regulations

CMA Board issued Resolution No. 4-87-2024 dated 16/01/1446AH (22/07/2024) approving the amendment of Article 77 of the Capital Market Institutions Regulations, initially issued by Board Resolution No. 1-83-2005 dated 21/05/1426H (28/06/2005).

The amendment aims to further develop the provisions of Article 77 by deleting paragraph (A) and adding a new paragraph that allows capital market institution clients to benefit from their deposited funds by investing them in investment products and receiving returns on them.

## 3. Amended Implementing Regulations of the Companies Law for Listed Joint Stock Companies (Amendment of the regulatory framework for share buyback and sale by listed joint-stock companies)

CMA Board issued Resolution No. 2-114-2024 dated 04/04/1446AH (07/10/2024) approving the amendment to the Implementing Regulations of the Companies Law for Listed Joint Stock Companies, initially issued by Board Resolution No. 8-127-2016 dated 16/01/1438AH (17/10/2016).

The amendment aims to elaborate provisions governing the processes of share buybacks and sales by listed companies, with a view to positively impact investment efficiency in the Saudi capital market and align with international best practices.

## 4. Amendment to the Rules on the Offer of Securities and Continuing Obligations

CMA Board issued Resolution No. 3-114-2024 dated 04/04/1446H (07/10/2024) approving the amendment to the Rules on the Offer of Securities and Continuing Obligations, initially issued by Board Resolution No. 3-123-2017 dated 09/04/1439AH (27/12/2017).

These amendments constitute the largest group of regulatory improvements the Sukuk and debt instruments market has undergone since its launch. They aim to develop the regulatory framework for offering debt instruments in Saudi Arabia by decreasing requirements across various offering types (public offering, private placement, and exempt offering), with a view to attract a wider range of issuances and issuers. This, in turn, will deepen the Sukuk and debt instruments market, promote investment in these instruments, and enhance the Sukuk and debt instruments market standing as one of the main channels for business and economic financing.

### 3. Implementing Regulations Under Development<sup>1</sup>

With an aim to increase investor confidence and develop the capital market, CMA is working on a set of new implementing regulations, as follows:

1. **Draft Regulatory Framework to Regulate Secondary Offerings (Amendment to the Rules on the Offer of Securities and Continuing Obligations, the Instructions on Book-Building and Allocation of Shares in Initial Public Offerings, the Instructions on the Price Stabilization Mechanisms for Initial Public Offerings, and the Glossary of Defined Terms Used in CMA's Regulations and Rules)**

The Draft Framework seeks to regulate secondary offerings in the Saudi capital market.

The main elements of the Draft are as follows:

1. Regulating the requirements of appointing a financial advisor and submitting a notification to CMA in the event a shareholder intends to offer their shares in a listed company partially or fully through a secondary public offering or secondary offering in the parallel market.
  2. Regulating disclosure requirements for secondary offerings and preparing the relevant secondary offerings document to be filled.
  3. Outlining the provisions for applying the book building process and determining share allocation in the secondary offering.
  4. Outlining the provisions for the price stabilization mechanism in secondary offerings in main and parallel markets.
2. **Draft Controls for the Exclusion of Companies Listed in the Saudi Stock Exchange (Tadawul) from the Meaning of the Phrase (Non-Saudi) in Accordance with the Law of Real Estate Ownership and Investment by Non-Saudis**

With the aim of stimulating investment, raising capital market attractiveness and efficiency, enhancing its competitiveness regionally and internationally, and supporting the local economy by attracting foreign capital, the Draft Controls pave the way to exclude companies listed in the Saudi Stock Exchange (Tadawul) from the meaning of the phrase (Non-Saudi) in accordance with The Law Of Real Estate Ownership And Investment By Non-Saudis<sup>1</sup>.

1. Limited to projects published for public comment.

3. **Draft Amendments to the Investment Accounts Instructions, the Rules Governing Foreign Investment in Securities, and the Capital Market Institutions Regulations**

The Draft Amendments aim to facilitate procedures for opening and operating investment accounts for several capital market institutions client categories, while ensuring strengthened client protection. In addition, they seek to expand the scope of foreign natural persons eligible to invest in shares listed in the main market.

4. **Draft to Allow Public Funds to Subscribe to Debt Instruments Issued through Private Offerings**

The Draft aims to develop provisions governing public investment fund subscription to privately offered debt instruments. It expands the pool of issuers with debt instruments that public fund managers may subscribe to, in order to ultimately support the growth of the asset management industry.

5. **Draft to Amend the Provisions for Offering Private and Foreign Funds to Retail Clients**

The project aims to amend the Investment Funds Regulations requirements for offering private and foreign investment funds to retail investors, with the goal of enhancing investor protection.



## Second: CMA Methodology in Issuing and Developing its Implementing Rules and Regulations



As part of its responsibility to regulate and develop the capital market, CMA conducts public consultation regarding any draft that involves new implementing regulations before their issuance, as well as the development and modification of previously issued implementing regulations, taking into account the suggestions and feedback of experts and relevant interested parties. In 2024, CMA conducted 7 public consultations, receiving 330 responses.



**CMA methodology in processing responses received:**

1. Classifying and arranging all responses received, as per the draft implementing regulation articles they are relevant to.
2. Conducting a legal and technical examination (study) of responses.
3. Carrying out the amendments to the draft implementing regulations based on the results of the examination.

CMA also publishes a summary of the key points addressed in public consultation responses, along with its views thereon, on Istitlaa, the unified electronic platform for public and governmental opinion consultation.

Classification of public consultation responses completed during 2024: 7 public consultation cases were conducted during 2024, through which 223 responses were received, reviewed, and addressed as follows:

➤ 68

Responses had actions proposed in their regard

➤ 67

Responses were deemed inappropriate from technical and legal perspectives

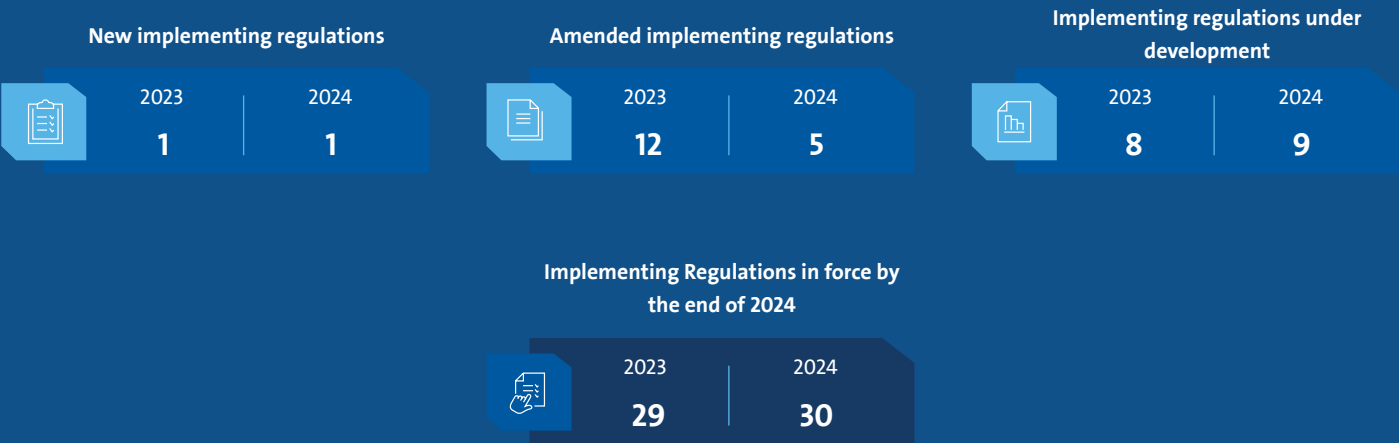
➤ 45

Inquiries or wording suggestions that do not require amendments

➤ 43

Responses already addressed within the law, its implementing regulations, or the draft

New, Amended, and Under Development Regulations in 2024





03





## **Chapter 03**

# **Capital Market Developments**

Section One: Securities Offerings and Registration, Listed Companies Actions,  
and Investment Products

Section Two: Securities Business





03



## **Section One**

# **Securities Offerings and Registration, Listed Companies Actions, and Investment Products.**

First: Securities Offerings and Registration, and Listed Companies Actions

Second: Assets Under Management

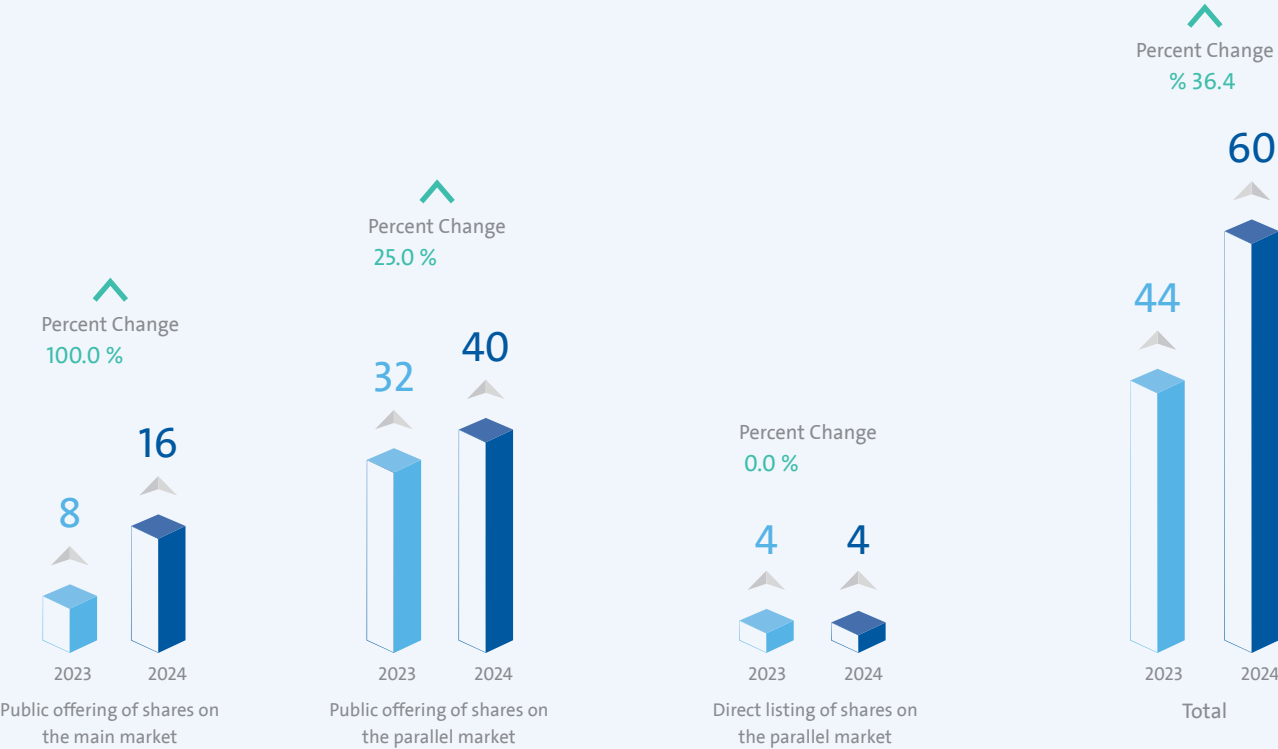
Third: Foreign Investment on the Saudi Capital Market

# First: Securities Offerings and Registration, and Listed Companies Actions

## 1. Offering and Registration of Shares

In 2024, there was an increase in the total number of public offering applications and share registrations approved by the CMA for both the main and parallel markets. The increase reached 36.4%, the total number of applications being 60, 66.6% of which were pertaining to the parallel market.

Chart (1): Total number of CMA-approved public offering applications on the main and parallel markets



13 companies’ shares were offered for initial public offering in the main market in 2024, and 27 companies’ shares were offered for initial public offering in the parallel market. One company made use of the new funding channel opened by the CMA and offered its shares with suspension of priority rights.

Table (6): Saudi Capital Market Offerings

Type	2023		2024	
	Total Value (million SAR)	Number	Total Value (million SAR)	Number
Value of the Initial Public Offering on the main and parallel markets	12,265.4	36	13,227.0	40
Value of the Secondary Public Offering on the main market	0.0	0	46,310.0	1
Private Placement <sup>1</sup>	3,983.0	39	4,043.0	22
Rights Issues <sup>2</sup>	2,885.0	6	7,824.0	8
Offering with suspension of priority rights	630.0	1	4,277.0	1
Total	19,763.4	82	71,681.7	72

1. Including received closure notifications of privately placed shares and combined proceeds.  
2. Including companies that listed rights issues in 2023 and 2024.

# Initial Public Offering (IPO)

In 2024, there was an increase in company shares offered in the capital market. The value of shares offered for public offering rose by 7.5% compared to 2023.

**Table (7): Companies that Partially Offered Their Shares for Public Subscription in 2024**

Market	Company Name	Subscription/ Offering Value (SAR million)	Ratio of Offered to Issued Shares	Over-Subscription (times) <sup>3</sup>		Individual Subscribers (thousand subscribers)
				Individuals <sup>1</sup>	Institutions <sup>2</sup>	
Main Market	MBC Group	831.3	10.0%	17.6	66.0	359.5
	Middle East Pharmaceutical Industries Company (Avalon Pharma)	492.0	30.0%	54.3	138.7	807.5
	Modern Mills Company SJSC	1,178.4	30.0%	21.9	127.0	966.7
	Dr. Soliman Fakeeh Hospital (DSFH)	2,863.5	21.0%	14.5	119.0	1,340.2
	Miyahuna Company	555.2	30.0%	6.1	170.0	315.7
	Saudi Manpower Solutions Company (SMASCO)	900.0	30.0%	13.0	128.9	1,065.4
	Al-Taiseer Group Talco Industrial Company	516.0	30.0%	17.4	68.0	685.9
	Rasan Information Technology Co.	841.4	30.0%	12.8	131.0	664.3
	Al Majed Oud Company SJSC	705.0	30.0%	8.2	156.5	236.1
	Arabian Mills for Food Products Company SCJSC	1,016.0	30.0%	8.2	9.0	264.2
	Fourth Milling Company	858.6	30.0%	3.9	11.2	197.9
	Tamkeen Human Resources Co.	397.5	30.0%	14.4	13.8	389.0
	United International Holding Company SJSC	990.0	30.0%	9.1	132.0	214.9
	Wasm Al-Aamal Information Technology Company	19.1	20.0%	4.0	4.1	0.8
Parallel Market	Al-Mudawat Specialized Medical Co.	52.7	20.0%	1.4	1.4	0.3
	Abr Al Khaleej Marketing Company	30.6	12.0%	1.1	1.1	0.1
	Quara Finance Company	39.8	8.8%	2.1	2.1	0.2
	Al Muhafaza Education Co.	28.8	20.0%	3.2	3.2	0.3
	Taqat Co.	43.9	20.0%	1.1	1.1	0.3

Market	Company Name	Subscription/ Offering Value (SAR million)	Ratio of Offered to Issued Shares	Over-Subscription (times) <sup>3</sup>		Individual Subscribers (thousand subscribers)
				Individuals <sup>1</sup>	Institutions <sup>2</sup>	
Parallel Market	Qomel Co.	40.0	14.3%	2.7	2.8	0.8
	Mohammad Hadi Al Rasheed Co	40.3	12.0%	6.8	6.9	0.8
	Al Ofoq (Horizon) Education Co.	27.0	20.0%	6.8	6.9	0.9
	Neft Al Sharq Co. for Chemical Industries	18.0	20.0%	4.9	5.0	1.0
	Yaqeen Capital	120.0	20.0%	1.1	1.1	1.3
	Leaf Global Environmental Services	75.0	30.0%	1.3	1.3	0.7
	Al-Ashghal Al-Moysra Company	24.0	20.0%	4.3	4.1	0.4
	ASG Plastic Factory Company SCJSC	33.0	10.6%	3.2	3.2	0.7
	Tharwah Company	43.8	15.0%	1.1	1.1	0.6
	First Avenue for Real Estate Development	98.5	8.0%	10.2	7.1	0.8
	Sama Healthy Water Factory Co SJSC	27.0	20.0%	2.4	2.4	0.7
	Shalfa Group	38.4	15.0%	16.8	17.8	1.5
	Purity IT	24.0	20.0%	5.9	6.1	1.1
	Mufeed Co	46.2	9.1%	5.1	5.2	1.3
	AlFakhera Tailoring Co.	36.0	16.7%	2.7	2.7	1.0
	Jana Medical Co.	28.3	20.0%	1.5	1.5	1.0
	Multi Business Group for Projects	45.0	20.0%	2.6	2.7	1.2
	Arabian Star Co.	17.6	20.0%	15.7	16.7	1.4
	Digital Research Company	28.0	20.0%	3.1	3.2	1.3
	Balsm Alofoq Medical Company CJSC	15.0	20.0%	16.8	17.7	1.4
	Al Battal Factory for Chemical Industries Company	42.2	20.1%	2.0	2.0	0.7
Total		13,227.0				7,529.8

1. Over-subscription was calculated by dividing the number of shares subscribed by individuals by the number of allocated shares.

2. Over-subscription was calculated by dividing the number of shares subscribed by companies by the number of allocated shares.

3. Number of over-subscriptions on the parallel market is by qualified investors, be it individuals or institutions, and individual subscribers on the parallel market are defined as qualified investors.

Three companies registered their shares for direct listing on the parallel market in 2024, with a total offering value upon listing reaching SAR 1,265.2 million.

Table (8): Companies That Registered Their Shares for Direct Listing on the Parallel Market in 2024

Company	Offering value upon listing (SAR million)
Miral Dental Clinic Co.	200.0
Naas Petrol Co.	147.0
Arabian United Float Glass Company	918.2
Total	1,265.2

Table (9): Individual Subscriptions Categorized by Subscription Channels on the Main Market (Before Returning Over-Subscribed Amounts)

Subscription Channel	Number (Subscribers)			Value before returning over-subscribed amounts (million SAR)		
	2023	2024	Out of total (%)	2023	2024	Out of total (%)
Phone Banking	13,664	223,577	3.0%	491.3	460.0	2.4%
E-Channels	3,586,399	6,340,511	84.4%	10,579.0	16,441.6	84.2%
Bank Branches	51,545	53,511	0.7%	1,773.5	430.5	2.2%
ATMs	165,624	890,857	11.9%	34.3	2,187.6	11.2%
Total	3,817,232	7,508,456	100.0%	12,878.0	19,516.7	100.0%



## 2. Listed Companies Actions

Chart (2): Percentage change in the capital of listed companies according to the 2024 capital adjustment method

	Rights Issue Shares	Issuing Shares with Suspension of Priority Rights	Bonus Shares	Capital Reductions	Acquisitions	Debt Transfers
Percentage Change	97%	30%	37%	-42%	4%	2%
Number of Operations	8	1	29	6	3	1

## 3. Offering of Sukuk and Debt Instruments<sup>1</sup>

The total proceeds from Sukuk and debt instrument offerings in 2024 reached SAR 40.43 billion, of which SAR 39.43 billion were raised through private placements offerings and SAR 1 billion were raised through public offerings.

➤ **40.43** billion

Total proceeds from Sukuk and debt instrument offerings

➤ **39.43** billion

Private placement offerings

➤ **1.0** billion

Public offerings

1. Does not include debt instruments issued by the government of Saudi Arabia, which are considered exempt offerings.

The Sukuk and debt instrument market was marked with several positive developments summarized as follows:

- ▶ Regulating market-making for the Sukuk and debt instruments market to increase liquidity and broaden the investor base.
- ▶ Licensing TradeWeb to conduct market activities within the Alternative Trading System category, thus diversifying access channels and enhancing liquidity in the Sukuk and debt instruments market.
- ▶ The Ministry of Finance and the National Debt Management Center (NDMC) launched “Sah”, a government savings Sukuk product for individuals, designed to increase personal savings rates, promote financial literacy, and raise awareness about the importance of saving for future goals.
- ▶ The Ministry of Finance and the National Debt Management Center (NDMC) added five capital market institutions to the Primary Dealers Program, contributing to diversifying access channels for government Sukuk and expanding the investor base.
- ▶ Reducing the minimum issuance value for Sukuk and bonds from SAR 50 million (for issuers with listed securities) and SAR 100 million (for issuers without listed securities) to SAR 5 million, further deepening of the listed Sukuk and debt instruments market.
- ▶ Lowering and improving regulatory requirements for the offering of debt instruments, including exempt offerings, private placements, and public offerings, with a view to stimulate issuances and deepen the Sukuk and debt instruments market. For instance, Saudi development funds, sovereign funds, and development banks were allowed to offer debt instruments through exempt offerings under specific conditions, providing greater flexibility in meeting their financing needs through the debt instruments market and supporting national strategic and developmental goals. Requirements for preparing a prospectus for public offerings were also reduced. For example, supporting documents for debt instrument prospectuses were decreased by over 50%. Furthermore, regulations for public offerings of debt instruments were developed into a standalone chapter to improve clarity around the regulatory framework for Sukuk and debt instrument offerings. With regard to private placements, CMA canceled the notification period which was prior to launching the offering. Under the amended regulations, local issuers can now notify the CMA and proceed immediately with the offering. This change helps companies meet their financing needs more efficiently and accelerate issuers’ access to financing through the Sukuk and debt instruments market.
- ▶ Introducing omnibus accounts, which allow the registration or recording of client securities under the name of the capital market institution. Such a step develops trading mechanisms available in the Saudi capital market and encourages investment, all while increasing market attractiveness and efficiency, particularly in the debt instruments market.
- ▶ Offering capital market institution clients the opportunity to benefit from the funds deposited in their accounts by investing them and earning returns. Examples of investment products include government Sukuk. This initiative aims to increase liquidity in the Sukuk and debt instruments market.

Chart (3): The number of Sukuk and debt instruments listed on the Saudi Stock Exchange (Tadawul)

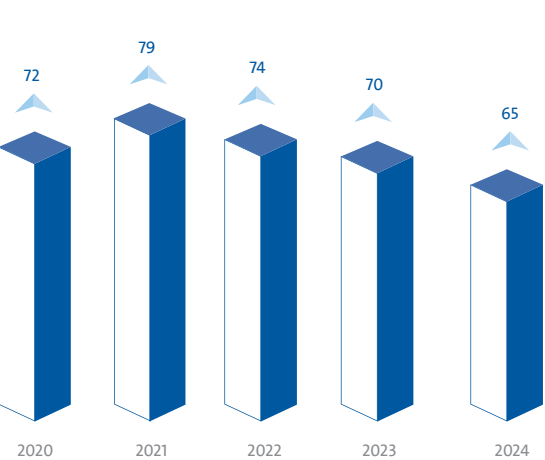


Chart (4): The value of traded Sukuk and debt instruments listed on the Saudi Stock Exchange (Tadawul) (Million SAR)

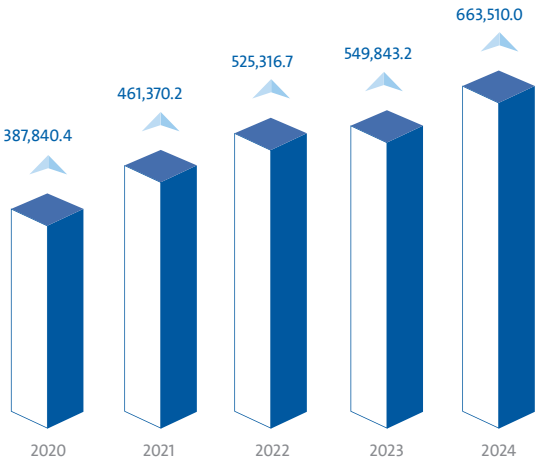


Chart (5): The number of executed transactions relating to Sukuk and debt instruments listed on the Saudi Stock Exchange (Tadawul)

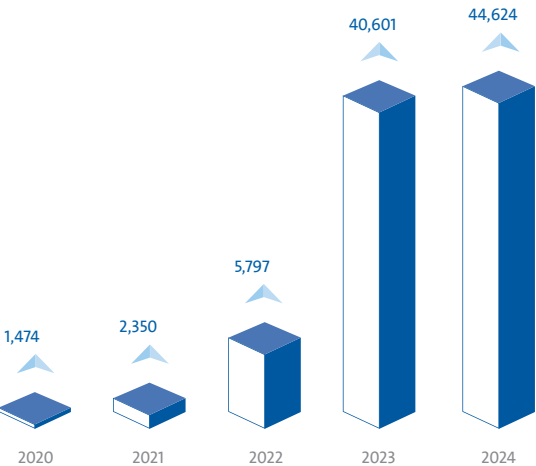
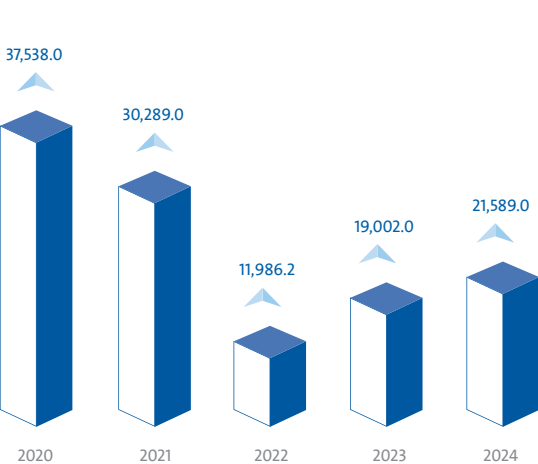


Chart (6): The value of executed transactions relating to Sukuk and debt instruments listed on the Saudi Stock Market (Tadawul) (Million SAR)



## Second: Assets Under Management

### 1. Issuance of Investment Products

In 2024, CMA approved the offering of:

44

### Investment funds



In 2024, CMA received:

➤ **550** requests

For amendments related to investment products, which included notifications and approval requests. CMA successfully settled 548 of these requests, accounting for a settlement rate of 99.6%.

➤ **576** completed notifications

Concerning private placements for an investment fund.

The total assets under management increased by 20.9% at the end of 2024.

Table (10): Total Value of Assets Under Management

Item (million SAR)	2023	2024	Annual Change (%)
Total Assets of Investment Funds	558,225.7	699,054.5	25.2%
Total Assets of Discretionary Portfolios Under Management	313,034.1	353,874.7	13.0%
Total Assets Under Management	871,259.8	1,052,929.2	20.9%

2. Investment Funds

By the end of 2024, the value of investment fund assets rose by 25.2% compared to the previous year, coupled with an increase in the number of subscribers, which reached 1.7 million, marking a 47.0% growth from 2023.

Table (11): Investment Funds Sector Indicators<sup>1</sup>

Item	2023			2024			Total Annual Change (%)
	Public	Private	Total	Public	Private	Total	
Number of Funds	291	994	1,285	325	1,224	1,549	20.5%
Number of Subscribers	1,080,455	92,410	1,172,865	1,571,635	152,405	1,724,040	47.0%
Asset Value (million SAR)	122,577.5	435,648.2	558,225.7	174,449.9	524,604.6	699,054.5	25.2%
Asset Value (million SAR)	122,577.5	435,648.2	558,225.7	174,449.9	524,604.6	699,054.5	25.2%

1. Including Exchange Traded Funds (ETFs) and Traded Real Estate Investment Trusts (REITs)

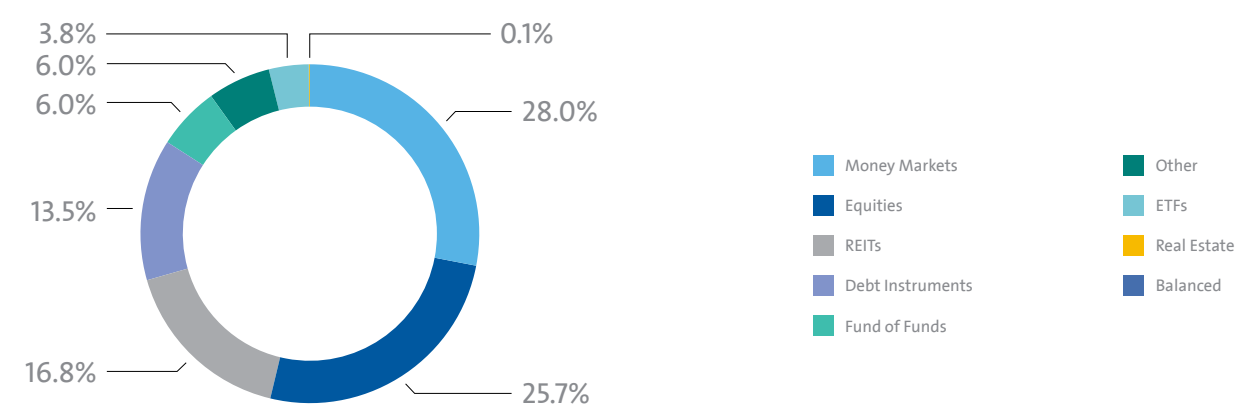
## 2.1 Public Investment Funds

By the end of 2024, publicly offered investment funds represented 25.0% of the overall value of fund assets. In addition, there was a growth of 45.5% in the number of subscribers to public investment funds, totaling 1,571,635 subscribers.

Table (12): Public Investment Fund Indicators, Classified by Type of Investment

Type of Investment	Number of Funds			Number of Subscribers			Asset Value (million SAR)		
	Number of Funds	Number of Subscribers	Asset Value (million SAR)	2023	2024	Change (%)	2023	2024	Change (%)
	2023	2024	Change (%)	2023	2024	Change (%)	2023	2024	Change (%)
Equities	132	144	9.1%	209,124	410,796	96.4%	28,233.0	44,812.1	58.7%
Debt Instruments	18	21	16.7%	9,154	11,632	27.1%	23,041.7	23,599.8	2.4%
Money Markets	46	47	2.2%	37,821	66,978	77.1%	39,616.9	48,929.4	59.8%
Real Estate	4	3	-25.0%	2,015	1,966	-2.4%	295.2	239.7	-18.8%
Fund of Funds (FoF)	25	30	20.0%	50,576	85,075	68.2%	4,592.8	10,408.3	126.5%
Balanced	1	1	0.0%	317	412	30.0%	59.7	45.9	-23.1%
Exchange-traded Funds (ETFs)	9	12	33.3%	17,007	23,780	39.8%	647.1	6,697.2	935.0%
Real Estate Investment Trusts (REITs)	19	20	5.3%	550,543	513,588	-6.7%	27,727.0	29,314.2	5.7%
Other	37	47	27.0%	203,888	457,408	124.3%	7,362.1	10,403.4	41.3%
Total	291	325	11.7%	1,080,455	1,571,635	45.5%	122,577.5	174,499.9	42.3%

Chart (7): Breakdown of public investment funds assets by investment type in 2024



## 2.1.1 Public Funds Invested in Equities

Indicators of public funds invested in equities, classified geographically (2024)





## 2.2 Private Investment Funds

By the end of 2024, privately offered investment funds represented 75.0% of the total asset value of funds. Furthermore, there was an increase of 64.9% in the number of subscribers to private investment funds, totaling 152,405 subscribers.

Table (13): Private Investment Fund Indicators, Classified by Type of Investment<sup>1</sup>

Type of Investment	Number of Funds			Number of Subscribers			Asset Value (million SAR)		
	2032	2024	(%) Change	2023	2024	(%) Change	2023	2024	(%) Change
Equities	181	190	5.0%	1,209	3,130	158.9%	205,102.6	196,114.2	-4.4%
Private Equities	163	200	22.7%	6,666	12,052	80.8%	19,934.1	27,509.4	38.0%
Venture Capital	27	34	25.9%	824	834	1.2%	2,460.9	4,003.9	62.7%
Debt Instruments	31	37	19.4%	973	2,581	165.3%	12,686.2	14,446.6	13.9%
Money Markets	10	12	20.0%	503	494	-1.8%	3,679.2	4,012.7	9.1%
Real Estate	403	551	36.7%	61,128	108,130	76.9%	164,233.4	232,996.0	41.9%
Commodities	3	4	33.3%	2	4	100.0%	5.6	426.2	7470.4%
Multi-Asset	119	127	6.7%	602	734	21.9%	24,596.3	39,876.2	62.1%
Feeder	22	26	18.2%	215	280	30.2%	801.7	1,967.6	145.4%
Finance	30	40	33.3%	20,287	24,165	19.1%	2,117.1	3,219.4	52.1%
Endowment	5	3	-40.0%	1	1	0.0%	31.1	32.5	2.5%
Total	994	1,224	23.1%	92,410	152,405	64.8%	435,648.2	524,604.6	20.4%

1. including funds in offering period.

### 2.3 Exchange-traded Funds (ETFs)

In 2024, the number of subscribers to Exchange-Traded Funds increased by 39.8% compared to the previous year.

Table (14): Exchange-Traded Funds (ETFs)

Fund	Asset Value (million SAR)			Number of Subscribers		
	2023	2024	(%) Change	2023	2024	(%) Change
Yaqeen30	50.5	47.9	-5.0%	3,514	3,154	-10.2%
Yaqeen Petrochemical	5.8	6.8	16.5%	813	1,149	41.3%
Alawwal Invest MSCI Tadawul 30 Saudi ETF	9.8	8.0	-18.6%	697	820	17.6%
Alinma Saudi Government Sukuk ETF – Short Maturity	424.0	431.8	1.8%	640	1,371	114.2%
Albilad Saudi Sovereign Sukuk ETF	92.5	76.6	-17.2%	4,506	4,465	-0.9%
Albilad Gold ETF	40.5	40.5	0.0%	4,444	5,676	27.7%
Albilad MSCI US Equity ETF	11.5	12.1	%5.3	1,446	1,494	%3.3
11.5	12.1	5.3%	1,446	1,494	3.3%	%75.2
Albilad MSCI US Tech ETF	-	17.1	-	-	1,121	-
12.6	13.2	5.0%	947	1,659	75.2%	-
Albilad MSCI Saudi Growth ETF		17.1			1,121	
Albilad CSOP MSCI Hong Kong China ETF		4,219.6			1,165	
Yaqeen S&P ESG MENA ETF		10.0			1	
SAB Invest Hang Seng Hong Kong ETF		1,813.6			1,705	
Total	6471	6,697.2	935.0%	17,007	23,780	39.8%

## 2.4 Real Estate Investment Trusts (REITs)

In 2024, the number of subscribers to Real Estate Investment Trusts (REITs) witnessed a 6.7% decrease compared to the previous year, reaching a total of 513,000 subscribers.

Table (15): Real Estate Investment Trusts (REITs) at the End of 2024

Fund	Asset Value (million SAR)			Number of Subscribers		
	2023	2024	(%) Change	2023	2024	(%) Change
Riyad REIT	3,069.4	3,013.6	-1.8%	26,848	26,461	-1.4%
Al Jazira Mawten REIT	84.8	84.8	0.0%	5,404	5,404	0.0%
Jadwa REIT Al Haramain	749.3	735.3	-1.9%	11,083	10,918	-1.5%
Taleem REIT	854.0	857.3	0.4%	10,370	9,927	-4.3%
Al Maather REIT	867.0	884.5	2.0%	10,062	10,361	3.0%
Musharaka REIT	1,552.2	1,606.0	3.5%	13,432	12,624	-6.0%
Mulkia REIT	1,375.5	1,642.3	19.4%	30,637	30,498	-15.4
Sico Saudi REIT	536.2	424.7	-20.8%	8,420	8,850	5.1%
Al-Ahli REIT1	1,996.1	2,016.6	1.0%	13,760	13,838	0.6%
Derayah REIT	1,638.1	1,527.3	-6.8%	30,653	28,212	-6.0%
Al-Rajhi REIT	3,132.8	3,155.5	0.7%	153,284	124,560	-18.7%
Jadwa REIT Saudi	2,215.6	2,338.2	5.5%	13,468	14,414	7.2%
Sedco Capital REIT	2,453.8	2,473.6	0.8%	91,424	77,880	-14.8%
Alinma Retail REIT	975.7	1,071.7	9.8%	14,877	14,673	-1.4%
MEFIC REIT	1031.8	997.1	-3.4%	15,120	13,632	-9.8%
Bonyan REIT	1,908.3	2,006.0	5.1%	15,461	14,318	-7.4%
Alkhabeer REIT	2,017.4	2,025.8	0.4%	32,020	29,720	-7.2%
Alwaha REIT	177.9	196.6	10.5%	84	87	3.6%
Alinma Hospitality REIT	1,091.3	1,052.8	-3.5%	48,736	43,582	-10.6%
Alistithmar AREIC Diversified REIT1		1,204.4			23,029	
<b>Total</b>	<b>27,727.0</b>	<b>29,314.2</b>	<b>5.7%</b>	<b>550,543</b>	<b>513,588</b>	<b>-6.7%</b>

1. No data available because the fund was established and listed in 2024.

### 3. Discretionary Portfolios

The value of discretionary portfolios increased by 13.1% by the end of 2024, reaching SAR 353.9 billion.

Table (16): Asset Value of Discretionary Portfolios, Classified by Type of Investment

Type of Investment	Asset Value (million SAR)		Change (%)
	2023	2024	
Local Equities	140,644.8	166,798.3	18.6%
International Equities	11,554.7	10,835.3	-6.2%
Debt Instruments	16,685.3	21,068.8	26.3%
Investment Funds	20,837.2	28,341.7	36.0%
Other	123,312.1	126,830.5	2.9%
Total	313,034.1	353,874.7	13.0%



### Third: Foreign Investments in the Saudi Capital Market

The main capital market recorded an increase in foreign investments. By the end of 2024, net foreign investments totaled around SAR 218 billion, reflecting an increase of 10.1% compared 2023. Moreover, the value of foreign investors' ownership continued to rise in 2024, reaching SAR 423 billion, constituting 111.0% of the free shares on the main market.

Chart (8): Net foreign investments<sup>1</sup> (billion SAR) until the end of 2024

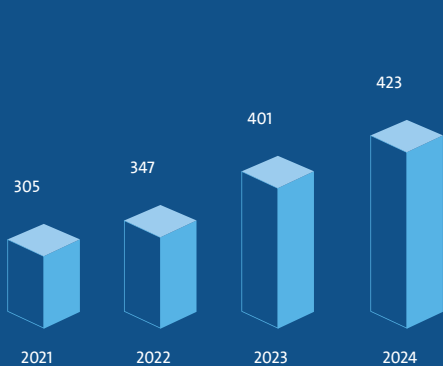


Chart (9): Value of foreign investors' ownership in the Saudi Capital Market (billion SAR) by the end of 2024

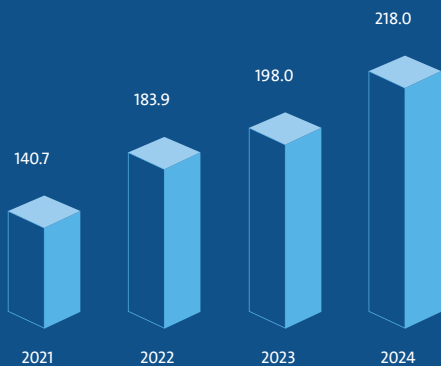
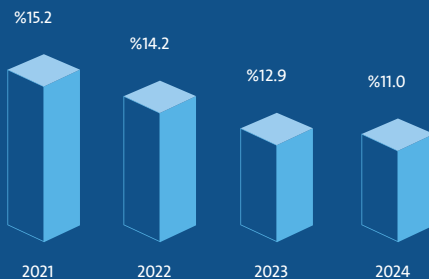


Chart (10): Percentage of foreign investors' ownership<sup>2</sup> of free shares on the main market by the end of 2024



1. Net foreign investment refers to net buying and selling transactions and is presented cumulatively from 2019 onwards.  
2. The decrease in foreign investor ownership of free shares in the main market is attributed to the increase in free shares' market value due to the transfer of a part of government ownership in ARAMCO to the Public Investment Fund. This increase was not met by an increase in Saudi market weight in international indicators, due to different calculation methods of free shares. The value of foreign investor ownership in the Saudi capital market witnessed an increase, reaching SAR 423 billion by the end of 2024, compared to SAR 401 billion at the end of 2023.



03





## **Section Two: Securities Business**

First: Licenses

Second: Inspection, Capital Adequacy, Anti-Money Laundering, and Combatting  
Terrorist Financing

Third: Performance of Capital Market Institutions

Fourth: Registered Accounting Firms and Certified Public Accountants

# First: Licenses

## 1. Decisions Regarding Licensing to Conduct Securities Business

Table (17): Number of Licensing Decisions, by Type of Decision

Type of Decision		2024	Percentage of the Annual Change
New License		25	%0.0
License Amendment	Activity Added	17	%54.6
	Activity Canceled	2	%33.3-
License Cancellation		1	%0.0
License Revocation		1	%0.0
Total		46	%15.0

▶ 163

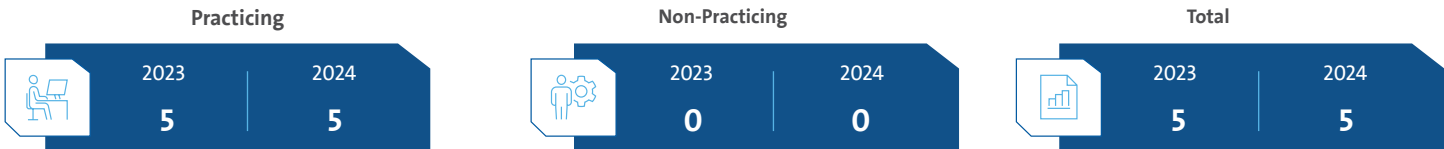
Number of licensed capital market institutions  
in 2023

▶ 186

Number of licensed capital market institutions  
in 2024

## 2. Credit Rating Licenses

Credit rating activity licenses, by work practice



3. Special Purpose Entities

➤ **945** entities

Licensed by the end of 2024

➤ **103.6%**

Change in special purpose entities compared to 2023

➤ **815**

Debt instruments issuing entities in 2024

➤ **130**

Investment units issuing entities in 2024

4. Financial Technology Products «Fintech» in the Saudi Capital Market

CMA plays an important role in developing financial technology (FinTech) in Saudi Arabia. It continuously works on developing legislative and regulatory frameworks that support FinTech products in the capital market and providing mechanisms that attract innovative business models and modern technologies that create new opportunities to facilitate financing and stimulate investment. This helps build economic entities that foster greater diversity and depth in the financial sector, in line with the objectives of the Financial Sector Development Program.

In achievement of the Kingdom’s ambition to become a leading global hub for financial technology, the first Fintech 24 International Conference was launched, attended by many prominent regulatory authorities, policymakers, investors, technology experts, and academics, attracting more than 37,000 visitors, 300 exhibiting entities, and 350 investors.

Moreover, the «Makken» Program was activated to provide solutions for challenges faced by early-stage FinTech startups and equip them with technical support and other facilities, with a view to achieve the FinTech Strategy goals under the Financial Sector Development Program. CMA also took part in organizing promotional tours, for example to India and China, to showcase Saudi Arabia’s FinTech ecosystem and attract FinTech companies and sector expertise.

Table (18): FinTech Lab Rounds

	Third Round	Fourth Round	Fifth Round <sup>1</sup>	Sixth Round	Seventh Round	Eighth Round
End Date	30/01/2020	30/11/2020	15/12/2021	15/08/2022	23/11/2023	31/11/2024
Number of Applicants	44	58	95	76	81	69

1. Updates to the Financial Technology Experimental Permit Instructions included changes to the mechanism for receiving applications

In 2024, CMA approved four financial technology experimentation permits. These include four permits for investment funds and Real Estate Investment Trusts (REITs) distribution model, three permits for the debt offering and investment model, four permits for the robo-advisor model, and one permit for the social trading model. The total number of valid permits reached 46 by the end of 2024.

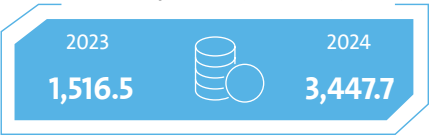
Table (19): Licenses for Existing Technology Experiments

Authorized Financial Technology Model	Number of Permits in 2023	Number of Permits in 2024
Crowdfunding	1	1
Robo-Advisor	7	11
Introducing and Investing in Debt Instruments	14	17
Using Distributed Ledger Technology for Securities Issuance and Preservation	1	0
Social Trading	1	2
Distribution Platform of Investment Funds and Real Estate Investment Trusts (REITs)	13	14
AI-Powered Consultation Model	1	1
Total Number of Permits	38	46

The total value of portfolios managed through robo-advisor platforms (million SAR)



The total value of Sukuk issued through debt instruments platforms (million SAR)



The amount of funds raised through crowdfunding platforms (million SAR)



Number of investors benefiting from the services of FinTech companies, categorized by group:<sup>1</sup>

Retails Investors



Qualified Investors



Institutional Investors



Total



1. Includes investors who benefit from FinTech services provided by capital market institutions.

5. Workforce in the Capital Market Sector

Capital market institution employees

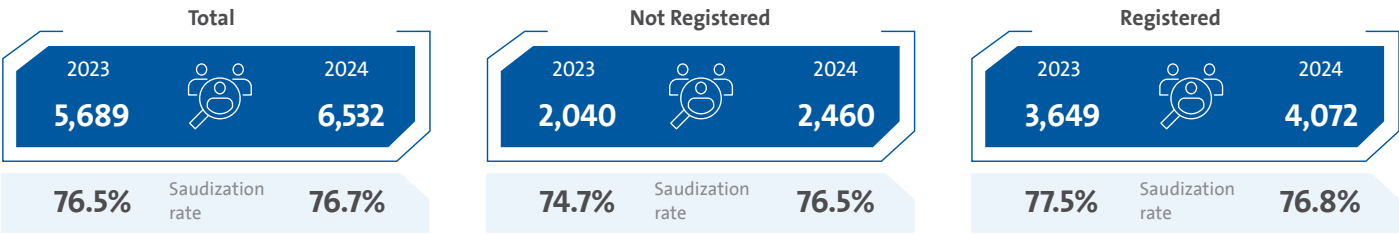
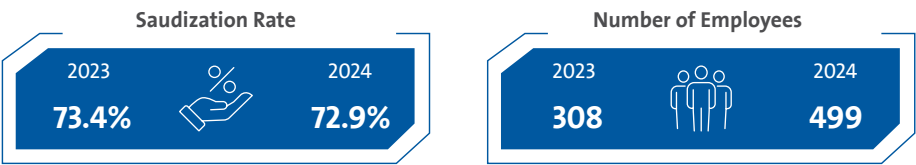


Table (20): Employees Working in Market Infrastructure Institutions and the Saudization Rate

Company	Number of Employees1		Saudization rate	
	2023	2024	2023	2024
Securities Clearing Center (Muqassa)	42	39	76.0%	85.0%
Securities Depository Center (Edaa)	68	73	94.1%	96.0%
Saudi Tadawul Group	77	75	92.0%	88.0%
Total	187	187	89.3%	90%

Employees working in licensed FinTech companies and the Saudization Rate



# Second: Inspection, Capital Adequacy, Anti-Money Laundering, and Combatting Terrorist Financing

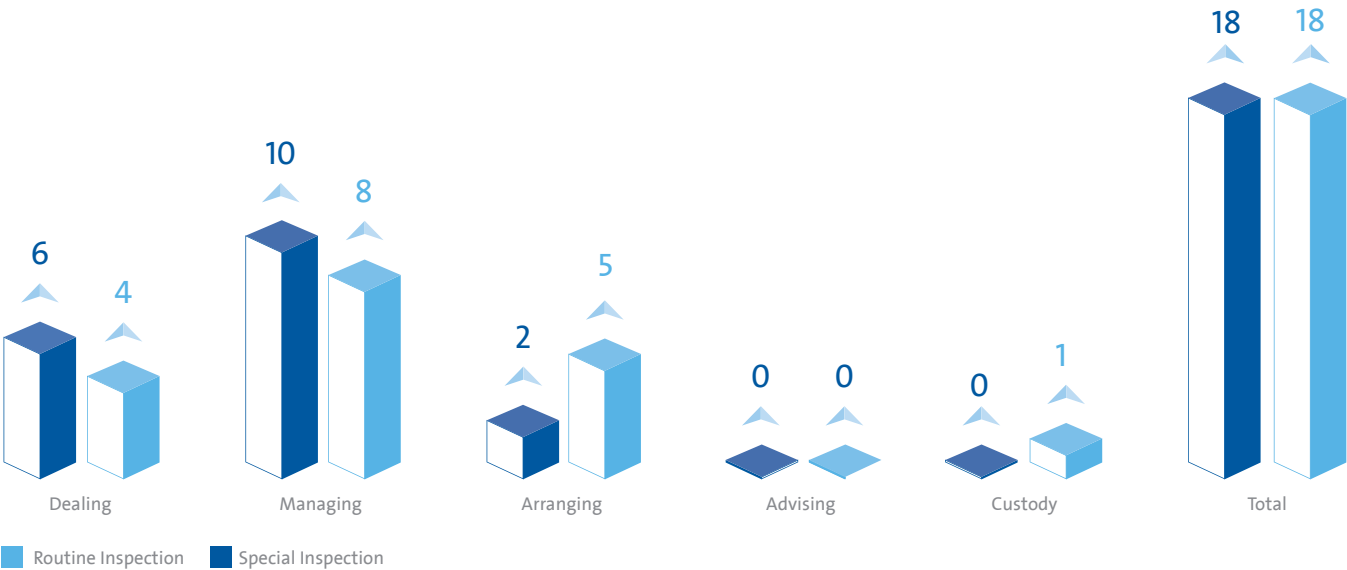
## Inspection

Table (21): Inspections on Capital Market Institutions

Item	Number		Saudization rate
	2023	2024	
Capital Market Institutions Covered by Cycle Inspections	13		9
Capital Market Institutions Covered by For-Cause Inspections	24 <sup>1</sup>		352
Capital Market Institutions Covered by Limited-Scope Inspections	N/A		16

The inspection activities of capital market institutions are categorized based on the types of licenses held by those institutions. In 2024, inspection activities included a total of 36 licenses, including 18 routine inspections and 18 special inspections.

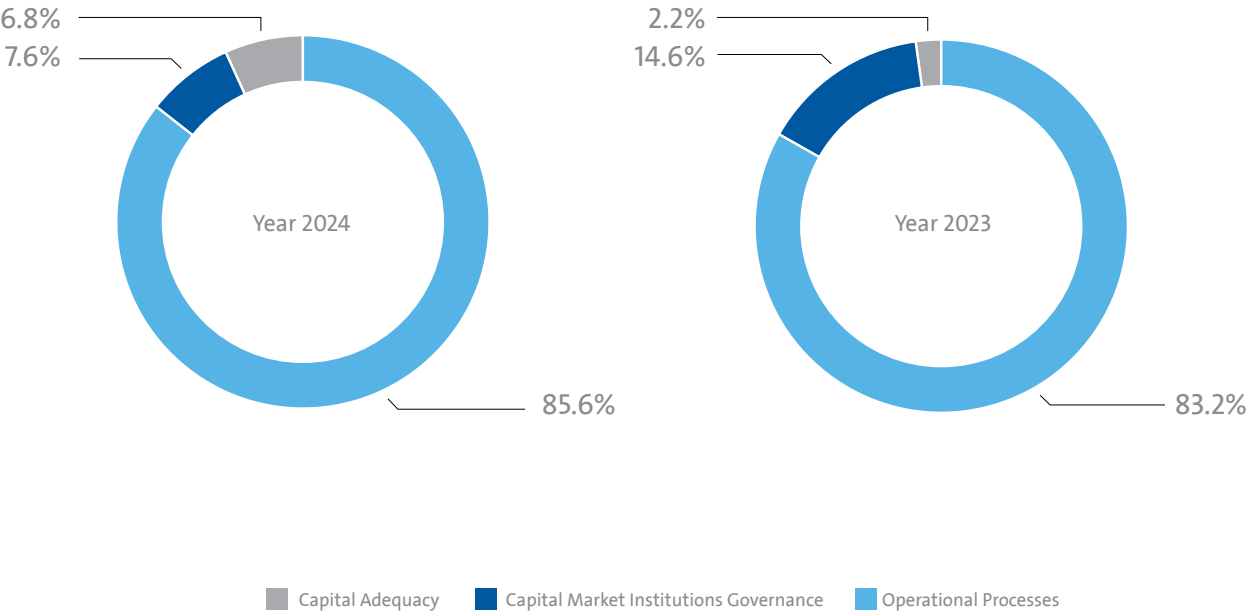
Chart (11): Number of licenses covered by inspection activities in 2024



1. Covering 33 cases and 10 field inspections.  
2. Covering 49 cases and 10 field inspections.

In 2024, the cycle inspections of capital market institutions resulted in a number of observations concerning their compliance with the laws and regulations enforced by the CMA.

Chart (12): Percentage of observations from routine inspections, by subject-matter





Capital Adequacy

» Capital Adequacy of Capital Market Institutions

Capital market institutions were categorized into three groups based on their securities business, to ensure their capital adequacy:

1. Capital market institutions licensed to engage in dealing, and/or managing, and/or custody activities

▶ 26.3%

Capital adequacy rate in 2024

▶ SAR 42,880 million

Total Working Capital Base in 2024

▶ SAR 162,837 million

Total risk-weighted assets

Table (22): Capital Adequacy Requirements for Capital Market Institutions Licensed to Engage in Dealing and/or Managing and/or Custody Activities

Item	Saudi-Affiliated Banks		Local		Regional		International		Average or Total	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Capital Adequacy Rate <sup>1</sup>	29.7%	28.1%	16.8%	17.3%	32.9%	21.9%	70.1%	78.4%	27.7%	26.3%
Capital Base (million SAR)	24,790	29,663	6,808	7,613	1,641	1,876	3,403	3,728	36,642	42,880
Total Risk-Weighted Assets <sup>2</sup> (million SAR)	83,586	105,422	40,520	44,078	4,984	8,581	4,854	4,755	133,943	162,837
Credit Risks <sup>3</sup> (million SAR)	65,948	86,665	24,588	27,725	2,360	3,159	1,310	1,402	94,205	118,952
Market Risks <sup>4</sup> (million SAR)	5,803	3,899	636	776	320	1,368	240	232	6,999	6,274
Operational Risks <sup>5</sup> (million SAR)	11,835	14,858	5,504	6,380	1,013	1,410	2,022	2,380	20,375	25,028
Concentration Risks <sup>6</sup>	0	0	9,792	9,197	1,291	2,644	1,281	741	12,364	12,582

1. The method of presenting the capital adequacy ratio in accordance with Basel Regulations.
2. The value covers the sum of credit risk, market risk, operational risk, and concentration risk.
3. Loss risks faced by capital market institutions resulting from changes in the creditworthiness of securities issuers, counterparties, and debtors.
4. Loss risks faced by capital market institutions resulting from market value fluctuations of assets, liabilities, and financial instruments.
5. Loss risks faced by capital market institutions resulting from a deficiency or defect in capital market institution procedures

2. Capital market institutions licensed to engage in arranging and/or advising activities

Capital adequacy regulations require capital market institutions licensed to conduct arranging and/or advisory activities to maintain, at all times, a capital base of no less than 25% of the capital requirements based on expenses.

Table (23): Capital Adequacy Requirements for Capital Market Institutions Licensed to Engage in Arranging and/or Advisory Activities

Item	Arranging and/or Advising Activities	
	3202	4202
Capital Adequacy Rate	237%	247%
Capital Base (million SAR)	251	284
Capital Requirement Based on Expenses	106	115

The capital adequacy rate for capital market institutions licensed to conduct arranging and/or advisory activities reached 247.9% by the end of 2024, compared to 237.8% by the end of 2023.

3. Capital Market Institutions Licensed to Engage in Investment Management Activities

Capital adequacy regulations require capital market institutions licensed to conduct investment management activities to maintain, at all times, a capital base of no less than 50% of the capital requirements based on expenses.

Table (24): Capital Adequacy Requirements for Capital Market Institutions Licensed to Engage in Investment Management Activities (million SAR)

Item	Investment Management Activities	
	3202	4202
Capital Adequacy Rate	217%	118%
Capital Base (million SAR)	180	145
Capital Requirement Based on Expenses	83	123

The capital adequacy rate for capital market institutions licensed to conduct investment management activities reached 118.4% by the end of 2024, compared to 216.3% by the end of 2023.

Table (25): AML/CFT Activities, Classified According to the Requisitioner

Type of Transactions	2023	2024	Change (%)
Requests from Government Entities	5,046	6,733	33.4%
Requests and Inquiries from Capital Market Institutions	101	163	61.4%
Total	5,147	6,896	34.0%

Table (26): Cycle Onsite AML/CFT Inspections

Type of Transactions	2023	2024	Change (%)
Visits	17	10	-4.2%



# Third: Capital Market Institutions Performance

## 1. Capital Market Institutions Performance Indicators

The net profit of capital market institutions reached SAR 8.8 billion in 2024, representing a 39.3% increase compared to the previous year. The capital market institutions affiliated with Saudi banks recorded profits amounting to SAR 6.5 billion, accounting for 73.7% of the total profits of capital market institutions during 2024.

Table (27): Performance Indicators of Capital Market Institutions (Million SAR)<sup>1</sup>

Item	Licensed and Affiliated with Saudi Banks		Licensed and Local (Saudi)		Licensed and Regional		Licensed and International		Licensed for Arranging and/ or Advising Activities		Licensed for Investment Management Activities		Total	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Total Paid-Up Capital	6,990	7,290	5,407	5,847	1,406	1,446	3,080	3,189	297	340	168	154	17,348	18,266
Total Assets	42,723	56,814	9,960	10,930	2,126	2,703	4,438	4,906	442	569	322	379	60,010	76,300
Total Liabilities	14,269	22,538	2,150	2,281	266	436	761	839	158	230	100	179	17,705	26,502
Total Ownership Rights	28,453	34,276	7,810	8,649	1,860	2,267	3,677	4,067	284	339	222	200	42,306	49,798
Revenues	8,511	11,243	2,765	3,586	589	949	1,045	1,305	133	139	451	262	13,494	17,484
Profits/ Losses	4,862	6,513	1,077	1,585	170	396	218	291	15	18	-2	32	6,340	8,834

1.The data in this table differs from the previous year as a result of separating the data of capital market institutions licensed for investment management from those licensed for arranging and/or advisory activities, due to the increase in the number of institutions licensed for investment management.

## 2. Capital Market Institutions Sources of Revenue

In 2024, the revenue generated from capital market institutions asset-management activities reached approximately SAR 5.8 billion, accounting for 33.2% of the total revenue. Revenues from investment grew by 36.5% in 2024.

Table (28): Sources of Revenue for Capital Market Institutions (Million SAR)

Source of Revenue	Bank-Affiliated Capital Market Institutions		Saudi Capital Market Institutions		Regional Capital Market Institutions		International Capital Market Institutions		Capital Market Institutions Licensed for Arranging or Advisory Activities		Licensed for Investment Management Activities		Total	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Mediation	1,356	1,670	425	530	90	111	176	246	0	0	0	0	2,047	2,558
Asset Management	2,691	3,318	1,317	1,986	126	290	84	111	0	0	70	106	4,288	5,811
Investment Banking Services	441	744	139	268	220	154	189	180	67	125	23	45	1,079	1,516
Investment	2,904	4,587	678	648	61	104	139	167	6	9	272	28	4,060	5,543
Other	1,119	925	207	155	92	290	456	600	61	5	86	83	2,021	2,056
Total	8,511	11,243	2,765	3,586	589	949	1,045	1,305	133	139	451	262	13,494	17,484

## Fourth: Registered Accounting Firms and Certified Public Accountants

Number of CMA-registered accounting firms



Number of CMA-registered Certified Public Accountants (CPAs)



Number of accounting firms subject to oversight visits



Number of workshops held for CMA-registered accounting firms



Number of violations observed in accounting firms registered by CMA



44 accounting firms attended the workshops, with a total of 104 attendees.



04





## **Chapter 04**

# **Investor Protection**

Section One: Investor Awareness

Section Two: Surveillance

Section Three: Disclosure and Governance in the Capital Market

Section Four: Complaints, Reports and Violations of the Regulations and Rules  
Enforced by CMA, as well as Prosecution, Penalties, and Requests Pertaining to  
Investor Assets



04



## **Section One: Investors awareness**

### **First: Media Programs**

Second: Corporate Communications Programs

Third: Investment Culture Programs

Fourth: Customer Experience

Since its establishment, CMA has given communication efforts and the promotion of financial literacy the attention and care they deserve, aiming to achieve its strategic objectives toward local, regional, and international communities. This reflects CMA's standing and its contribution to the national economy on one hand, and its efforts to promote financial and investment literacy on the other. CMA aims to raise awareness regarding the regulations and rules it oversees, and strives to keep market participants informed of the latest decisions and announcements related to the sector. This enhances trust, enriches knowledge, and equips participants with the necessary skills to manage investment tools. In addition, media efforts protect investors, as well, by raising awareness about risks, unsound practices, and illegal behaviors that may constitute manipulation or deception. To this end, CMA has established several channels to educate investors in the capital market, through which it has implemented the following key programs:

### First: Media Programs

- CMA released numerous press releases, media articles, and publications in Arabic and English in the local, regional, and international media. It also issued over 2,900 publications across various social media platforms.
- Throughout 2024, CMA issued over 250 press releases and statements that were posted on its website and disseminated to capital market participants through media outlets, social media platforms, and the website of the Saudi stock market "Tadawul". Additionally, more than 13,500 articles and reports relating to the Saudi capital market and legislations were monitored and assessed across local and global media outlets.
- CMA held over 13 interviews with various media outlets, in addition to its participation in multiple conferences, seminars, forums, and media and awareness workshops. Furthermore, CMA published several reports that regularly monitor and analyze information circulating on the media and social media about the capital market.
- CMA launched over 90 communication campaigns through social media, digital platforms, and media outlets. These campaigns aimed to promote accurate concepts and provide updates regarding the capital market latest developments while maintaining effective communication with the target audience through sharing the CMA's decisions and announcements. CMA also aimed to raise awareness about its programs, services, and systems, as well as those of the capital market, highlighting aspects that stimulate the local economy and demonstrate the importance and status of the Saudi capital market.
- Media and advertising campaigns helped increase traffic in the CMA digital portal reaching over 2 million visitors in 2024.

## Second: Corporate Communications Programs

CMA took part in a number of important local and international conferences and events that featured the participation of the United States, United Kingdom, Hong Kong, Italy, United Arab Emirates, among others. CMA also took part in a number of local forums with the aim of enhancing visitors' awareness of the capital market and sharing this market's story. In addition, sideline meetings were held to discuss cooperation opportunities and hear from investors and others who are seeking opportunities in the capital market.

- CMA held 947 institutional meetings and workshops with capital market stakeholders to discuss specific topics that help develop the capital market. The meetings provided an opportunity to listen to different perspectives and explore strategies to overcome challenges. As for the workshops, they targeted stakeholder engagement before issuing rules and regulations and after in order to ensure proper understanding of the new of updating documents. Furthermore, awareness workshops were held regarding different topics relevant to the capital market authority, and the number of participants in workshops and meetings exceeded 12,000.
- The Capital Market Institutions Committee held the Capital Market Institutions Forum in cooperation with CMA. The Forum aimed to develop the capital market and give capital market institutions the chance to participate in specialized. The number of participants exceeded 450 people. Moreover, CMA participated in 9 pavilions in meetings and conferences held within the Kingdom. Topics discussed included the capital market, stimulating listings, general economic topics, CMA rules and regulations, and other relevant subjects.

## Third: Investment Culture Programs

In 2024, CMA stood out for its efforts in promoting investment and financial awareness and literacy across society through a range of initiatives that introduced fresh visions. CMA achieved this, in particular, through its two programs, «Thameen» and « Smart Investor.» CMA also made a distinctive mark within the framework of the «Mulim» Program, which brought together the efforts Securities Commissions in GCC countries towards a shared goal. CMA launched, as well, a number of activities that contributed to promoting financial and investor culture among targeted groups.

### 1. Awareness Campaigns

CMA spread its passion for investment knowledge through 12 major awareness campaigns conducted under the «Thameen» and «The Smart Investor» programs, with total viewership exceeding 10 million educational hours across the various awareness program channels. The number of developed content hours also increased by 33.7% compared to the previous year. The campaigns covered a range of educational topics such as: Sukuk and debt instruments, the importance of IPOs, shareholders' rights, and financial technology (FinTech). CMA also established a library containing over 500 educational messages and 21 diverse awareness videos. The library came to constitute an

indispensable resource for interested audiences. The impact of these campaigns surpassed 200 million impressions and 70 million views, and their influence extended to global events such as Global Money Week and World Investor Week, thus enriching CMA's international participation footprint.

## 2. University Meetings

CMA recognizes the importance of promoting financial awareness among youth. Accordingly, in 2024, it hosted 36 university events as part of its «Thameen» program, offering a broad range of knowledge to more than 1,800 students from various universities and faculties across the Kingdom, namely faculties of Law, Economics, Business, Finance, and Accounting.

## 3. Community Engagements

CMA participated in major events such as the Biban Expo, the Capital Market Institutions Forum, and the Zakat, Tax, and Income Conference. It engaged with more than 10,000 visitors, providing rich insights into investment activities and the «Thameen» program.

## 4. Digital Knowledge Portal

With a view to reach various segments of the public, CMA developed dedicated websites serving a wide audience. The «Thameen» website ([thameen.org.sa](http://thameen.org.sa)) allows users to explore a comprehensive library featuring a wide range of educational materials, including booklets, lectures, videos, and other awareness resources targeted at specific audiences. Similarly, visitors can explore the «Smart Investor» program website ([si.org.sa](http://si.org.sa)) to access educational content aimed at younger audiences, including «Educational Tools», the «Smart Investor» animated series, and editions of the «Smart Investor» magazine. These platforms successfully attracted more than 900,000 visitors during 2024.

## 5. Awareness Program Pages on Social Media Platforms:

Social media accounts of CMA programs serve as an effective channel for direct engagement with the target audience. CMA regularly published awareness messages, carefully designed to suit each audience segment. Visitors can access CMA's latest posts by visiting the «Thameen» account (@[thameensa](https://www.instagram.com/thameensa)) and the «Smart Investor» account (@[siorgsa](https://www.instagram.com/siorgsa)).

## 6. The Standing Committee for Awareness and Warning against the Activity of Trading with Securities in the Unlicensed Foreign Exchange Market (Forex)

By virtue of Royal Order No. 20889 of 30/04/1439H, CMA chairs the Committee, which includes the membership of the Ministry of Interior, the Ministry of Information, the Ministry of Commerce, and the Saudi Central Bank. The committee aims to educate target groups about the dangers of investing in unlicensed Forex and digital currencies. The Standing Committee for Awareness and Warning against the Activity of Trading with Securities in the Unlicensed Foreign Exchange Market (Forex) launched several awareness campaigns and published more than 70 awareness messages in 2024, in addition to one awareness video.

Through these efforts, CMA has demonstrated that it does not merely promote awareness but strives to build a financially literate society, confidently progressing towards a sustainable economic future.

## 7. The Gulf Investment Awareness Program «Mulim»

The third edition of Mulim's Gulf Smart Investor Award in 2024. It brought together GCC Securities Commissions under the leadership of the Kingdom of Saudi Arabia. The award encourages financial and investment creativity across various fields, including video production, drawing, photography, and writing, with prizes exceeding SAR 1 million. At the same time, the program launched four distinguished awareness campaigns featuring a comprehensive Gulf-wide educational theme.





## Fourth: Beneficiary Experience

As part of its efforts to improve beneficiary satisfaction with services provided in the capital market, and to align with international best practices in ensuring beneficiary satisfaction with both internal and external services, CMA established a specialized department and index dedicated to measuring beneficiary experience and satisfaction with its services. Such initiatives aim to improve and develop services by evaluating service quality, gauging beneficiary satisfaction, and collecting suggestions for improvement. This is achieved by engaging customers and beneficiaries from various segments in satisfaction surveys that allow them to express their opinions and impressions through their responses.

Based on the results of these surveys, the Beneficiary Experience Department prepares periodic reports that illustrate the level of beneficiary satisfaction with service quality. This process aids in identifying key challenges and potential improvement opportunities, thereby ensuring the continuous development of services.

Furthermore, the Department's core responsibilities include building customized beneficiary journeys for both external and internal services. The objective is to design user-friendly services that contribute to fostering beneficiary satisfaction with the services offered.





04



## **Section Two: Surveillance**

First: Surveillance of Trade Activities

Second: Listed Companies with Accumulated Losses of 20% or more of their Capital

### First: Surveillance of Trade Activities

Table (29): Key Developments in Surveillance of Trades and Transactions

Item	2023	2024	Change (%)
Surveillance System Alerts <sup>1</sup>	32,376	39,981	23.5%
Intensive Monitoring of Trades Suspected of Violating Regulations	1,019	736	-27.8%
Surveillance Inquiries	59	44	-25.4%
Suspected Violations	7	4	-42.9%

Table (30): Intensive Monitoring of Trades and Transactions Suspected of Violating Laws and Regulations enforced by CMA, by Source

Source of Intensive Scans	2023		2024		Change (%)
	Number	(%) Out of Total	Number	(%) Out of Total	
Market Surveillance <sup>2</sup>	396	38.9%	233	31.7%	-41.2%
Alerts <sup>3</sup>	623	61.1%	503	68.3%	-19.3%
<b>Total</b>	<b>1,019</b>	<b>100%</b>	<b>736</b>	<b>100%</b>	<b>-27.8%</b>



1. Surveillance System Alerts» are notifications issued by the automated surveillance system (SMARTS) concerning suspected securities-related violations.
2. Market Surveillance» refers to the identification of suspicious activities within the capital market through direct monitoring and analysis.
3. Alert» refers to suspicious activities detected through signals generated by the SMARTS system when unusual trades occur.

**Second: Listed companies with Accumulated Losses of 20% or More of their Capital**

In an effort to bolster investor protection and mitigate risks in the capital market, CMA has implemented procedures and instructions specifically targeting listed companies that have accumulated losses of 20% or more of their capital.

**Table (31): Listed Companies That Experienced Accumulated Losses of 20% or More of Their Capital in 2024<sup>1</sup>**

Accumulated Losses (%)	Number in 2023	Number in 2024
Companies with accumulated losses of 20% or more but less than 35% of their capital	14	10
Companies with accumulated losses of 35% or more but less than 50% of their capital	4	6
Companies with accumulated losses of 50% or more	5	7
<b>Total</b>	<b>23</b>	<b>23</b>

1. The data pertaining to accumulated losses in 2024 has been sourced from the interim financial statements for the third quarter, covering the period ending on September 30, 2024. This is because the deadline for publishing the annual financial statements for 2024 falls on March 31, 2025, subsequent to the issuance of this report.



04



## **Section Three: Disclosure and Governance in the Capital Market**

First: Disclosure

Second: Governance of Listed Companies





# First: Disclosure

## 1. Financial Statements of Listed Companies

Table (32): Qualified Audit Opinions on the Annual Financial Statement of Listed Companies<sup>1</sup>

Opinions	2023	2024
Disclaimer of Opinion	0	0
Qualified Opinion	11	8
Emphasis of Matter	26	29
Other Matter	53	40
Total	90	77

184 violations were reported in relation to the listed companies’ financial statements in 2024.

## 2. Announcements of Listed Companies

Table (33): Announcements on the Saudi Stock Exchange (Tadawul) Website, Classified by Type of Key Developments.

Announcement Type	2023		2024		Change (%)
	Number	Out of Total (%)	Number	Out of Total (%)	
Financial Results	1,000	18.4%	1,101	17.3%	10.1%
Board of Directors’ Recommendation to Increase capital through Rights Issuance	10	0.2%	10	0.2%	0.0%
Board of Directors’ Recommendation to Increase Capital through Bonus Shares Issue	29	0.5%	26	0.4%	-10.3%
Board of Directors’ Recommendation to Decrease Capital	4	0.1%	8	0.1%	100.0%
Dividends	239	4.4%	271	4.2%	13.4%
Explanatory Announcements	449	8.3%	538	8.4%	19.8%
Change in the Composition of Board of Directors and Top Management	318	5.8%	346	5.4%	8.8%
Approval of New Products	42	0.8%	32	0.5%	-23.8%
Other Key Developments	2,394	44.0%	2,965	46.5%	23.9%
Total	5,441	100%	6,380	100%	17.3%

1. CMA’s Financial Statements Department gathers all Auditor Opinions raised in Auditor Reports, examines them, and takes legal measures regarding them if necessary.

## Second: Governance of Listed Companies

### 1. Boards of Directors of Listed Companies

Article 16 of the Corporate Governance Regulations outlines the requirements for the composition of Boards of Directors, which include the following provisions:



The number of board members should be appropriate considering the company's size and nature of activities, while still adhering to paragraph (a) of Article 17 in these regulations.



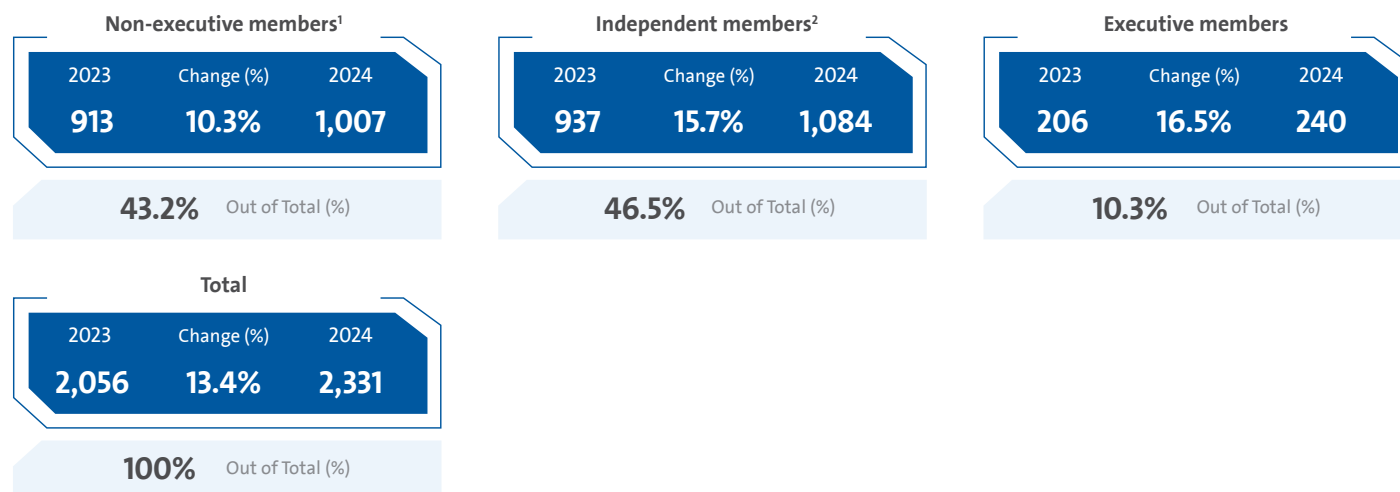
The majority of the board should consist of non-executive members.



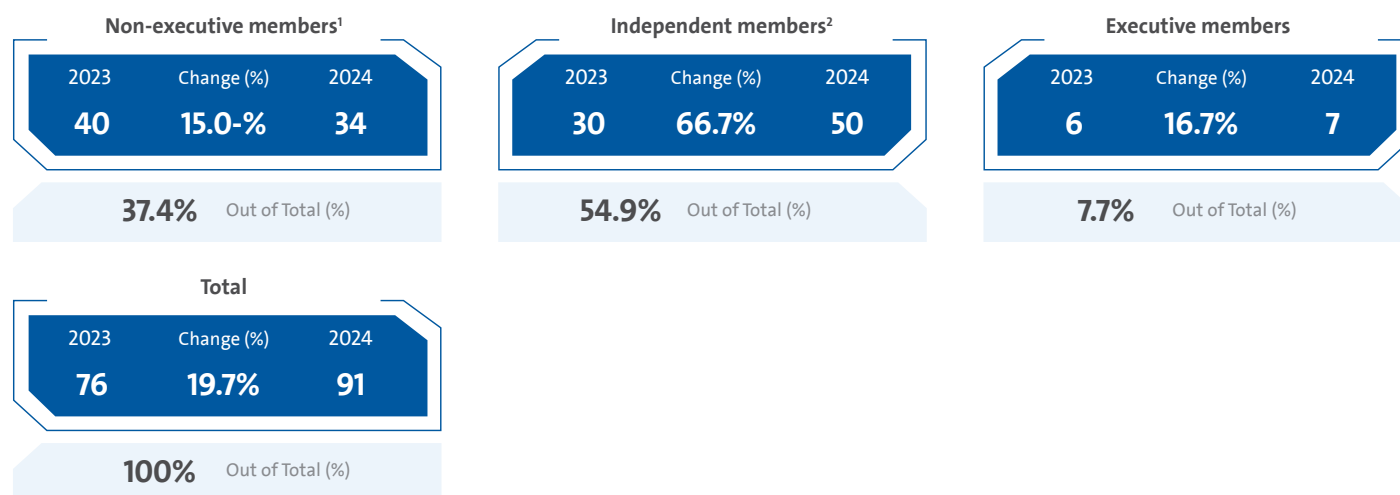
The number of independent members should be at least two members or one-third of the board, whichever is greater.

In 2024, non-executive and independent members collectively accounted for 89.7% of the total seats on the Boards of Directors of listed companies.

The composition of Boards of Directors of listed companies, classified by membership type



Resignations of Board Members of listed companies, classified by membership type



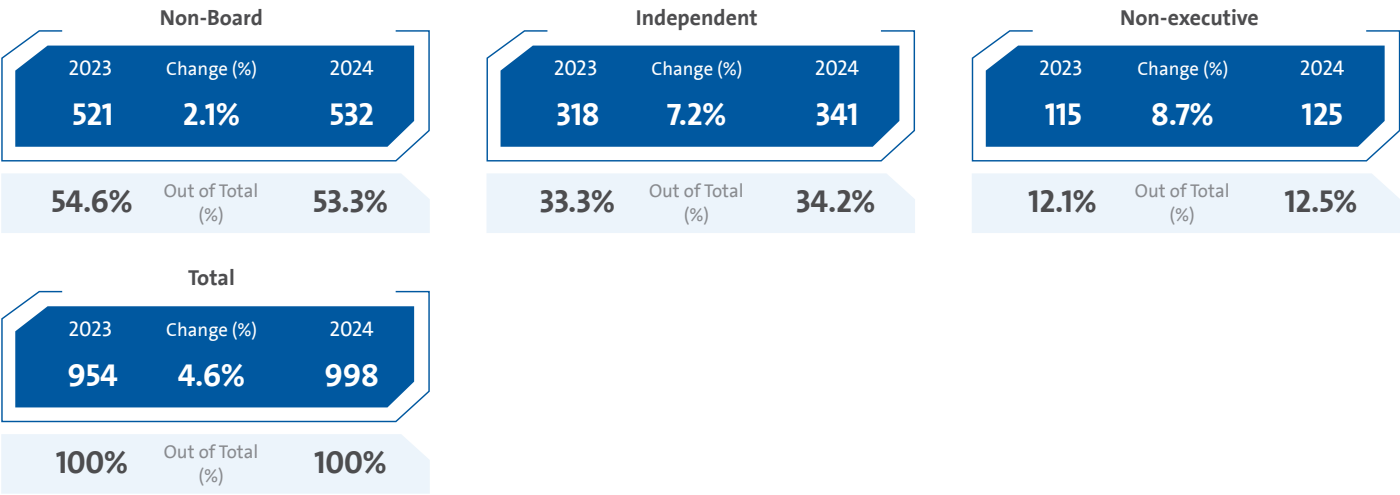
<sup>1</sup> Non-executive member: A board member who does not manage the company on a full-time basis and does not engage in its day-to-day activities.

<sup>2</sup> Independent Board member: A non-executive board member who has total independence in their position and decision, and who is not subject to any independence issues stipulated in Article 19 of the Corporate Governance Regulations

## 2. Main Committees of Listed Companies

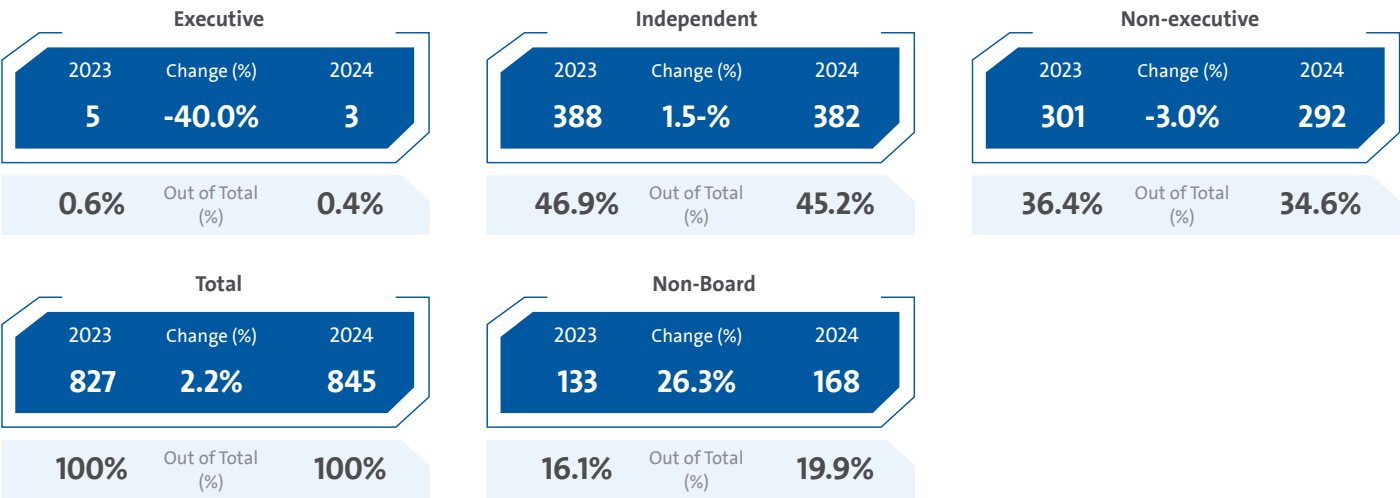
### A- Audit Committee

Number of seats in listed companies' Audit Committees, classified by membership type



### B- Remuneration and Nomination Committee

Number of seats in listed companies' Remuneration and Nomination Committees, classified by membership



### 3. Enhancing Corporate Governance Compliance

Throughout 2024, CMA demonstrated a dedicated effort to accomplish its objectives of enhancing compliance with corporate governance regulations, increasing awareness about these regulations, and fostering improvements in the practices of listed companies and other stakeholders within the capital market. To achieve these goals, CMA actively engaged in various international and local forums, as well as organized multiple seminars and awareness workshops. These endeavours aimed to instill a comprehensive understanding of corporate governance principles and drive positive transformations within the industry. They included:

Participation Type	Title	Number	Venue
Workshop	Workshop on Board of Directors' Reports and Social Responsibility	3	Riyadh – Jeddah – Khobar
Workshop	CMA Meeting with Listed Companies in the Cement Sector	1	Crowne Plaza Hotel, Riyadh
Workshop	CMA Meeting with Listed Companies in the Real Estate Management and Development Sector	1	InterContinental Hotel, Riyadh
Workshop	CMA Meeting with Listed Companies in the Transportation Sector	1	CMA Headquarters
Workshop	Workshop on Post-Listing Support in Collaboration with Tadawul	1	Remote
Participation	ARAMCO Program for Financial Excellence	1	Al-Tamayyuz Finance and Accounting Excellence Academy
Participation	Corporate Governance for Companies Listed on the Parallel Market (Nomu)	1	SME Support Center (Monsha'at)
Participation	Meeting with the Ministry of Energy	1	Ministry of Energy Headquarters







## Sustainability:

CMA contributed to the implementation of Saudi Arabia's Corporate Sustainability Strategy, approved by the Council of Ministers. In particular, CMA participated in implementing a number of the strategy's initiatives that fall under the national action framework.

Believing in the importance of raising awareness about existing and emerging sustainable finance issues in the Saudi capital market sector, and in collaboration with relevant local and international bodies specialized in sustainable finance, CMA organized several workshops and awareness meetings during 2024 as follows:

1. In collaboration with the Union of Arab Securities Authorities (UASA), CMA delivered a remote seminar on "Environmental and Social Management" on August 27–28, 2024. The seminar focused on current and future trends and values related to sustainability, environmental and social responsibility, and corporate governance.
2. On September 30, 2024, CMA organized, in collaboration with the International Sustainability Standards Board (ISSB), a workshop titled "Sustainability Disclosure" targeted at companies listed in the capital market. The workshop covered two main topics: an overview of the concept of sustainability and its applications in capital markets, as well as key sustainability indicators for the Saudi capital market. An ISSB representative also introduced sustainability standards and the Board's approach to standards' development.
3. As part of the CMA-organized annual Capital Market Institutions Forum, a workshop titled "Sustainable Finance" was held on November 19, 2024, targeting capital market institutions. The workshop addressed key sustainability indicators in the Saudi capital market sector, CMA's approach to developing the Guideline on Green, Social, and Sustainability Sukuk, and sustainable issuances trends in the Middle East region.
4. In coordination with the Ministry of Economy and Planning and with the participation of several specialized experts, two workshops were held as part of the "Sustainability Pioneers" initiative.

The focus of the two workshops was on data platforms and methodologies for assessing environmental and social risks.

As regards improving the sustainability information and data environment in the Saudi capital market sector, CMA conducted a survey regarding sustainability data and information disclosure in listed companies. Results showed significant progress in the number of companies listed in the main market which disclose sustainability information, as 94 such companies were recorded in 2024 compared to 81 companies in 2023.

Along the same lines, the volume of sustainable foreign investments by qualified foreign investors (QFIs) increased by the end of 2024, reaching approximately SAR 7.8 billion, marking a growth of 29% compared to the previous year.



04





## **Section Four:**

# **Complaints, Reports and Violations of the Regulations and Rules Enforced by CMA, as well as Prosecution, Penalties, and Requests Pertaining to Investor Assets**

First: Investor Complaints and Reports, and Violations of Laws and Regulations Enforced by CMA

Second: Prosecution, Sanctions and Penal Verdicts on Violations


Third: Requests Relating to Investors' Assets

# First: Investor Complaints and Reports, and Violations of Laws and Regulations Enforced by CMA.

## Contact Center

➤ 27,712   
Communications received in 2023.

➤ 46,906   
Communications received in 2024, including:

➤ 25,349   
Phone calls

➤ 10,361   
Emails

➤ 11,196   
Social media contact communications

### Official Channels for Receiving Reports and Complaints:


➤   
Investor Protection Office  
Riyadh – King Fahad Road – CMA Head Office

➤   
Phone  
8002451111

➤   
CMA Website  
[Investorprotection.cma.org.sa](http://Investorprotection.cma.org.sa)

➤   
Email  
[Info@cma.org.sa](mailto:Info@cma.org.sa)

➤   
X  
SaudiCMA

➤   
Saudi Post  
P.O Box: 87171 – ZIP code: 11642

### Official Channel for Receiving Complaints:

➤   
CMA Website  
[investorprotection.cma.org.sa](http://investorprotection.cma.org.sa)

## 2. Reports of Investors and Participants in the Capital Market:

Pursuing its dedication to safeguarding investors, maintaining market integrity, and bolstering the confidence of capital market participants, CMA has consistently prioritized the removal of obstacles that might face individuals submitting complaints and reports. Since its establishment, CMA has taken on the responsibility of receiving reports and complaints from investors regarding suspected violations of laws and regulations enforced by CMA. To facilitate this process, CMA has established multiple official channels to receive such reports and complaints, ensuring accessibility and transparency for all parties involved.

Table (34): Reports, Classified by Subject

Subject of Report	Number in 2023	Number in 2024	Change (%)
Capital Market Institutions Activities and Services	111	129	16.2%
IPO Subscriptions and Priority Rights	28	17	-39.3%
Share Profits and Dividends	40	65	62.5%
Violation of Capital Market Law and Regulations	228	166	-27.2%
Conducting Unlicensed Securities Business	155	193	24.5%
Listed Companies	193	204	5.7%
FinTech Companies	28	24	-14.3%
Other (Money Laundering, Fraud, and Unclassified Reports)	473	352	-25.6%
<b>Total</b>	<b>1,256</b>	<b>1,150</b>	<b>-8.4%</b>

Table (35): Reports, Classified by Reported Entity

Reported Entity	Number in 2023	Number in 2024	Change (%)
CMA-Supervised Entities	421	442	0.5%
Market Infrastructure Institutions	14	41	192.9%
Individuals	528	367	-30.5%
Company/Institution	225	256	13.8%
Unspecified	68	44	-35.3%
<b>Total</b>	<b>1,256</b>	<b>1,150</b>	<b>-8.4%</b>

### 3. Complaints of Investors and Participants in the Capital Market:

CMA is entrusted with the responsibility of receiving complaints in accordance with its functions and obligations outlined in the CML, as well as the rules and regulations enforced by the CMA. One of its crucial mandates is to safeguard investors in securities by addressing unfair or fraudulent practices that involve fraud, cheating, deception, or manipulation. To fulfill this role, CMA has implemented several measures, including developing an electronic mechanism for receiving investor complaints through CMA’s website, monitoring violations of the Capital Market Law and its implementing regulations, and organizing class action procedures to compensate those harmed by such violations.

Table (36): Complaints, Classified by Subjects

Element	Number in 2023	Out of total (%)	Number in 2024	Out of total (%)	Change (%)
Capital Market Institution Activities and Services	1,947	27.7%	3,542	32.2%	81.9%
Share Profits and Dividends	1,083	15.4%	1,893	17.2%	74.8%
IPO Subscriptions and Priority Rights Issue	596	8.5%	411	3.7%	-31.0%
Listed Companies	550	7.8%	574	5.2%	4.4%
FinTech Companies	236	3.4%	415	3.8%	75.8%
Violations of the CML laws and Regulations	1,514	21.6%	2,496	22.7%	64.9%
Conducting Unlicensed Securities Business	275	3.9%	464	4.2%	68.7%
Other	824	11.7%	1,211	11.0%	47.0%
<b>Total</b>	<b>7,025</b>	<b>100%</b>	<b>11,006</b>	<b>100%</b>	<b>56.7%</b>

Table (37): Complaints, Classified by Reported Entities


Reported Entity	Number in 2023	Out of Total (%)	Number in 2024	Out of Total (%)	Change (%)
CMA-Supervised Institutions	4,936	70.3%	7,661	70.5%	57.2%
Individuals	966	13.8%	1,908	17.3%	97.4%
Company/Institution	668	9.5%	805	7.3%	20.5%
Market Infrastructure Institutions	61	0.9%	12	0.1%	-80.3%
CMA	394	5.6%	520	4.7%	32.0%
<b>Total</b>	<b>7,025</b>	<b>100%</b>	<b>11,006</b>	<b>100%</b>	<b>56.7%</b>

Table (38): Complaints Processed by CMA in 2024

Complaint Status	Number in 2023	Number in 2024	Change (%)
Under Process	855	474	-44.6%
Settled	5,056	8,963	77.3%
Grievant Notified to Proceed with the Complaint to the CRSD	1,047	948	-9.5%
Other	67	621	826.9%
Total	7,025	11,006	56.7%

» **Class-Action Lawsuits**

A class-action lawsuit is a legal action in which a group of individuals collectively files a lawsuit based on shared grounds, facts, and claims. In 2024, CMA handled two class-action lawsuits, and opened the door for claimants potentially harmed to join the lawsuit, within the statutory periods specified in the Resolution of Securities Disputes Proceedings Regulations.



▶

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Applicants for two class-action lawsuits against directors and employees of a delisted company

## 4. Taking Actions Against Violations of laws and Regulations Enforced by CMA

Paragraph (c) of Article 5 of the Capital Market Law states that CMA is authorized, through its designated members and employees, to conduct investigations necessary for enforcing the provisions of the law and related regulations. This includes the power to subpoena witnesses, gather evidence, and request the production of relevant documents, such as books or papers, during the investigation. Additionally, CMA is granted the authority to inspect records and other materials, regardless of their holder, in order to determine if any violations of the law, implementing regulations, or authority-issued rules have occurred or are likely to occur.

Table (39): Taking Action Against Violations of Laws and Regulations Enforced by CMA<sup>1</sup>

Case Status	2023		2024		Change (%)
	Number	Out of Total (%)	Number	Out of Total (%)	
Under Process	65	30.8%	104	46.2%	60.0%
Finalized	146	69.2%	121	53.8%	-17.1%
Total <sup>2</sup>	211	100%	225	100%	6.6%

1 CMA focuses on high-priority cases, which require, by nature, exceptional control or investigation procedures, and on urgent cases that require face consideration, either because of its type or its impact.

2 Includes received in the same year and before.

## 5. Classification of Violations of Laws and Regulations enforced by CMA

Table (40): Filed and Finalized Violation Cases within CMA Jurisdiction, Classified by Type<sup>1</sup>

Type of violation	Filed			Finalized <sup>2</sup>		
	2023	2024	Change (%)	2023	2024	Change (%)
Rules on the Offer of Securities and Continuing Obligations	33	16	-51.5%	31	17	-45.2%
Corporate Governance Regulations	22	25	13.6%	21	19	-9.5%
Merger and Acquisition Regulations	0	1	-	0	0	-
Real Estate/Investment Funds Regulations	9	22	144.4%	6	12	100%
Capital Market Institutions Regulations	19	37	94.7%	17	24	41.2%
Credit Rating Agencies Regulations	0	0	-	0	0	-
Investment Accounts Instructions	0	3	-	2	3	50.0%
Corporate Advertising Instructions	0	2	-	0	2	-
Special Purpose Entity Regulations	0	1	-	0	0	-
Capital Adequacy Regulations	3	1	-66.7%	1	3	200.0%
Market Conduct Regulations	9	3	-66.7%	12	7	-16.7%
Securities Business Regulations	38	17	-55.3%	39	7	-82.1%
Rules for Registering Auditors of Entities Subject to CMA Supervision	7	9	28.6%	4	11	175.0%
Listing Rules	1	0	-100.0%	1	0	-100.0%
CMA Board Resolutions	3	1	-66.7%	1	2	100.0%
CMA Circulars	3	0	-100.0%	3	0	-100.0%
Regulations and Procedures Issued Pursuant to The Companies' Law Relating to Listed Joint Stock Companies	0	6	-	0	1	-
Securities Central Counterparties Regulations	0	0	-	0	0	-
Procedures and Instructions of Listed Companies Whose Accumulated Losses Amounted to 20% or More of their Capital	0	0	-	0	0	-
Companies Law	9	8	11.1%	6	5	-16.7%
Anti-Money Laundering Law and Combatting the Financing of Terrorism Law and their Implementing regulations	0	2	-	0	0	-
Capital Market Law	3	5	66.7%	1	6	500.0%
Instructions for Book Building Process and Allocation Method in Initial Public Offerings	1	1	0.0%	0	1	-
Securities Exchanges and Depository Centers Regulations	1	0	-100.0%	1	0	-100.0%
Instructions for Shariah Governance in Capital Market Institutions	1	0	-100.0%	0	1	-
<b>Total</b>	<b>162</b>	<b>160</b>	<b>-1.2%</b>	<b>146</b>	<b>121</b>	<b>-17.1%</b>

<sup>1</sup> One case can contain more than one reported violation. In such instances, the case is classified based on the most serious violation.

<sup>2</sup> Includes cases from last year.

## Second: Prosecution, Sanctions, and Penal Verdicts on Violations

As part of the CMA’s ongoing efforts over the past years to protect investors, strengthen their confidence in the capital market, and contribute to the market’s growth and prosperity, the Committees for the Resolution of Securities Disputes (CRSD and ACRSD) prioritized, from early 2024, the resolution of all cases referred to them and registered before 2024. Decisions were issued for all these cases, with only one case pending, registered during 2023. In addition, the Appeals Committee for the Resolution of Securities Disputes (ACRSD) issued final and binding decisions for all appeals filed during 2024, leaving only 30 pending appeals that filed in December 2024. This effort resulted in a significant improvement in the strategic indicator for the average litigation period, which decreased in 2024 to 4.41 months compared to an average of 5.54 months in 2023, constituting a 20.4% decrease, knowing that the target indicator score was set at 8 months for 2024.

The value of compensations awarded by the peremptory decisions of CRSD and ACRSD increased by 59% compared to 2023, covering 921 affected individuals compared to 579 individuals in 2023.

CRSD and ACRSD achieved important milestones during 2024, including the activation of CMA Secretariat’s electronic system for appointment booking services and arbitration request submissions. This allows parties involved in arbitration cases to submit their requests electronically, aiming to expedite procedures, enhance service quality, and improve the experience of parties interacting with the CRSD and ACRSD.

Within the electronic system development context, CRSD and ACRSD also launched in 2024 the “Built-in” functionality for automatically building a statement of claim, enabling parties to enter the details of their case and requests through designated fields within the electronic system. Furthermore, they introduced a feature that allows external users to track the progress of their case through a categorized view of the different litigation stages, tailored to their needs, providing a clearer look at case status.

**Table (41): CRSD and ACRSD Electronic System Transactions:**

Electronic System Transaction	2023	2024	Change (%)
Number of CRSD Electronic System Transactions	25,317	27,748	9.6%
Number of ACRSD Electronic System Transactions	1,721	1,856	7.8%
<b>Total</b>	<b>27,038</b>	<b>29,604</b>	<b>9.5%</b>



## 1. Cases pending before CRSD and filed against/by CMA

CMA undertakes litigation for violation cases of laws and regulations enforced by CMA before the Committee for Resolution of Securities Disputes (CRSD), whether such violation cases are filed by or against CMA. CMA has the right to appeal CRSD’s decisions before the Appeal Committee for the Resolution of Securities Disputes (ACRSD). Decisions issued by the ACRSD are deemed final and enforceable.

**Table (42): Number of Cases Pending Before the CRSD and ACRSD Filed Against/by CMA**

Case Type	CRSD				ACRSD			
	2023		2024		2023		2024	
	By CMA	Against CMA	By CMA	Against CMA	By CMA	Against CMA	By CMA	Against CMA
Violation of Market Conduct Regulations	0	0	0	1	0	0	0	0
Violation of Rules on the Offer of Securities and Continuing Obligations	0	0	0	1	0	0	0	0
Violation of Capital Market Institution Regulations	0	0	0	1	0	0	0	0
Violation of Corporate Governance Regulations	0	0	0	7	0	0	0	1
Claims Filed Against CMA Board Decisions/ Resolutions or CMA Actions, Instructions, and Circulars	0	17	0	2	0	6	0	1
<b>Total</b>	<b>0</b>	<b>17</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>2</b>

## 2. Cases Pending Before Other Judicial Authorities Filed Against/By CMA

Table (43): Number of Cases Pending Before Other Judicial Authorities, Filed Against/by CMA

Judicial Body	Case Type	Number of Cases in 2023	Number of Cases in 2024
Administrative Court	Administrative/Enforcement	15	7
Enforcement Court – General Judiciary	Enforcement	1	1
Labor Court	Labor-Related	0	1
Administrative Enforcement Court – Board of Grievances <sup>1</sup>	Enforcement	0	147
General Court	Enforcement	0	0
<b>Total</b>		<b>16</b>	<b>156</b>

## 3. Statements of Claim and Defense in Cases Filed Against/By CMA

CMA oversees the preparation of statements of claim, defense and appeal in cases filed against/by CMA.

Table (44): Number of Statements of Claim, Defense and Grievances in Cases Filed Against/by CMA

Statements of Claim/ Defense/ Grievances	2023	2024	Change (%)
Statements of Claim in Cases Filed by CMA	60	149	148.3%
Statements of Defense in Cases Filed against CMA	64	102	59.4%
Briefs of Appeal Against Decisions and Verdicts Issued by Competent Judicial Bodies	51	33	-35.3%
Grievances against CMA Board resolutions	50	43	-14.0%
<b>Total</b>	<b>225</b>	<b>327</b>	<b>45.3%</b>

1 On December 4, 2024, it became possible to submit of enforcement requests through the electronic platform of the Board of Grievances.

## 4. Final Verdicts in Cases Filed Against/by CMA

Table (45): Final Verdicts in Cases Filed Against/by CMA

Classification	2023			2024		
	Filed by CMA	Filed against CMA	Total	Filed by CMA	Filed against CMA	Total
Final Verdict in Favor of CMA	3	17	20	1	55	56
Final Verdict Against CMA	0	0	0	0	1	1

## 5. Cases and Violations Referred by CMA to the Public Prosecution

Since the issuance of High Order No. 4690 on 06/02/1435AH, which transferred the powers held by entities and committees involved in the investigation and prosecution of criminal offences to the Public Prosecution Office, CMA has referred a total of 231 cases to the Public Prosecution until the end of 2024. Out of this number, 7 are currently being reviewed by the CRSD and ACRSD, while 7 are still ongoing and under review by the Public Prosecution Office. 217 194 cases have been resolved and closed.

Table (46): Number of Violations Referred by CMA to the Public Prosecution

Violated Article	2023	2024
Article 31: Conducting securities business without a license	5	5
Article 49: Manipulation and Deception Acts	6	5
Article 50: Insider Trading	0	0
Article 211 of the Companies Law	1	3
Article 2 of the Anti-Money Laundering Law	4	0
Total	16	13 <sup>1</sup>

1. 12 cases of violations were referred to the Public Prosecution in 2024. It should be noted that one case can include multiple violations.

## 6. Follow-up on Enforcement of Sanctions Decisions

CMA is entrusted with the task of overseeing the enforcement of resolutions issued by its Board, CRSD interim decisions of imposing or lifting provisional attachment, as well as final decisions issued by the two ACRSDs in securities-related disputes against violators of the laws and regulations enforced by CMA. This oversight is carried out through the following two steps:

- A- Notifying the violator and the relevant entities in charge of enforcing sanctions issued against the violator.
- B- Following-up the enforcement of sanctions .

On December 4, 2024, the project to link with the Administrative Enforcement Platform (The Platform) completed. By the end of 2024, CMA had used the platform to finalize registration procedures for 147 enforcement requests related to CMA Board and competent committee decisions. All requests were processed electronically at the time.

## 7. Classification of Sanctions Decisions filed by CMA Against Violators of the Laws and Regulations Enforced by CMA

Table (47): Number of Violators of the Laws and Regulations Enforced by CMA and Against Whom/Which Sanctions Have Been Issued for Enforcement in 2024<sup>1</sup>

Violator	Number	Enforced	Enforced (%)	Under Follow-Up	Under Follow-Up (%)
Investor	75	53	70.7%	22	29.3%
Capital Market Institution/ Registered Individual	26	26	100.0%	0	0.0%
Listed Company	3	3	100.0%	0	0.0%
Senior Executives and Board Members	112	89	79.5%	23	20.5%
<b>Total</b>	<b>216</b>	<b>171</b>	<b>79.2%</b>	<b>45</b>	<b>20.8%</b>

1 Enforceable decisions for 2024 include data from the fourth quarter of 2023 until the third quarter of 2024, excluding the fourth quarter of 2024, as their implementation occurs after the end of the year.

Table (48): Number of Violations of the Laws and Regulations Enforced by CMA and Against which Sanction Decisions Have Been Issued for Enforcement in 2024<sup>1</sup>

Law/Regulation	Number	Enforced	Enforced (%)	Under Follow-Up	Under Follow-Up (%)
Rules on the Offer of Securities and Continuing Obligations	17	15	88.2%	2	11.8%
Corporate Governance Regulations	50	36	72.0%	14	28.0%
Merger and Acquisition Regulations	0	0	0.0%	0	0.0%
Real Estate/Investment Funds Regulations	11	11	100.0%	0	0.0%
Capital Market Institutions Regulations	15	15	100.0%	0	0.0%
Credit Rating Agencies Regulations	0	0	0.0%	0	0.0%
Investment Accounts Instructions	0	0	0.0%	0	0.0%
Capital Adequacy Regulations	2	2	100.0%	0	0.0%
Market Conduct Regulations	67	52	77.6%	15	22.4%
Securities Business Regulations	16	6	37.5%	10	62.5%
Rules for Registering Auditors of Entities Subject to CMA Supervision	1	1	100.0%	0	0.0%
Listing Rules	0	0	0.0%	0	0.0%
CMA Board Resolutions	2	1	50.0%	1	50.0%
CMA Circulars	0	0	0.0%	0	0.0%
Implementing Regulations of the Companies Law for Listed Joint Stock Companies	1	1	100.0%	0	0.0%
Securities Central Counterparties Regulations	1	1	100.0%	0	0.0%
Companies Law	33	30	90.9%	3	9.1%
Anti-Money Laundering Law and Combatting the Financing of Terrorism Law and their Implementing regulations	0	0	0.0%	0	0.0%
<b>Total</b>	<b>216</b>	<b>171</b>	<b>79.2%</b>	<b>45</b>	<b>20.8%</b>

<sup>1</sup> Enforceable decisions for 2024 include data from the fourth quarter of 2023 until the third quarter of 2024, excluding the fourth quarter of 2024, as their implementation occurs after the end of the year



Table (49): Classification of Penalties Issued by the CMA Board and the Committee for the Resolution of Securities Disputes (CRSD)

Sanction Type	2023		2024		Change (%)
	Number <sup>1</sup>	Out of Total (%)	Number <sup>2</sup>	Out of Total (%)	
Financial Penalty	261	81.3%	216	83.7%	-17.2%
Banning from Engaging in Brokerage, Portfolio Management, Investment Advisory, or any Registered Function	2	0.6%	4	1.6%	100.0%
Banning from Working in Listed Companies	34	10.6%	17	6.6%	-50.0%
Banning from Buying Shares of Listed Companies	21	6.5%	13	5.0%	-38.1%
Imprisonment	1	0.3%	7	2.7%	600.0%
Other <sup>3</sup>	2	0.6%	1	0.4%	-50.0%
Total	321	100.0%	258	100.0%	-19.6%

1. Decisions slated for implementation in 2023 encompass those issued from Q4 2022 through Q3 2023. This excludes decisions from Q4 2023, as their execution is scheduled post year-end.  
2. Decisions slated for implementation in 2024 encompass those issued from Q4 2023 through Q3 2024. This excludes decisions from Q4 2024, as their execution is scheduled post year-end.  
3. Includes administrative and precautionary sanctions.

## 8. Financial Penalties Against Violators of Laws and Regulations Enforced By CMA

Table (50): Total Amount of Financial Penalties Issued by CMA and CRSD against Violators of Laws and Regulations Enforced by CMA<sup>1</sup>

Law/Regulation	2023		
	Fines and Financial Penalties to Be Collected (SAR)	Fines and Financial Penalties Collected (SAR)	Percentage of Collected Amount
Rules on the Offer of Securities and Continuing Obligations	2,760,000	2,760,000	100.0%
Corporate Governance Regulations	2,510,000	1,510,000	60.2%
Merger and Acquisition Regulations	-	-	-
Real Estate/Investment Funds Regulations	450,000	450,000	100.0%
Capital Market Institutions Regulations	3,585,000	3,075,000	85.8%
Credit Rating Agencies Regulations	-	-	-
Investment Accounts Instructions	1,250,000	1,250,000	100.0%
Capital Adequacy Regulations	-	-	-
Market Conduct Regulations	1,352,313,101	361,674,174	26.7%
Securities Business Regulations	20,790,000	890,453	4.3%
Rules for Registering Auditors of Entities Subject to CMA Supervision	30,000	30,000	100.0%
Listing Rules	905,000	375,000	41.4%
CMA Board Resolutions	60,000	60,000	100.0%
CMA Circulars	50,000	50,000	100.0%
Implementing Regulations of the Companies Law for Listed Joint Stock Companies	-	-	-
Securities Central Counterparties Regulations	-	-	-
Companies Law	10,350,000	3,230,000	31.2%
Anti-Money Laundering Law and Combatting the Financing of Terrorism Law and their implementing regulations	-	-	-
<b>Total</b>	<b>1,395,053,101</b>	<b>375,354,627<sup>2</sup></b>	<b>26.9%</b>

1 Enforceable decisions for 2024 include data from the fourth quarter of 2023 until the third quarter of 2024, excluding the fourth quarter of 2024, as their implementation occurs after the end of the year.

2 A portion of the collected amount was reserved as a regulatory allocation, in accordance with the Capital Market Law.



2024		
Fines and Financial Penalties to Be Collected (SAR)	Fines and Financial Penalties Collected (SAR)	Percentage of Collected amount (SAR)
2,585,000	2,435,000	94.2%
3,550,000	2,470,000	69.6%
-	-	-
2,180,000	2,180,000	100.0%
3,090,000	3,090,000	100.0%
-	-	-
-	-	-
40,000	40,000	100.0%
648,726,539	482,633,367	74.4%
2,940,000	513,711	17.5%
10,000	10,000	100.0%
-	-	-
60,000	10,000	16.7%
-	-	-
50,000	50,000	100.0%
120,000	120,000	100.0%
40,430,000	29,458,487	72.9%
-	-	-
703,781,539	523,010,565	74.3%

Table (51): Total Amount of Financial Penalties Issued by CMA and the CRSD against Violators of Laws and Regulations Enforced by CMA, Classified by Violator Type<sup>1</sup>

Regulator	2023			2024		
	Fines and Financial Penalties to Be Collected (SAR)	Fines and Financial Penalties Collected (SAR)	Percentage of Collected Amount	Fines and Financial Penalties to Be Collected (SAR)	Fines and Financial Penalties Collected (SAR)	Percentage of Collected amount (SAR)
Investor	1,376,533,100.62	365,144,627.05	26.5%	524,105,781.93	365,286,319.64	69.7%
Senior Executive/Board Member	12,730,000	4,430,000	34.8%	173,750,757	151,799,245	87.4%
Registered Individual	0	0	-	600,000	600,000	100%
Listed company	220,000	220,000	100.0%	220,000	220,000	100%
Capital Market Institution	5,570,000	5,560,000	99.8%	5,105,000	5,105,000	100%
<b>Total</b>	<b>1,395,053,100.6</b>	<b>375,354,627.1</b>	<b>26.9%</b>	<b>703,781,538.9</b>	<b>523,010,565.12</b>	<b>74.3%</b>

## 9. Amounts Awarded in Penal and Civil Claims Issued by the CRSD and ARSD Peremptory Decisions

Table (52): Amounts of Compensation and Legal Fees Awarded by CRSD and ARSD Peremptory Decisions in Securities Disputes (SAR)

Year	Number of Entities Awarded Compensation	Compensations (SAR)	Legal Fees (SAR)	Total
2023	579	245,347,758.6	638,000.0	245,985,758.6
2024	921	389,016,840.3	1,510,569.0	390,527,409.4

Table (53): Details of Compensation Amounts Awarded in by CRSD Peremptory Decisions in Security Disputes

Classification	2023	2024
Against Persons Carrying Out Securities Activities Without a License	61,932,860.5	137,124,177.9
Against Violators of the Market Conduct Regulations and Article 49 of the Capital Market Law	5,939,953.7	3,078,561.3
Against Capital Market Institutions	23,458,177.3	98,622,059.0
Against a Listed Company	123,423.6	4,029,800.5
Class-Action Lawsuits	19,532,809.5	90,833,430.5
Other <sup>2</sup>	134,360,534.0	55,328,811.2
<b>Total</b>	<b>245,347,758.6</b>	<b>389,016,840.3</b>

<sup>1</sup> Enforceable decisions for 2024 include data from the fourth quarter of 2023 until the third quarter of 2024, excluding the fourth quarter of 2024, as their implementation occurs after the end of the year

<sup>2</sup> Includes investors' compensations from unlisted individuals and companies.

Table (54): Total Amounts of Illegal Gains Subject of CRSD Peremptory Decisions

Year	Illegal Gains (SAR)	Fines (SAR)	Total (SAR)
2023	1,712,034,237.3	40,610,000.0	1,752,644,237.3
2024	156,045,711.4	151,235,000.0	307,280,711.4

### Third: Requests Regarding Investors’ Assets

Table (55): Requests of Disclosure, Attachment Imposition and Removal, and Enforcement Received by CMA, Classified According to the Requestor

Requestor	2023	2024	Change (%)
Ministry of Justice	1,377,273	1,974,906	%43.4
Government Agencies	1,805	1,774	%1.7-
Investors/Heirs	9,286	12,168	%31.0
Total	1,388,364	1,988,848	%43.3

Table (56): Number of Judicial Orders Received Through the Nafiz Platform

Order Type	2023	2024	Change (%)
Disclosure and Attachment	884,621	1,149,557	%29.9
Attachment Removal	462,837	720,134	%55.6
Enforcement	26,619	103,748	%289.8
Total	1,374,077	1,973,439	%43.6

Table (57): Number of Requests Received by CMA, by Request Type

Type of Request	2023	2024	Change (%)
Disclosure	11,894	26,204	%120.3
Attachment	885,791	1,138,266	%28.5
Attachment Removal	463,055	720,342	%55.6
Distribution of Estate	170	190	%11.8
Sale	27,360	103,798	%279.4
Other	94	48	%48.9-
Total	1,388,364	1,988,848	%43.3



05



## **Chapter 05:**

# **CMA Financial Disclosure**

First: Independent Auditor's Report

Second: Statement of Financial Position as of December 31, 2024

Third: Financial Performance Report for the Year Ending on December 31, 2024

Fourth: Statement of Changes in Net Assets for the Year Ending on December 31, 2024

Fifth: Statement of Cash Flows for the Year ending on December 31, 2024

Sixth: Notes Regarding the Financial Statements as of December 31, 2024

# Capital Market Authority

## Financial Statements

For the Year Ending on December 31, 2024

and

The Independent Auditor's Report

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## Independent Auditor's Report

To your excellences and highnesses, the chairman and board of directors of Capital Market Authority

### Opinion

We have audited the financial statements of Capital Market Authority ("the Authority"), which comprise the statement of financial position as at 31 December 2024, the statements of financial performance, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with the International Public Sector Accounting Standards ("IPSAS").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other matter

The financial statements of the Authority for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 16 Ramadan 1445H (corresponding to 26 March 2024).

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Authority's annual report but does not include the financial statements and our auditor's report thereon. The Authority's annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. Audit Committee and Board of Directors, are responsible for overseeing the Authority's financial reporting process.



## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- » Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- » Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- » Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

## Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- » Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of Capital Market Authority ("Authority").

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

KPMG Professional Services Company



Fahad Mubark Al Dossari  
License No. 469



Riyadh, 26 Ramadan 1446H  
Corresponding to: 26 March 2025

CAPITAL MARKET AUTHORITY  
STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(All amounts are rounded to the nearest Saudi Riyal unless otherwise stated)

	Note	31 December 2024	31 December 2023
<b>Assets</b>			
Current assets			
Cash and cash equivalents	6	4,604,169	1,095,296
Term deposits	7	4,392,000,000	3,303,000,000
Receivables from exchange transactions	8.a	--	1,168,918
Receivables from non-exchange transactions	8.b	58,836,163	54,144,450
Advances and other current assets	9	659,205,758	82,222,860
Advances to employees		14,939,828	14,599,111
Total current assets		5,129,585,918	3,456,230,635
Non-current assets			
Non-current portion of advances to employees		31,313,473	29,427,199
Non-current portion of advances	11	144,950,000	--
Property and equipment	10	210,761,318	214,044,394
Projects under construction	11	1,011,621,999	1,713,386,776
Intangible assets	12	11,938,411	13,969,461
Total non-current assets		1,410,585,201	1,970,827,830
Total assets		6,540,171,119	5,427,058,465
<b>Liabilities</b>			
Current liabilities			
Suppliers and payables from exchange transactions	13	657,060	3,558,461
Accrued expenses and other current liabilities	14	733,467,245	438,342,762
Total current liabilities		734,124,305	441,901,223
Non-current liabilities			
End of service benefits provision	15	440,946,486	399,460,093

	Note	31 December 2024	31 December 2023
Total non-current liabilities		440,946,486	399,460,093
Total liabilities		1,175,070,791	841,361,316
<u>Net assets</u>			
Expenditure reserve	16	1,296,918,944	1,155,886,296
General reserve	16	1,905,938,569	1,776,203,184
Cash surplus	16	574,125,926	44,433,530
Accumulated surplus of revenue over expenses		1,588,116,889	1,609,174,139
Total net assets		5,365,100,328	4,585,697,149
Total assets and liabilities		6,540,171,119	5,427,058,465

The appended notes, numbered (1) through (24), are an integral part of these financial statements.

CAPITAL MARKET AUTHORITY  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2024 (All amounts are rounded to the nearest Saudi Riyal unless otherwise stated)

	Note	31 December 2024	31 December 2023
<b>Revenue:</b>			
<u>Revenue from non-exchange transactions</u>			
Securities trading commission	17	1,128,306,815	804,763,731
Tadawul services and Authority's activities	17	174,467,038	160,528,317
Violations of Capital Market Law and its implementing regulations	17	261,203,791	68,346,645
		1,563,977,644	1,033,638,693
<u>Revenue from exchange transactions</u>			
Deposit returns	17	249,856,954	177,574,698
Tadawul services and Authority's activities	17	--	1,409,895
		249,856,954	178,984,593
Total revenue		1,813,834,598	1,212,623,286
<b>Expenses:</b>			
Employees' salaries and benefits	18	(651,055,645)	(611,378,256)
General and administrative expenses	19	(209,871,396)	(170,367,441)
Employees' training and scholarship		(60,433,257)	(52,249,840)
Professional and consultancy services		(31,530,153)	(18,730,316)
Depreciation and amortization	10 & 12	(17,409,226)	(20,383,522)
Total expenses		(970,299,677)	(873,109,375)
Other expenses		(360,783)	(121,026)
Net surplus of revenue over expenses for the year		843,174,138	339,392,885

The appended notes, numbered (1) through (24), are an integral part of these financial statements.



CAPITAL MARKET AUTHORITY  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 31 DECEMBER 2024  
(All amounts are rounded to the nearest Saudi Riyal unless otherwise stated)

	Note	Expenditure reserve
<b>31 DECEMBER 2023</b>		
Balance as at 1 January 2023		1,134,485,372
Transferred to Ministry of Finance during the year	16	--
Net revenue surplus over expenses		--
Effect of changes in actuarial assumptions	15	--
Reverse of expenditure reserve and general reserve to accumulated surplus over expenses		(1,134,485,372)
Cash surplus before reserve allocations	16	--
Transferred to expenditure reserve	16	1,155,886,296
Transferred to general reserve	16	--
Balance as at 31 December 2023		1,155,886,296
<b>31 DECEMBER 2024</b>		
Balance as at 1 January 2024		1,155,886,296
Transferred to Ministry of Finance during the year	16	--
Net revenue surplus over expenses		--
Effect of changes in actuarial assumptions	15	--
Reverse of expenditure reserve and general reserve to accumulated surplus over expenses		(1,155,886,296)
Cash surplus before reserve allocations	16	--
Transferred to expenditure reserve	16	1,296,918,944
Transferred to general reserve	16	--
Balance as at 31 December 2024		1,296,918,944

The accompanying notes (1) through (24) form an integral part of these financial statements.

General reserve	Cash surplus	Accumulated surplus of revenue over expenses	Total
1,558,255,284	223,294,728	1,551,183,715	4,467,219,099
--	(223,294,728)	--	(223,294,728)
--	--	339,392,885	339,392,885
--	--	2,379,893	2,379,893
(1,558,255,284)	--	2,692,740,656	--
--	2,976,523,010	(2,976,523,010)	--
--	(1,155,886,296)	--	--
1,776,203,184	(1,776,203,184)	--	--
1,776,203,184	44,433,530	1,609,174,139	4,585,697,149
1,776,203,184	44,433,530	1,609,174,139	4,585,697,149
--	(44,433,530)	--	(44,433,530)
--	--	843,174,138	843,174,138
--	--	(19,337,429)	(19,337,429)
(1,776,203,184)	--	2,932,089,480	--
--	3,776,983,439	(3,776,983,439)	--
--	(1,296,918,944)	--	--
1,905,938,569	(1,905,938,569)	--	--
1,905,938,569	574,125,926	1,588,116,889	5,365,100,328

CAPITAL MARKET AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts are rounded to the nearest Saudi Riyal unless otherwise stated)

	Note	31 December 2024	31 December 2023
<b>Cash flows from operating activities</b>			
Net revenues surplus over expenses for the year		843,174,138	339,392,885
<b>Adjustments:</b>			
Depreciation and amortization	12,10	17,409,226	20,383,522
Losses on disposal of property, equipment and intangible assets		357,640	107,690
Current service cost	15	35,142,520	32,833,244
Commission cost	15	22,369,765	20,556,406
Revenues from deposits returns	17	(249,856,954)	(177,574,698)
<b>Changes in</b>			
Receivables from exchange transactions		1,168,918	868,220
Receivables from non-exchange transactions		(4,691,713)	(36,008,071)
Advances to employees		(2,226,990)	(3,170,703)
Advances and other current assets		(9,978,859)	(24,943,588)
Suppliers and payables from exchange transactions		(2,901,401)	145,463
Accrued expenses and other current liabilities		295,124,482	323,090,738
End of service benefits paid	15	(35,363,321)	(35,064,697)
Deposits interest revenue collected	9 & 17	240,738,296	170,056,667



	Note	31 December 2024	31 December 2023
Cash flows from operating activities		1,150,465,747	630,673,078
<b>Investing activities</b>			
Additions of property and equipment and projects under construction	10 & 11	(12,282,013)	(19,086,499)
Additions to intangibles assets	12	(1,268,300)	(254,928)
Proceeds from disposal of property and equipment		26,969	22,989
Cash flows (used in) investing activities		(13,523,344)	(19,318,438)
<b>Financing activities</b>			
Transferred to Ministry of Finance	16	(44,433,530)	(223,294,728)
Cash flows (used in) financing activities		(44,433,530)	(223,294,728)
Change in cash and cash equivalents during the year		1,092,508,873	388,059,912
Cash and cash equivalents at the beginning of the year		3,304,095,296	2,916,035,384
Cash and cash equivalents at the end of the year	6 & 7	4,396,604,169	3,304,095,296
<b>Significant non-cash transactions:</b>			
Transferred from projects under construction to advances	9 & 11	702,835,382	--

The accompanying notes (1) through (24) form an integral part of these financial statements.

# 1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Capital Market Authority (“CMA” or “Authority”) was incorporated under “Capital Market Law” issued by Royal Decree (M/30) dated 2 Jumada’ II 1424H, corresponding to 1 August 2003 which stipulates that an authority will be incorporated in the Kingdom of Saudi Arabia under the name of the “Capital Market Authority”. The Authority was incorporated and started to carry out duties assigned thereto under Royal Decree A/114 dated 13 Jumada’ I 1425H, corresponding to 1 July 2004 by appointing the board of Authority.

The Authority is financially and administratively independent and reports directly to the Prime Minister. The authority is responsible for the issuance of the regulations, rules and instructions and the application of the provisions of the Capital Market Law in achieving the following:

- » Regulate and develop capital market.
- » Regulate the issuance of financial securities and its control and dealing thereof.
- » Regulate and monitor work and activities of entities that are subject to the supervision and control of the Authority.
- » Protect the public and investors of securities from unfair and unsound practices.
- » Maintain fairness, efficiency, and transparency in transactions of securities.
- » Regulate and control full disclosure of information related to securities and their issuers.
- » Regulate the applications of attorney, purchase and public offering of stocks.
- » Authorizing the establishment of a special purpose entity, organizing and monitoring its activities, and issuing the rules regulating this.
- » Regulating mortgage of securities and implementing them.

Pursuant to the Authority Board decision No. 2/5/2004 dated 23 Jumada II 1425H (corresponding to 9 August 2004), the financial year of the Authority begins on the eleventh day of the Capricorn month every year (corresponding to January 1) and ends on the tenth day of the Capricorn month of the following fiscal year (corresponding to 31 December).

The headquarter of the Authority is located at King Fahad Road, Riyadh, P.O Box 87171. Riyadh 11642.

## 2. BASIS OF PREPARATION

### A. Statement of compliance

The Authority’s financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) according to decision No. 4-67-2018 of the Authority’s board of directors, dated 27 Ramadan 1439H (corresponding to 11/06/2018).

### B. Basis of measurement

The financial statements have been prepared on a going concern basis using the accrual basis of accounting in accordance with the historical cost basis, except for the defined benefits plan, which is measured at present value of future obligations using the projected unit credit method.

### C. Presentation and functional currency

These financial statements are presented in Saudi Riyals (SR) which is the functional and presentation currency of the Authority.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 3.1 Presentation of assets and liabilities

The same twelve-month normal operating cycle was applied to the classification of assets and liabilities.

The Authority classifies an asset under current assets when it is:

- a. Expected to be realized or held for sale or depreciated in the ordinary course of business of the Authority;
- b. Held primarily for trading;
- c. Expected to be realized within twelve months subsequent to the date of the financial statements; or
- d. Cash or cash equivalents, unless it is restricted from being exchanged or used to settle a liability within at least twelve months after the reporting date.

The Authority classifies all other assets as non-current.

The Authority classifies a liability under current liabilities when:

- a. It is expected to be settled in the ordinary course of business;
- b. It is held primarily for trading;
- c. It should be settled within twelve months after the reporting date; or
- d. The Authority has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

The Authority classifies its financial liabilities as current when they are due to be settled within twelve months after the reporting date even if:

- a. The original term was longer than twelve months; or
- b. An agreement to refinance, or to reschedule payments, on a long-term basis was completed after the date of the financial statements and before the financial statements were approved for issuance.

The Authority classifies all other liabilities as non-current liabilities.

### 3.2 Cash and cash equivalents

For the purpose of the statement of financial position cash and cash equivalents include the current accounts at banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, and which are not subject to significant risk due to changes in value.

The deposits with original maturities of more than three months and less than twelve months are separately presented in the statement of financial position under current assets.

For the purpose of the statement of cash flows, the cash and cash equivalents comprise the current accounts at banks and term deposits.

### 3.3 Financial instruments

#### Financial assets

##### Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of an entity and a financial liability or equity instrument of another entity. Financial assets within the scope of IPSAS 29 Recognition and Measurement are classified as financial assets at the initial recognition by the Authority at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate.

The Authority's financial assets include cash and cash equivalents, term deposits, receivables from exchange and non-exchange transactions, and advances to employees.

##### Subsequent measurement

The subsequent measurement of financial assets depends on their classification. All financial assets of the Authority are included under the category of "advances to employees and other receivables".

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in surplus or deficit.

##### Derecognition

The Authority derecognizes a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Authority has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either: (a) The Authority has transferred substantially all the risks and rewards of the asset; or (b) The Authority has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

##### Impairment of financial assets

The Authority assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (loss event) and that loss occurrence has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include the following indicators:

- a. The debtors or a group of debtors are experiencing significant financial difficulties;
- b. Default or delinquency in interest or principal payments;
- c. The probability that debtors will enter bankruptcy or other financial reorganization; and
- d. Observable data indicates a measurable decrease in the estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults).

The Authority first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Authority determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

Credit exposures for which there has been a material increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For receivables and exchange and non-exchange transactions, the Authority applies the simplified approach in calculating the expected credit losses (ECL). Therefore, the Authority management does not track changes in credit risks, but instead recognizes a loss allowance based on the lifetime ECL at each reporting date. The Authority management has established a provision matrix that is based on its historical credit loss exposure, adjusted for forward-looking factors specific to the debtors and the economic environment.

In certain cases, the Authority may also consider a financial asset to be in default when internal or external information indicates that the Authority is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Authority management. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## Financial liabilities

### Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and advances, as appropriate.

The Authority determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, are added directly to transaction costs. The Authority's financial liabilities include suppliers, payables from exchange transactions, accruals and other current liabilities.

### Subsequent measurement

The measurement of financial liabilities depends on their classification. All financial liabilities of the Authority are classified as loans and borrowings and are measured at amortized cost. The financial liabilities of the Authority are subsequently measured at amortized cost using the effective interest method.

The amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

**Derecognition**

The financial liabilities are derecognized when the obligation under the contract is discharged, cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in surplus or deficit.

**Offsetting of financial instruments**

The financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

**Fair values of financial instruments**

The Authority measures the fair values of the financial assets and financial liabilities for recognition and/or disclosure purposes. The Authority measures the fair value of the financial instrument using the quoted price in an active market. In the absence of an active market for the financial instrument, the Authority determines the fair value using a valuation technique. The objective of using the valuation technique is to determine the transaction price that would have been agreed upon at the measurement date between freely acting parties motivated by normal operating factors. The assessment techniques include the use of market exchange transactions between informed parties acting freely and willingly, if any, reference to the current fair value of another substantially similar instrument, discounted cash flow analysis, and option pricing models. The selected valuation technique is based on maximizing the use of market inputs and minimizing the use of the Authority-specific inputs. The assessment techniques take into account all factors that market participants would consider when setting a price and are consistent with accepted economic methodologies for pricing financial instruments.

When measuring the fair value of an asset or a liability, the Authority uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the assessment techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for similar assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset and liability that are not based on observable market data (unobservable inputs).

**Advances to employees**

The Authority determines the fair value of the advances by referring to the interest rates in an active market. When the Authority cannot determine the fair value by referring to the active market, it uses one of the valuation techniques. The fair value can be determined using a valuation technique by deducting all future cash proceeds using the market prevailing interest rate for a similar advance.

### 3.4 Property and equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. The depreciable property and equipment are depreciated on a straight line basis.

When significant parts of property and equipment are required to be replaced at intervals, the Authority recognizes such parts as individual assets with specific useful lives and impaired accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized as expenses when incurred. When an asset is acquired in a non-exchange transaction against nil or nominal consideration, the asset is measured at fair value unless the exchange transaction does not entail a commercial substance and the fair value of the received and waived assets is not reliably measurable where the cost is used. The following are the useful lives of the assets that are depreciated:

	Years
Buildings	33.33
Decorations and improvements	5
Furniture and office equipment	5-10
Motor vehicles	4
Computers	3

The assets’ residual values and useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting year.

An asset’s carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset’s carrying amount is greater than its estimated recoverable amount or recoverable service amount.

The Authority derecognizes items of property and equipment and/or any significant part of assets upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on disposal of assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of financial performance when the asset is derecognized.

**Projects under construction**

The projects under construction are recognized at cost less accumulated impairment losses (if any). The cost is transferred to property, equipment / intangible assets when they are available for use for the purpose for which they were created, the depreciation / amortization calculation is then initiated.

3.5 Intangible assets

Intangible assets acquired separately are initially recognized at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of the intangible assets are assessed as either finite or infinite.

The intangible assets with a finite life are amortized over their useful life as follows:

Years	
Computers Software	5

The Authority assesses at the end of each financial year whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Authority estimates the asset’s recoverable amount which is equal to the asset’s fair value less costs of disposal or value in use, whichever is greater. To calculate the value in use, the Authority adopts the depreciation replacement cost approach.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

3.6 Impairment of assets

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Authority estimates the asset’s recoverable service amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable service amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount, net of depreciation, had no impairment loss been recognized for the asset in prior years. The impairment loss reversal is recognized in the statement of the financial performance.

3.7 Employee benefits

Post-employment benefits

Defined benefit plans

The Authority has post-employment benefit plans which are defined benefit for its employees and are unfunded. The defined benefit obligations are reassessed on a regular basis by the Authority’s management using the projected unit credit method. The present value of defined benefit obligations is identified through discounting the estimates future cash flows using interest rates of high quality companies bonds denominated in the currency in which accruals shall be paid and contain terms that approximate the related obligation terms. The Authority has used approximates rates for government bonds. The net interest cost is calculated through applying a discount rate on the net balance of defined benefit obligations and is included in the employees’ benefits account in the statement of financial performance.

The re-measurement gains or losses resulting from settlement of experience and changes in actuarial assumptions are recognized in the statement of changes in net assets in the year in which they occur. The changes in the present value of the defined benefit obligations resulting from the plan amendments are immediately included in the statement of financial performance for the previous service cost.



#### **Defined contribution plans**

The contributions of the Pension Branch of the General Organization of Social Insurance are accounted for as payments for defined contribution plans and they are accordingly recognized as expenses when employees perform services making them eligible for such contributions. These contributions are regularly paid, so they are measured at their undiscounted amounts.

#### **Short-term Employees' Benefits**

Employees' benefits that are expected to be fully settled before twelve months after the end of the reporting period in which the employees provide the related services, including wages, salaries, and social insurance hazard branch subscriptions; paid annual leave and paid sick leave; and benefits in kind (such as medical insurance, housing, and vehicles) for current employees. When an employee provides a service to the Authority during the accounting period, the undiscounted amount of short-term employee benefits expected to be paid for that service is recognized as (a) a liability (accrued expense) less any amount already repaid; and (b) an expense.

Employees' benefit costs are recorded as an expense, unless a standard requires or permits the inclusion of the benefits in the cost of an asset.

### **3.8 Reserves**

According to Article Fourteen of the Capital Market Law, the Authority transfers, at each financial year, the surplus from sources it charged to the Ministry of Finance after deducting all current and capital expenditure it needed (expenditure reserve), and after making the general reserve equal to double the total of its expenditure set out in its previous annual budget.

### **3.9 Revenues**

#### **Revenues from non-exchange transactions**

##### **Fees, fines and penalties**

The authority recognizes revenues from fees when the event occurs and the asset recognition criteria are met unless a revenue-associated condition exists and this condition results in a future liability, deferred revenues rather than revenues are recognized.

The Authority recognizes revenues from fines and penalties when reliably confirming the expected economic benefits received or receivable by the Authority as a result of violating the laws or regulations, where the revenues from the fines and penalties on individuals are recognized when the revenues and timing of their collection can be measured reliably. When the revenues and timing of their collection cannot be measured reliably, the revenues are recognized when collected.

##### **Trading commissions**

The fees for the Authority's services are recorded under notifications received from the Saudi Tadawul Group Holding Company (Tadawul). The trading commissions in the main stock market represent the largest portion of the revenues of trading commissions and the Authority's share of the trading revenue is 3 basis points of the performed transaction value in accordance with decision No. 1-41-2022. of the Authority's board of directors.

##### **Rendering of service**

The Authority recognizes revenue from rendering of services when the outcome of the transaction can be estimated reliably. Where the outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

#### **Revenue from exchange transactions**

##### **Revenue from deposits returns**

Revenue from deposits is accrued using the effective yield method. The effective yield deductions estimate the future cash gains during the expected life of the financial asset to net carrying amount of that asset. This revenue method is applied to the balance of the principal amount to determine the revenue of deposits at each year.

### 3.10 Leases

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Authority. Operating lease payments are recognized as an operating expense on a straight-line basis over the lease term. The Authority has no arrangements for finance leases.

### 3.11 Contingent liabilities

The Authority does not recognize the contingent liabilities, but discloses the details of the contingent liabilities in the notes to the financial statements, unless the resources with future economic benefits are highly likely to outflow.

### 3.12 Contingent assets

The Authority does not recognize the contingent assets, but discloses in the notes to the financial statements the details of a contingent asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not completely within the Authority's control. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will occur, the asset and the related income are recognised in the financial statements for the year in which the change occurs.

### 3.13 Related parties

The Authority regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Authority, or vice versa. The members of the main board of directors, Saudi Tadawul Group Holding Company (Tadawul), and the Financial Academy are considered related parties and include the Authority's board members.

### 3.14 Foreign currency translation

Transactions in foreign currencies are translated to Saudi Riyals at the ruling rate of exchange on the date of the transaction. Financial assets and liabilities denominated in foreign currencies, if any are translated to Saudi Riyals at the rate of exchange ruling at the statement of financial position date. Profits and losses resulting from foreign currency exchanges are included in the statement of financial performance.

### 3.15 Provisions

Provisions are recognized when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Authority expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

## 4. Key Judgements and estimates

The preparation of the financial statements in conformity with IPSAS requires the management to make judgments, estimates and assumptions impacting the amounts of income, expenses, assets and liabilities shown in the financial statements and their accompanying disclosures including disclosures on the contingent liabilities and assets. However, uncertainties about these assumptions and estimates may result in material adjustments to the carrying amount of assets or liabilities that may be affected in the future periods.

### Estimates and assumptions

The following are the key assumptions taken into account in estimating the impact of future circumstances on the figures shown in the financial statements and the related disclosures at the financial statements preparation date, that are associated with significant risks that may cause material adjustments to the carrying amounts of assets and liabilities during the next financial year. The Authority based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Authority. Such changes are reflected in the assumptions when they occur.

### Estimates related to the useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The nature of assets, their adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the assets.
- Changes in the market in relation to the asset.

### Impairment of non-financial assets and non-cash generating assets

The Authority reviews and tests the carrying value of non-cash-generating assets when events or changes in circumstances suggest that there may be a reduction in the future service potential that can reasonably be expected to be derived from the asset. Where indicators of possible impairment are present, the Authority undertakes impairment tests, which requires the determination of the fair value of the asset and its recoverable service amount. The estimation of these inputs into the calculation relies on the use of estimates and assumptions. Any subsequent changes to the factors supporting these estimates and assumptions may have an impact on the reported carrying amount of the related asset.

### Provisions

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

### Measurement of employee defined benefits obligation

Cost of defined employees' benefits obligations and post-employment benefits are identified using actuarial valuations. An actuarial assessment involves making various assumptions which may differ from actual developments in the future. These include identification of the discount rate, salary future increase, employees' turnover and mortality rates. Due to complexity of assessment, key assumptions and its long-term nature make the defined benefits obligation highly sensitive to the changes in those assumptions.

The Authority conducts actuarial assessment annually and assumptions are reviewed at the date of the annual financial statements.

### Impairment of receivables and advances to employees

The Authority assesses advances and receivables from exchange and non-exchange transactions at the end of each financial year. In determining whether an impairment loss should be recorded in surplus or deficit, the Authority evaluates the market indicators to determine if they are indicative of the impairment of the advances and receivables.

Where specific impairments have not been identified, the impairment for receivables from exchange and non-exchange transactions is calculated on a portfolio basis, based on historical loss ratios, adjusted for general economic conditions and other indicators present at the reporting date that are associated with the default. These annual loss ratios are applied to the advances balances in the portfolio and changed to the year of presenting the estimated loss.

## 5. NEW STANDARDS OR AMENDMENTS AND FORTHCOMING REQUIREMENTS

The following are the new International Public Sector Accounting Standards (IPSAS) issued but not effective till the issuance date of the financial statements. The Authority intends to adopt such standards at their effective date.

### IPSAS 43 Leases

IPSAS 43 introduces a single lease accounting model for leases. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value assets. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The standard is applied on or after 1 January 2025, with the earlier application is permitted in the event the entity applied IPSAS 41. As at the date of approval of these financial statements, the Authority did not apply the standard as the Authority has operating leases amounting to SR 4 million and their term is 3 years.

### IPSAS 44 Non-current Assets Held for Sale and Discontinued Operations

The Public sector entities may intend to dispose the non-current assets that are no longer needed. These entities can consider different disposal options for these assets, and the standard provides guidance on how to calculate non-current assets when they are available for sale on an arm's length basis.

The standard is applied on or after 1 January 2025, and earlier application is permitted. As at the date of approval of these financial statements, the Authority has not applied the standard and does not expect a significant impact upon application.

### IPSAS 45 Property, Plant and Equipment

IPSAS 45 aims to illustrate the accounting treatment of the property, plant and equipment so that the users of the financial statements can peruse information about the entity's investment in its property, plant and equipment and changes in this investment. The main aspects of the accounting for property, plant and equipment represent the assets recognition, determination of their carrying amount, depreciation costs, and impairment losses to be recognized.

The standard is applied on or after 1 January 2025, and earlier application is permitted for entities applying IPSAS 43, IPSAS 44, and IPSAS 46. As at the date of approval of these financial statements, the Authority has not applied the standard and does not expect a significant impact upon application, where the Authority management will continue to apply the historical cost model.

### IPSAS 46 Measurement of Assets and Liabilities

This standard aims to define measurement basis according to which the cost of services, operational capacity and financial capacity of assets and liabilities are presented fairly. The standard identifies approaches as part of the measurement basis to be applied through individual IPSAS to achieve the objectives of financial reporting.

The standard is applied on or after 1 January 2025, and earlier application is permitted. As at the date of approval of these financial statements, the Authority has not applied the standard and does not expect a significant impact upon application.

#### IPSAS 47 Revenues

The objective of this standard is to establish the principles that an entity should apply to provide useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from revenue transactions.

To achieve the stated objective, the entity is required to consider the terms of the transaction and all relevant facts and data to determine the type of revenue transaction; it also specifies the accounting requirements to account for the revenue transaction.

The standard is applied on or after 1 January 2026, and earlier application is permitted. As at the date of approval of these financial statements, the Authority has not applied the standard and does not expect a significant impact upon application.

#### IPSAS 48 Transfer Expenses

The objective of this standard is to establish the principles to be applied by the transferor (entity) to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flows arising from transfer expenses.

To achieve the stated objective, the entity is required to consider the terms of the transaction and all relevant facts and data to determine the type of transfer expenses; it also specifies the accounting requirements to account for the transfer expenses.

The standard is applied on or after 1 January 2026, and earlier application is permitted. As at the date of approval of these financial statements, the Authority has not applied the standard and does not expect a significant impact upon application.

#### IPSAS 49 Retirement Benefit Plans

The objective of this standard is to specify the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits to public sector employees and other eligible participants.

The standard is applied on or after 1 January 2026, and earlier application is permitted. As at the date of approval of these financial statements, the Authority has not applied the standard and does not expect a significant impact upon application.

## 6. CASH AND CASH EQUIVALENTS

	As at	
	31 December 2024	31 December 2023
Cash at bank (current accounts)	4,604,169	1,095,296
	4,604,169	1,095,296

## 7. TERM DEPOSITS

	As at	
	31 December 2024	31 December 2023
Term deposits (7.a)	4,392,000,000	3,303,000,000
	4,392,000,000	3,303,000,000

(7.A) Term deposits represent the value of deposits with local banks that can be redeemed without restriction or cost and at different interest rates depending on prevailing interest rates. These deposits carry commission during the year ended 31 December 2024 amounting to SR 249,856,954 (31 December 2023: SR 177,574,698) (Note 17).

## 8. RECEIVABLES

	As at	
	31 December 2024	31 December 2023
<b>8.A) Receivables from exchange transactions</b>		
The Financial Academy (Note 21)	--	1,168,918
	--	1,168,918

	As at	
	31 December 2024	31 December 2023
<b>(8.B) Receivables from non-exchange transactions</b>		
Saudi Tadawul Group Holding Company (Tadawul) (Note 21)	58,445,706	53,096,683
Other customers	390,457	1,047,767
	58,836,163	54,144,450

## 9. ADVANCES AND OTHER CURRENT ASSETS

	As at	
	31 December 2024	31 December 2023
Other receivables*	557,885,382	--
Prepaid expenses	60,976,032	49,206,972
Accrued income	37,151,725	28,158,067
Prepaid employee secondment expenses	3,192,619	4,857,821
	659,205,758	82,222,860

\* The balance of other receivables consists of the balance due from King Abdullah Financial District Company (“KAFD”) of SR 557.9 million, which is the amount expected to be recovered from the amounts previously paid for the Authority’s previous building in the King Abdullah Financial District after deducting the value of the agreements referred to in Note 11.

## 10. PROPERTY AND EQUIPMENT

	Lands	Buildings	Decorations and improvements
<u>Cost:</u>			
At 1 January 2024	114,700,000	132,300,020	87,205,037
Additions	--	--	470,444
Transferred from projects under construction (note 11)	--	--	--
Disposals	--	--	--
At 31 December 2024	114,700,000	132,300,020	87,675,481
<u>Accumulated Depreciation:</u>			
At 1 January 2024	--	47,297,257	85,893,675
Depreciation	--	3,969,001	839,079
Disposals	--	--	--
At 31 December 2024	--	51,266,258	86,732,754
<b>Net book value</b>			
At 31 December 2024	114,700,000	81,033,762	942,727
At 31 December 2023	114,700,000	85,002,763	1,311,361



	Furniture and office equipment	Motor vehicles	Computers	Total 2024	Total 2023
	79,414,666	1,015,000	55,622,024	470,256,747	471,266,194
	3,039,786	1,872,200	1,271,138	6,653,568	4,242,222
	1,858,156	--	436,393	2,294,549	455,137
	(13,440)	(1,138,050)	(21,940)	(1,173,430)	(5,706,807)
	84,299,168	1,749,150	57,307,615	478,031,434	470,256,746
	72,595,026	820,934	49,605,460	256,212,352	247,898,267
	2,633,779	505,544	3,899,182	11,846,585	13,890,213
	(10,745)	(767,507)	(10,569)	(788,821)	(5,576,128)
	75,218,060	558,971	53,494,073	267,270,116	256,212,352
	9,081,108	1,190,179	3,813,542	210,761,318	
	6,819,640	194,066	6,016,564		214,044,394

## 11. PROJECTS UNDER CONSTRUCTION

	Balances as at 1 January 2024	Additions	Transferred to intangible assets (note 12)	Transferred to property and equipment (Note 10)	Adjustments	Balances as at 31 December 2024
Advances to purchase assets (11.A)	1,690,626,849	--	--	--	(702,835,382)	987,791,467
Computer equipment, software and other fixtures	22,759,927	5,628,445	(2,263,291)	(2,294,549)	--	23,830,532
	1,713,386,776	5,628,445	(2,263,291)	(2,294,549)	(702,835,382)	1,011,621,999

(11.a) On February 2024, the Authority's management signed an agreement with King Abdullah Financial District Company ("KAJD"), including land and an alternative building for the Authority in the King Abdullah Financial District in Riyadh.

The total value of this project is SR 987.8 million, including the value of land and building of SR 767.1 million and the works of executing and equipping the building of SR 220.7 million. It was also agreed to lease parking lots for the Authority employees at the King Abdullah Financial District for 99 years at a value of SR 145 million. The remaining balance of the amounts previously paid is expected to be recovered against the previous building of the Authority in the King Abdullah Financial District after deducting the value of the agreements referred to of SR 557.9 million (note 9).

## 12. INTANGIBLE ASSETS

	2024	2023
<b>Cost</b>		
Balance at the beginning of the year	76,233,273	70,688,004
Additions	1,268,300	254,928
Transferred from projects under construction (note 11)	2,263,291	5,290,341
<b>Balance at the end of the year</b>	<b>79,764,864</b>	<b>76,233,273</b>
<b>Accumulated amortization</b>		
Balance at the beginning of the year	62,263,812	55,770,503
Amortization charged during the year	5,562,641	6,493,309
<b>Balance at the end of the year</b>	<b>67,826,453</b>	<b>62,263,812</b>
<b>Net book value</b>	<b>11,938,411</b>	<b>13,969,461</b>

### 13. SUPPLIERS AND PAYABLES FROM EXCHANGE TRANSACTIONS

As at		
	31 December 2024	31 December 2023
Services providers	218,852	3,000,136
Others	438,208	558,325
	657,060	3,558,461

### 14. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

As at		
	31 December 2024	31 December 2023
Regulatory accruals (*)	619,620,730	327,572,286
Employees' accruals	96,410,080	92,165,429
Accrued expenses	15,296,497	14,184,241
Others	2,139,938	4,420,806
	733,467,245	438,342,762

(\*) The balance represents the value of a regulatory obligation in accordance with the Capital Market Law and has been approved by the Authority’s Board of Directors in accordance with its powers and it is related to the accruals expected to be paid during 2025.

### 15. END OF SERVICE BENEFITS PROVISION

The movements in the present value of the defined benefits obligation is as follows:

	2024	2023
Defined benefits obligation at the beginning of the year	399,460,093	383,515,033
Current service cost	35,142,520	32,833,244
Commission cost	22,369,765	20,556,406
Benefits paid	(35,363,321)	(35,064,697)
Actuarial loss / (gain)	19,337,429	(2,379,893)
Defined benefits obligation at the end of the year	440,946,486	399,460,093

The actuarial assumptions used in the calculation of the provision for end-of-service benefits (an unfunded defined benefits plan) are as follows:

	31 December 2024	31 December 2023
Discount rate	5.2%	5.6%
Salary increase rate	5%	5%
Employee's turnover rates	8%	7.5%

The value expected for end-of-service based on the program for each staff is as follows:

- Future salary is expected on deemed rate for salary increase.
- Current actuarial value is identified using rules of the plan, deemed discount rate, mortality rates and employees' turnover rate.
- After that, defined obligation is allocated over years of service expected for the employee with identifying the expected obligation equally over each year of past service for calculating defined benefits obligation.

Sensitivity analysis for material actuarial assumptions is as follows:

	Provision as at 31 December 2024	Change %
Key assumptions	440,946,486	0.0%
Discount rate basis +0.5%	421,699,278	(4.4%)
Discount rate basis -0.5%	461,612,876	4.7%
Salary growth rate basis +0.5%	460,367,060	4.4%
Salary growth rate basis- 0.5%	422,665,307	(4.1%)
Employee's turnover rate 110%	440,191,710	(0.2%)
Employee's turnover rate 90%	441,687,039	0.2%

	Provision as at 31 December 2023	Change %
Key assumptions	399,460,093	0.0%
Discount rate basis +0.5%	381,744,432	(4.4%)
Discount rate basis -0.5%	418,503,474	4.8%
Salary growth rate basis +0.5%	417,430,730	4.5%
Salary growth rate basis- 0.5%	382,568,533	(4.2%)
Employee's turnover rate 110%	399,461,910	0.0%
Employee's turnover rate 90%	399,414,914	0.0%

The above sensitivity analysis was determined by extrapolating the impact on the defined benefits obligation as a result of reasonable changes in key

assumptions that occur at the end of the reporting period. The sensitivity analysis is based on a change in key assumptions, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefits obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

The following table shows expectations of undiscounted obligations for employees’ end-of-service benefits for a period of five years based on assumptions and employees’ data used in the calculation of obligations at 31 December 2024:

Returns expected to be paid during the year	Amount
Year ended at 31 December 2025	38,753,062
Year ended at 31 December 2026	41,357,430
Year ended at 31 December 2027	45,255,538
Year ended at 31 December 2028	45,246,556
Year ended at 31 December 2029	49,154,642

The Authority conducts an actuarial assessment of employee benefits at the end of each financial year.

## 16. RESERVES

Article 14 of the Capital Market Law stipulates that the surplus from the resources collected by the Authority shall be transferred to the Ministry of Finance after the creation of the reserves:

- An expenditure reserve equal to all current and capital expenditures in the Authority’s budget for the next year, which amounted to SR 1,296,918,944 as at 31 December 2024 (2023: SR 1,155,886,296).
- A general reserve equivalent to double the total expenditures of the Authority shown in its previous annual budget, which amounted to SR 1,905,938,569 as at 31 December 2024 (2023: SR 1,776,203,184).

The reserves described above are made by deducting the cash surplus from the Authority’s resources as at the end of the year, thus the movement on the cash surplus is as follows:

	2024	2023
Cash surplus before reserve allocations	3,776,983,439	2,976,523,010
Less:		
Expenditure reserve	(1,296,918,944)	(1,155,886,296)
General reserve	(1,905,938,569)	(1,776,203,184)
Cash surplus balance	574,125,926	44,433,530

The authority records surplus cash within net assets. During 2024, the Authority transferred SR 44,433,530 of cash surplus to the Ministry of Finance (2023: SR 223,294,728).

## 17. REVENUES

All the Authority's revenues are non-exchange revenues except for certain Authority's service revenues and activities and deposits returns. Distribution of exchange and non-exchange revenues is as follows:

For the year ended 31 December 2024			
	Exchange	Non-exchange	Total
Securities trading commission	--	1,128,306,815	1,128,306,815
Tadawul services and Authority's activities	--	174,467,038	174,467,038
Violations of Capital Market Law and its implementing regulations	--	261,203,791	261,203,791
Deposits returns	249,856,954	--	249,856,954
	249,856,954	1,563,977,644	1,813,834,598

For the year ended 31 December 2024			
	Exchange	Non-exchange	Total
Securities trading commission	--	804,763,731	804,763,731
Tadawul services and Authority's activities	1,409,895	160,528,317	161,938,212
Violations of Capital Market Law and its implementing regulations	--	68,346,645	68,346,645
Deposits returns	177,574,698	--	177,574,698
	178,984,593	1,033,638,693	1,212,623,286

## 18. EMPLOYEE SALARIES AND BENEFITS

	For the year ended	
	31 December 2024	31 December 2023
Salaries	252,852,580	238,910,849
Employees' allowances	127,348,472	122,278,743
Employees' bonus	87,233,974	80,800,230
End of service benefits	57,512,284	52,894,869
Medical insurance	44,161,839	42,893,487
Authority's share in saving program	31,829,296	30,279,258
Social insurance	31,215,337	29,638,054
Business trips and conferences	6,701,713	3,293,318
Others	12,200,150	10,389,448
	<b>651,055,645</b>	<b>611,378,256</b>

## 19. GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended	
	31 December 2024	31 December 2023
Financial Sector Development Initiatives *	68,851,432	48,450,094
Maintenance	40,015,838	26,733,933
Subscriptions	29,848,288	27,359,646
Utilities	18,781,677	17,419,258
Graduate development program	14,902,843	12,698,634
Rent	13,406,753	13,209,702
Committees' members remuneration	13,356,100	13,302,100
Media & public relations	7,663,247	7,489,836
Operational contracts expenses	2,156,509	2,419,317
Others	888,709	1,284,921
	<b>209,871,396</b>	<b>170,367,441</b>

\*Financial Sector Development Initiatives item as at 31 December 2024 includes SR 38.9 million (31 December 2023: SR 39.9 million) - (Note 21), which the Authority bears from the budget deficit approved for the Financial Academy in accordance with Cabinet Decision No. (538).

## 20. COMMITMENTS

### Capital commitments

Capital commitments as at 31 December 2024 are SR 7.4 million (31 December 2023: SR 7.8 million), with related contracts totaling SR 30.7 million (31 December 2023: SR 31.8 million), of which SR 23.3 million has been executed (31 December 2023: SR 24.1 million).

### Operating lease commitments

The Authority as a lessee

Future minimum lease payments under non-cancellable operating leases as at the end of the reporting year are as follows:

As at		
	31 December 2024	31 December 2023
Within 1 Year	1,433,089	989,878
More than 1 year, but not more than 5 years	2,701,580	4,134,669
	4,134,669	5,124,547

## 21. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

### 21-1 Due from a related party

Balances as at				
Related party name	Note	Nature of relationship	31 December 2024	31 December 2023
Saudi Tadawul Group Holding Company (Tadawul) (*)	8.b	Supervisory and Regulatory relationship	58,445,706	53,096,683
The Financial academy	8.A	Regulatory relationship	--	1,168,918



## 21.2 Related parties' transactions

Related party name	Nature of transaction	Transaction values for the year ended	
		31 December 2024	31 December 2023
Saudi Tadawul Group Holding Company (Tadawul)	Authority's revenues through Tadawul	1,258,376,815	926,763,730
	proceeds from Tadawul	1,253,027,792	891,046,091
	Revenues	--	2,981,829
The Financial academy	Proceeds from the Academy	1,168,918	3,731,074
	Academy's budget support	38,900,000	39,883,000

(\*) The balance due from Saudi Tadawul Group Holding Company (Tadawul) mainly represents what the Authority charges for services related to the Saudi Stock Exchange that are uncollected as at the date of the statement of financial position, where claims are issued for fees and commissions for trading shares and other securities. These are collected by Saudi Tadawul Group Holding Company (Tadawul) on behalf of the Authority in addition to the annual fees for the services provided by the Authority related to the stock exchange.

In accordance with Capital Market Authority Law and in order to apply Article 22, Saudi Tadawul Group Holding Company is subject to supervision of the Authority in addition to the regulatory relationship that represents the following:

- The regulations and rules of Tadawul, Depository and Clearing Centers - each within its own purview, are identified, in addition to the membership conditions and requirements of each.
- Tadawul, Depository and Clearing Centers - each within its own purview - shall present the names of the candidates for the membership of their board of directors to Authority's Board to obtain its approval of their nomination before the shareholders' General Assembly elects them.
- The regulations and instructions approved by the Board of the Authority shall specify the procedures related to convening the meetings of the boards of directors of the Tadawul, Depository and Clearing Centers, their decision-making process, plans for conducting their activities, the powers and responsibilities entrusted to their board of directors and chief executive officer, and all other related administrative and financial affairs.

## 21.3 Authority's key management personnel remunerations

	For the year ended	
	31 December 2024	31 December 2023
Short-term key management personnel benefits	8,521,307	8,385,775
End of service benefits	508,202	604,767
	9,029,509	8,990,542

The number of the Authority's key personnel during the year was 5 employees (2023: 5 employees), all of them are full-time employees.

## 22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments comprise cash and cash equivalents, receivables, other current assets, payables and other current liabilities. To assess their fair value, it has assumed that they are equal to their carrying amount due to their nature and short-term maturity.

### Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the primary market for assets or liabilities, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Authority.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial assets takes into account a market participant's ability to generate economic benefits from the asset's best and highest use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Authority uses following hierarchy for determining and disclosing the fair value of financial instruments:

- Level 1: quoted prices in active markets for the same instrument (i.e. without modification)
- Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data.
- Level 3: valuation techniques that have not identified any of their significant inputs based on observable market data.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Authority determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each financial year.

For the purpose of fair value disclosures, the Authority has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liabilities and the levels of the fair value hierarchy, as explained above.

## 22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

	AS at	
	31 December 2024	31 December 2023
Classification of financial instruments		
Financial assets at amortized cost		
Cash and cash equivalents	4,604,169	1,095,296
Term deposits	4,392,000,000	3,303,000,000
Receivables from exchange transactions	--	1,168,918
Receivables from non-exchange transactions	58,836,163	54,144,450
Advances to employees	46,253,301	44,026,310
	4,501,693,633	3,403,434,974
Financial liabilities at amortized cost		
Suppliers and payables from exchange transactions	657,060	3,558,461
	657,060	3,558,461

The fair values of financial assets and liabilities approximate their carrying values.

### Risks

The authority has exposure to the following risks as a result of its use of the financial instruments:

#### Interest risk

The interest rate risk is the risk that the fair value or future cash flow of a financial instrument may fluctuate because of changes in the prevailing market interest rate.

Financial instruments are exposed to the change in value risk as a result of changes in interest rates of the financial assets and liabilities with variable interest.

A reasonably possible change of 100 basis points in interest rates at the financial reporting date would have increased (decreased) financial performance by the amounts shown below. The analysis assumes that all other variables remain constant.

Item	Increase / (decrease) basis points	Effect of increase/ (decrease) on statement of financial performance	
		31 December 2024	31 December 2023
Term deposits	+100	40,295,833	30,314,528
	-100	(40,295,833)	(30,314,528)
Advances to employees	+100	(996,957)	(952,254)
	-100	1,034,807	988,787

#### Foreign currency risks

They are the risks that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Authority has no material receivables, payables, or binding commitments denominated in foreign currencies. The Authority has no revenues in foreign currency. Most of the Authority's foreign currency purchases are denominated in US dollars and the Authority is not exposed to currency risk from these transactions as Riyal is pegged to US dollar. Purchases in other foreign currencies are immaterial. Accordingly, the Authority does not hedge against foreign currency risk. (If the Authority is exposed to material foreign currency risks, it shall disclose the significant exposures, the methods of managing these risks (if any) and their impact on the surplus or deficit and financial position in accordance with IPSAS 30).

#### Liquidity risks

Liquidity risks are the risks that the Authority will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk management process followed by the Authority includes to ensure as possible from the availability of sufficient liquidity to meet its liabilities as they fall due.

The Authority has no receivables for more than a year.

#### Credit risks

Credit risks are the risks that one party to a financial instrument or client contract will fail to discharge an obligation and cause the other party to incur a financial loss. For financial assets classified as “receivables”, the maximum exposure to credit risk is the carrying amount of the financial assets.

#### Credit quality for financial assets

As at 31 December 2024, Saudi Tadawul Group Holding Company (Tadawul) is the Authority's largest customer, with an outstanding balance of approximately SR 58.4 million (31 December 2023: SR 53.1 million) recorded in receivables from non-exchange transactions (Note 8.B).

At 31 December 2024, the ageing analysis of trade receivables from exchange transactions are as follows:

	As at	
	31 December 2024	31 December 2023
Neither past due nor impaired less than 30 days	--	1,167,014
Past due from 31 - 90 days	--	1,904
	--	1,168,918

At 31 December 2024, the ageing analysis of receivables from non-exchange transactions are as follows:

	As at	
	31 December 2024	31 December 2023
Neither past due nor impaired less than 30 days	57,612,870	52,927,649
Past due above 90 days	1,223,293	1,216,801
	58,836,163	54,144,450

The management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payments behavior and extensive analysis of customers’ credit risk, including underlying customers’ credit ratings if they are available.

The Authority has cash and cash equivalents of SR 4.40 billion as at 31 December 2024 (31 December 2023: SR 3.30 billion) deposited with banks of a good credit rating (A-)

## 23. COMPARATIVES FIGURES

Certain comparative figures have been reclassified to conform to the current year’s presentation. The reclassification had no impact on the statement of financial performance for the year or on the statement of change in net assets.

31 December 2023:	As previously reported	Reclassification	As restated
Statement of Financial Position:			
Cash and cash equivalents	3,304,095,296	(3,303,000,000)	1,095,296
Term deposits	--	3,303,000,000	3,303,000,000

## 24. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Authority’s Board of Directors on 25 Ramadan 1446H (corresponding to 25 March 2025).

# 06



## **Chapter 06:** **Statistical Appendix to the Annual Report**

Available on Capital Market Authority's Website:  
[www.cma.org.sa](http://www.cma.org.sa)

To access the Open Data of the Statistical Appendix to the Annual Report click the following link

<https://opendata.cma.org.sa/Pages/default.aspx>



## Conclusion

This report presents an overview of the Capital Market Authority's (CMA) achievements and activities throughout 2024, a year filled with accomplishments in the Saudi capital market. The report highlights the adoption of the CMA's Strategic Plan 2024–2026, based on three strategic pillars: (1) Activating the capital market's role in financing and investment, (2) Empowering the capital market ecosystem, and (3) Protecting investors' rights. The Plan's vision is for Saudi capital market to become a main source of financing and investment for developing the national economy and one of the most important capital markets in the world.

Building on the achievements of its strategic plan, CMA launched strategic directions aimed at enhancing the attractiveness of asset management in Saudi Arabia, by diversifying investment products, strengthening transparency and governance, and solidifying the Kingdom's regional and international standing. In 2024, CMA approved single stock options contracts for four companies, as well as the first exchange-traded fund (ETF) tracking Hong Kong stocks, with assets under management exceeding SAR 4 billion.

CMA continued its efforts to develop the regulatory framework, approving the Instructions on the Offering of Real Estate Contribution Certificates, along with a set of amendments to implementing regulations, including the Capital Market Institutions Regulations, Investment Accounts Instructions, the Implementing Regulation of the Companies Law for Listed Joint Stock Companies, and the Rules on the Offer of Securities and Continuing Obligations.

Furthermore, CMA upheld its crucial role in protecting investors by advancing its efforts in addressing violations and complaints, alongside raising financial literacy and public awareness.

In the coming years, CMA looks forward to further developing the capital market to protect investors, enhance market stability, and create an investment-friendly environment that supports the growth of the national economy.





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