



## **Global Reward Update**

### Kingdom of Saudi Arabia (“KSA”) – Legislative simplification for employee share plans

#### **Key points to know**

Since April 2018, it has been simpler for KSA resident employees to be awarded shares in non-KSA companies as part of employee share plans.

#### **Additional detail**

Before April 2018, when an organisation issued its KSA resident employees with shares in a non-Saudi entity, it would have had to comply with certain legal requirements, for example:

- The award had to be made through an “authorised person”
- There were various notification requirements which applied before and after the shares were acquired

This resulted in many organisations offering cash-alternatives to their KSA resident employees instead of shares.

New legislation introduced from April 2018 has removed many of the administrative and reporting requirements. The key requirement remaining is that the relevant regulatory authority should be notified when shares are awarded to KSA resident employees by the end of the relevant quarter. Certain information in relation to the award of shares also needs to be disclosed.

## Deloitte's view

These are welcome relaxations which provide flexibility for employers by facilitating the provision of equity settled awards to employees in KSA.



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