

Controls for Qualifying and Classifying Persons Engaging in

Collective Real Estate Investment Schemes

Shaaban 1445H

Article 1

Real estate developers shall be qualified based on the following criteria:

1. Financial capabilities.
2. Technical capabilities.
3. Corporate capabilities and human resources.

Article 2

A real estate developer becomes qualified to practice after attaining the required score as follows:

Size of Collective Real Estate Investment Scheme	Establishment Capital according to the Commercial Register	Required Qualification Score
Small (capital less than fifty million riyals)	100,000 riyals or more	40 points or more
Medium (capital between fifty million and three hundred million riyals)	500,000 riyals or more	50 points or more
Large (capital exceeding three hundred million riyals)	1,000,000 riyals or more	60 points or more

Article 3

Qualification Requirements and Standards:

I. Financial Capabilities:

Criterion	Requirements	Evaluation Method	Weight	Type
Financial statements by a chartered accountant	1. For new establishments within the last year, a financial statement is required. 2. For establishments of more than one year and not less than two years, financial statements for one fiscal year are required.	- Liabilities less than 20% of total assets: 20 points. - Liabilities more than 20% and less than 80% of total assets: 15 points. - Liabilities more than 80% and less than 100% of total assets: 10 points. - Liabilities equal to or	20	Mandatory

	<p>3. For establishments over two years, financial statements for two consecutive fiscal years are required.</p> <p>Financial Statements: Current assets - cash liabilities - profit and loss</p>	exceeding total assets: 5 points.		
Commercial certificate	A certificate issued by a licensed credit services provider, confirming the applicant's credit integrity, provided that the certificate issuance date does not exceed (three) months from the application date.	<ul style="list-style-type: none"> - No lawsuits: 1 point - No bounced checks: 2 points - No overdue financial obligations: 2 points 	5	Mandatory
Certificate by Zakat, Tax and Customs Authority (ZATCA)	Valid registration certificate	The commercial register number corresponds to the valid registration certificate: Full points.	5	Mandatory
Total			30	

II. Technical Capabilities (Previous Experience):

Criterion	Requirements	Evaluation Method	Weight	Type
Statement detailing completed projects	<p>Real Estate Development Projects: Development projects categorized by type, as follows:</p> <p>1. Residential: Each project shall comprise a minimum</p>	<p>Each real estate development project implemented within (3-10) years: 9 points.</p> <p>Three real estate development projects</p>	27	Mandatory

	of (10) residential units. 2. Non-residential (industrial, commercial, office, etc.): Each project built-up area shall be (2,000) square meters. 3. Infrastructure Development: Each project area shall be (50,000) square meters.	implemented within (3-10) years: 27 points.		
Classification certificates for city service providers implementing the projects	Classification certificate obtained by project contractors and engineers	One certificate: Full points	5	Optional
Qualification or classification certificates obtained by the establishment	Certificates issued by official authorities, including but not limited to: 1. Classification certificate as a developer or contractor from the Ministry of Municipal and Rural Affairs and Housing (MOMRAH). 2. Real estate developer qualification certificate for off-plan sale/lease projects. 3. Qualification certificate from major companies in the Kingdom (Aramco). 4. Qualification certificate from Developers Services Center (Etmam).	One certificate: Full points	5	Mandatory

Methodology adopted for an implemented project	<p>Description of the approach followed in implemented projects, including:</p> <ol style="list-style-type: none"> 1. A brief about the project and its data, outlining the project area, type, purpose, and plan. 2. Description of software used in the project management to monitor progress, such as, without limitation, Microsoft Project, Primavera, etc. 3. A summary of the project feasibility study, covering estimated costs and anticipated revenues. 4. The structure of the project team. 5. The project timeframe. 	<p>Each requirement: 1 point</p> <p>Full compliance with requirements: Full points</p>	<p>5</p>	<p>Mandatory</p>
Contracts of previous projects	<p>Attaching contracts verifying the implementation of completed projects stated in the statement of projects, including, but not limited to:</p> <ol style="list-style-type: none"> 1. Project management. 2. Architectural and engineering works. 3. Construction. 4. Infrastructure. 5. Marketing and sales. 	<p>Each contract: 2 points</p> <p>All contracts: Full points</p>	<p>10</p>	<p>Mandatory</p>
Total		52 points		

III. Corporate Capabilities and Human Resources:

Criterion	Requirements	Evaluation Method	Evaluation Weight	Type
Organizational structure	Approved organizational structure of the establishment	Approved organizational structure: Full points.	3	Mandatory
Work regulations	Certificate of approving the work regulations according to Royal Decree No. (M/51) dated 23/08/1426 AH (September 27, 2005)	Work regulations: Full points	4	Mandatory
Occupational safety and health regulations	OSH regulations approved by the competent authority in the establishment or ISO 45001 Certificate	Approved regulations or the certificate: Full points	2	Mandatory
Saudization rate	Localization certificate issued by the competent authority	Saudization certificate: Full points	1	Mandatory
Social insurance certificates and list of on-the-job subscribers	Registration certificates issued by the General Organization for Social Insurance	1. Number of employees (1-5): 1 point 2. Number of employees (6-49): 2 points 3. Number of employees (50 or more): 3 points.	3	Mandatory
Completion of REGA-approved qualification program	Completion of REGA-approved qualification program by the establishment's owner, manager, or employees on the list of on-the-job subscribers	Completion by one person: Full points.	1	Mandatory
Number of engineers employed by the establishment	Engineers employed by the establishment and	1. (1-2) Engineers: 1 point	3	Optional

	certified by the Saudi Council of Engineers	2. (3-9) Engineers: 2 points 3. (10 or more) Engineers: 3 points		
Social responsibility programs	Programs approved by the establishment	Approved program: Full point	1	Optional
		Total	18 points	

Article 4

These Controls shall be published in the Official Gazette, and shall enter into force from their publication date.