**First: Lending Scope:**

1. Hotels and annex buildings such as villas, hotel suites, halls and conference centers.
2. Resorts and Holiday accommodation.
3. Heritage Hotels.

**Second: Requirements for obtaining the loan:**

1. The investor shall be a Saudi either natural or a legal person.
2. The project, that is to be loaned, must meet all conditions, general and special specifications that have been specified by the competent authorities. Nonetheless, public services shall be available in the site of the project.
3. The capital of the company specified in the Articles of Association shall be the basis for the financing, so that the capital of the company shall not be less than (25%) of the estimated investment costs of the project, if the company is under establishment in the time of requesting the loan or getting the approval, while the existing companies shall have a finance structure of (40% Owners ’ equity and 60% financing).
4. Lending shall be limited to projects that are held in cities or provinces and that are less developed and characterized by tourist attractions. And new tourist destinations with a population of less than one million**.**
5. If the project is to be built on a land owned by the investor, the land and buildings of the project shall be held in a pledge or the investor shall provide a bank guarantee equal to the value of the loan provided that the bank guarantee shall be valid until the loan is fulfilled and its value is reduced by the amount of the installmentsthat have beenrepaid.
6. If the project is to be built on land not owned by the investor, the mortgage shall be for another land whose value is estimated at 30% of the value of the loan or  
   to provide a guarantee equal to the value of the loan.
7. If the project that is to be financed under the third section of the lending (Heritage Hotels) the investor shall offer a bank guarantee against the loan.

**Third: Required Information and Documents**

1. To Fill out the application forms for the loan.
2. To Submit documents proving the solvency of the investor (individual / company) and ability to complete the work of the project and its operation.
3. Economic feasibility study for the project in Arabic prepared and approved by a certified office.
4. A copy of the tittle deed of ownership of the land on which the project will be built or a copy of the lease if the land is leased provided that the lease period is not less than the period of repayment of the loan with a map attached to the site "sketch".
5. Engineering diagrams of the project shall be approved by licensed design office and certified by the Municipality and the General Commission for Tourism & National Heritage with a scale (ratio of 100/1) and a copy on CD.
6. A copy of the license for building the project from the Secretariat or the Municipality.
7. Technical specifications in Arabic certified by the design office of the project.
8. Bills of quantities in Arabic, explaining the prices and approved by the design office of the project.
9. lists of equipment and furniture needed for the project with a brief description of each item and a copy of their quotations.
10. To Sign a commitment in order to provide a certificate from the Labor Office to comply with Saudization percentage during the actual operation of the project.
11. A certificate issued by the competent insurance office confirming that the establishment of the investor is registered with the General Organization for Social Insurance and that he has done all obligations towards them, or that he is not subject to the provisions of the social insurance system.

**Additional Documents Required**:  
For natural persons:  
- A copy of the national identity card of the investor (investors).

For Institutions and Companies:  
\* A copy of the commercial register of the institution or company.  
- A copy of the Articles of Association provided that the term of the loan shall not be less than the repayment period of the loan and the grace period.  
  
**Fourth: Loan Amount**:

The loan is allocated for financing buildings, facilities, and furniture so that no more than %20 of the loan is allocated to the equipment and furniture. The maximum limit of the loan includes buildings, equipment and furniture reach to %50 of the estimated cost approved by this Ministry for the whole project and shall not exceed (S.R100 million).

**Fifth: Requirements for the Implementation of the Loan**:

After signing the contract, the investor is committed to:  
 -To submit a copy of the agreement with the project implementation contractor and agreement with the engineering office to supervise the implementation of the project.

- To open ,in a local bank, an independent account in the name of the project, in which the proceeds of the loan shall be deposited and disbursed on the project until completion of the execution.

 - To entrust a certified Saudi accountant with auditing the project accounts and submit a copy of the contract signed with him upon request of the first disbursement of the loan.

- To submit to the Ministry periodic reports on the progress of the project and what has been accomplished every six months throughout the implementation period of project.

**Sixth: Loan Disbursement**:

 (A) The amount allocated for buildings shall be disbursed in ten installments at the rate of %10 per payment. Such payments shall be disbursed based on inspection report, visit on the site, by the special authorities after the investor submits the consultant report of the supervisor of the project. This Ministry has the right to stop the disbursement of the loan payments if is proven that the investor breaches the obligations of the contract.

(B) The amount allocated for facilities, equipment and furniture shall be disbursed as follows:

- First payment, (% 25 ) of the value of the amount allocated to it, after the submission of the documents and supporting documents, for supplying them ,(contract, invoice, document of receipt from the supplier or exporter, import data, documentary credit) they shall be stamped by the investor as well as the institution or the supplier company and (%60) of the construction and architectural works of the project buildings have been accomplished.

-Second payment, (50%) of the value of the amount allocated to it, after the completion of the whole buildings of the project and the full supply of equipment to the site and the installation of (50%), after the special inspection committee has done a visit on site to check equipment and furniture that have been supplied and installed on the their places.

 - A third payment, (25%) of the value of the loan allocated to it, upon the completion of installation and application of specification according to lists, on the site, by the competent inspection committee.

**Seventh: Loan Repayment**:

  The amount paid out of the loan is repayable in ten annual installments, the first of which is due after four years from the date of the contract.

 **Eighth: General Conditions**:

1. Lending shall be in accordance with these rules and shall be limited to the projects that are to be constructed or where the implementation rate shall not exceed 50% of the project buildings, ongoing project are excluded.

The beneficiary is entitled to:

1. If he does not breach the financing conditions – He can receive additional funding to expand the project by no more than (50%) of the value of the current loan and after repayment of 70% of the amount of it, on a regular basis, with the submission of all documents required to the Ministry and the necessary guarantees.
2. If the investor does not provide a guarantee against the loan and does not complete other procedures within one year from the date of being notified with the approval of the Ministry of his application, the approval shall be considered nulland void.
3. If the investor does not start implementing the project within one year from the date of the contract, then the loan shall be canceled unless there is a justify justification for the delay.
4. The investor shall not have the right to change the plan of implementation or operation of the project "he can do this only after the approval of the Ministry and the General Authority for Tourism and National Heritage".
5. The investor shall not have the right to dispose of the public property, on which the project financed by a loan from this Ministry is concerned with, and any transfer of ownership, assignment or leasing shall be after the prior written approval of the Ministry.

(Information Form of Loan Application for Hotel and Tourist Projects)  
Click here to get this form in Word format or PDF format.

(General notes on the submission of the application)

General Notes

The application shall be submitted after the completion of the final design of the project.

All documents must be submitted with the application, taking into consideration the following:

- Technical documents to be submitted with the application:  
 Drawings:

Full design drawings (100/1 scale) for architectural, construction, engineering, plumbing, drainage, air conditioning, special services and electrical work should be provided. These drawings shall explain the overall outline of the project; the location and outline of the building; cover the horizontal projection of each project role specifying the areas of the sections and the number of existing halls, as well as the facades and all the details of planning and design.

-Detailed Specifications:

The table of quantities shall be clear and in detail for all items of work and divided by the same division as specified in the specifications.

Table of equipment, furniture and furniture:  
 This table shall give an explanation of the items of equipment, furniture and equipment required for each department with a brief description of them.