Saudi Arabia announced the establishment of a Special Economic Zone (SEZ), the first special zone of its kind in the world. The zone, to be located at King Khalid International Airport in Riyadh, will focus on integrated logistics and will enjoy special rules and regulations aimed at attracting more multinational companies to the country.

A Royal Order was issued on 19 October 2018 to approve the regulation of the “Integrated Logistics Bonded Zone – ILBZ” and has assigned its establishment and operation to the General Authority for Civil Aviation (GACA) as the Zone Governing Body, while the Saudi Arabian General Investment Authority (SAGIA) will oversee attracting investment. ILBZ is a major step in translating Vision 2030 into action by leveraging Saudi Arabia’s strategic location as the hub connecting three continents, one of three core pillars of the Saudi Vision announced in 2016.

The establishment of ILBZ is part of a broad plan to establish special economic zones in competitive locations for promising sectors, including Information and Communications Technology, logistics, tourism, industrial and financial services. These zones will leverage the unique advantages of Saudi Arabia’s location within less than seven hours’ distance from a vast number of consumers in Europe, Asia, the Middle East and North Africa, as well as its strong and growing transportation and logistics infrastructure.
The ILBZ offerings are tailored for multinational companies, supporting a wide range of activities, including warehousing and fulfillment, inventory management, maintenance and repairs, staging, testing, and assembly. By serving as a unified hub in which companies can engage in these activities and access a vast network of transportation corridors by air, land and sea, the ILBZ is expected to enable Saudi Arabia to become a regional and eventually a global logistics hub, playing an increasingly central role in world trade.

Further details as to its functionality etc. will be shared as soon as announced.
For additional information with respect to this Alert, please contact the following:

**Ernst & Young & Co (Public Accountants), Saudi Arabia Tax Leader, Riyadh**
- Asim J. Sheikh  
asim.sheikh@sa.ey.com

**Ernst & Young & Co (Public Accountants), Riyadh**
- Abbet R Barce  
abbet.barce@sa.ey.com
- Ahmed Abdullah  
ahmed.abdullah@sa.ey.com
- Amr Farouk  
amr.farouk@sa.ey.com
- Altaf Sarangi  
altaf.sarangi@sa.ey.com
- Hosam Abdulkareem  
hosam.abdulkareem@sa.ey.com
- Imran Iqbal  
imran.iqbal@sa.ey.com
- Michael Hendroff  
michael.hendroff@ae.ey.com
- Mirza Ashraf  
mirza.ashraf@sa.ey.com
- Nitesh Jain  
nitesh.jain@sa.ey.com
- Parvez Maqbool  
parvez.maqbool@sa.ey.com
- Sohail Nini  
sohail.nini@sa.ey.com
- Stuart Halstead  
stuart.halstead@sa.ey.com
- Suleiman Mohammed  
suleiman.mohammed@sa.ey.com
- Vladimir A. Gidirim  
vladimir.gidirim@sa.ey.com
- Yousef Eldaw  
yousef.eldaw@sa.ey.com

**Ernst & Young & Co (Public Accountants), Jeddah**
- Franz-Josef Epping  
franz-josef.epping@sa.ey.com
- Ayman Abu El Izz  
ayman.abueIzz@sa.ey.com
- Hanif Khatri  
hanif.khatri@sa.ey.com
- Hussain Asiri  
hussain.asiri@sa.ey.com
- Imran Ahmed  
imran.ahmed@sa.ey.com
- Irfan Alladin  
irfan.alladin@sa.ey.com
- Mohammed Desin  
mohammed.desin@sa.ey.com

**Ernst & Young & Co (Public Accountants), Al-Khobar**
- Syed Farhan Zubair  
farhan.zubair@sa.ey.com
- Ali Sainudheen  
ali.sainudheen@sa.ey.com
- Bilal Mian  
bilal.mian@sa.ey.com
- Hatem Ghobara  
hatem.ghobara@sa.ey.com
- Javed Aziz Khan  
javed.aziz@sa.ey.com
- Jude deSequeira  
jude.desequeira@sa.ey.com
- Sanjeev Fernandez  
sanjeev.fernandez@sa.ey.com

**Ernst & Young LLP, Middle East Tax Desk, Houston**
- Gareth Lewis  
gareth.lewis1@ey.com
About EY
EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

© 2018 EYGM Limited.
All Rights Reserved.
EYG no. 011450-18Gbl
1508-1600216 NY
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

ey.com