



Saudi Sport: Reinvented.

Inside The Kingdom's
New Sports Law

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In brief: what's new?

Saudi Arabia has recently unveiled its groundbreaking new Sports Law¹ (the “**Law**”), which introduces a comprehensive statutory framework governing the organisation, regulation, commercialisation and governance of sport in the Kingdom. Far from simply updating the existing regime incrementally, the Law ushers in sweeping changes and establishes a brand new regulatory architecture for the sports sector. Stakeholders across the sports ecosystem – investors, leagues, clubs, operators alike – should be alive to these upcoming reforms and take steps to adapt to the new licensing, structuring and governance regime to ensure compliance.

Once in effect (at the earliest, by July of this year, with a further one-year grace period for parties to ensure compliance²), the Law will introduce a single statutory framework applicable across the entire sports value chain. Regulatory authority will be centralised under the Ministry of Sport (“**MoS**”), with registration and licensing becoming mandatory, supported by inspection, enforcement and sanction powers, including potential personal liability for board members. Clubs and leagues will have a clear route to incorporate (unlocking the door to commercial operations and even foreign investment) and sports arbitration and integrity will be strengthened.

For businesses, legal practitioners and stakeholders operating in the sports industry, the implications are set to be profound. In this deep dive article, we analyse the main changes and their likely impact for clients and their businesses.

Establishing a new legal framework for Saudi sport

Saudi sport has long been governed by a series of statutes, internal bylaws, and institutional practice, principally anchored in the 1987 Basic Law of Sports Federations and the Saudi Olympic and Paralympic Committee (the “SOPC”).

With the new Law, everything is set to change: clubs, federations, and competitions will be transformed into professionally governed, investable, and commercially scalable entities.

¹ Royal Decree No. (M/121).

² The Law – and the accompanying Implementing Regulations, which will set out the procedural and operational detail necessary to apply the statutory framework – will take effect 180 days after publication in the Official Gazette. Stakeholders will then be given another year to make the necessary changes to ensure compliance.

As detailed in each section below, the Law will:

1. Centralise the regulation of sports entities and increase accountability;
2. Embrace the commercial potential of clubs and leagues;
3. Enable foreign investment;
4. Introduce a modern licensing and compliance regime with robust enforcement tools;
5. Increase protections for athletes and coaches; and
6. Bolster integrity and dispute resolution frameworks.

Together, these changes represent a bold leap forward which will help power Saudi Arabia's global-standard sports economy, in line with the Vision 2030 goals.

1. Sports governance on a statutory footing

The Law centralises regulatory authority under the MoS, which will have full oversight of licensing, registration, supervision, inspection and enforcement across the sports sector. A new National Sports Register (the "**Register**") will be established, and registration will become a precondition for all sports entities, companies, facilities, institutes and academies.³

The Law will also regulate the legal status and governance of sports entities, including federations, leagues, clubs and the SOPC. Each will have a defined legal personality and statutory basic statutes. Governance is to be prescribed, documented, and enforceable. General assemblies must be convened. Financial statements must be prepared. Authority lines must be clear. Additionally, board members can be held legally liable for negligence or non-compliance.

What this means in practice

- Participation in the sports sector (ownership, operation, organisation or service provision) will depend on formal registration and licensing.
- The Register will operate as a central, verified source of information for regulators, operators and investors.
- Governance structures must be formal, documented and operational.

³ The Implementing Regulations will determine registration procedures, the contents of the Register, updating and deletion mechanisms, and the extent to which information may be made publicly accessible.

- The possibility that individual board members can be held personally liable is a major development. Any individual serving in this capacity should therefore:
 1. Ensure that their decision-making is reasoned and documented, including any objections to resolutions with which they disagree; and
 2. Obtain legal advice to confirm whether (and, if so, to what extent) any existing directors & officers' liability insurance policy may help to mitigate such liability.⁴

2. Clubs and leagues enter the commercial arena

Clubs and leagues will be permitted to form or convert to companies under the 2022 Companies Law, and act like any other company: incorporating subsidiaries, engaging in M&A activity, agreeing commercial contracts, exploiting intellectual property rights, and participating in structured investment partnerships.

Upon conversion, all rights (names, logos, assets, contracts, etc.) and obligations will immediately transfer to the newly-incorporated company, allowing a seamless transition from one day to the next. The old legal person will cease to exist upon transfer. Capital requirements will be determined by regulation, subject to the minimum thresholds under the Companies Law.

Together with the data transparency offered by the new sports register, this new framework will be welcomed across the sport ecosystem:

- Clubs and leagues will increasingly transform from activity-based entities to commercially driven enterprises, with scope to grow, diversify and profit.
- For investors, these changes open the door to increased and more confident deal-making in a highly-investable class of regulated economic actors.

However, it is important to note that the Kingdom will not sacrifice regulatory oversight because of these changes: MoS approval will be required to establish a club or league company, for existing companies to engage in sporting activities, and for the use and disposition of proceeds arising from conversion.

⁴ Article 28.3 of the 2022 Companies Law (Royal Decree No. M/132) allows companies to insure board members against any liability arising under that law.

3. Foreign investment, on Saudi terms

Foreign partners and shareholders are expressly permitted to participate in club and league companies, including owning equity directly or via partnerships with local entities. However:

- Foreign ownership will be subject to a maximum percentage, determined by the MoS, in coordination with the authorities responsible for examining foreign investment.
- Acquisitions and disposals of ownership interests in sports companies will be subject to regulatory oversight. Ownership structures and transaction timelines will therefore have to account for sector-specific approvals once the applicable thresholds and procedures are defined.
- Foreign investment is addressed only in relation to clubs and leagues. Other sports-related activities – event organisation, venue development, management, broadcasting, sponsorship, etc. – will remain under Saudi Arabia's general foreign investment framework.

Nonetheless, these developments herald a step change in Saudi Arabia's journey and its openness to global participation in its ever-growing sports movement.

4. Licensing: the ticket to entry

Licensing will now be required across the entire sports value chain: the establishment, organisation, construction, modification and operation of sporting events, facilities, centres, institutes, academies, and schools will all require MoS-issued licences, unless expressly exempted and subject to standards and controls to be determined by the Implementing Regulations.

Alongside licensing come inspection and enforcement, which will be serious, structured, and far reaching. MoS-appointed inspectors will have judicial officer status and be authorised to enter facilities, conduct inspections, seize documents, collect evidence, and investigate suspected violations.

Any violations (including unlicensed activity, providing false or misleading information, unauthorised entry into sports facilities, inciting intolerance, obstructing inspectors, and non-compliance with MoS instructions) will be punishable by administrative fines of up to SAR 5 million, damages and restitution, suspension or revocation of licences, prohibitions on obtaining future licences, suspension from sports activities, dissolution of boards of directors, temporary or permanent closure of sports facilities, and stadium bans.

In practical terms:

- Licensing will be a gatekeeper issue for event delivery, facility operation, and commercial execution, rather than an *ex post facto* compliance matter.
- Regulatory compliance will become an ordinary operational obligation, rather than an exceptional risk.

5. Prioritising players, coaches and referees

The Law introduces expansive protections for athletes, including formal definitions for elite and professional athletes, coaches and agents. Federations will be responsible for licensing coaches and agents, and setting licensing conditions, regulatory controls and disciplinary rules, in coordination with the SOPC and relevant stakeholders. The Law also binds the MoS, General Organisation for Social Insurance and Insurance Authority to create an insurance regime with appropriate cover for players and coaches. Together, these changes recognise professional sport as labour deserving of protection, safety nets and regulatory attention.

6. Integrity and dispute resolution

Two pillars reinforce the integrity of the sports sector: a dedicated sports arbitration framework and an empowered anti-doping regime.

The Saudi Sports Arbitration Centre becomes the primary venue for sports-related disputes, with arbitration clauses in statutes automatically binding members, licensees, registrants, board members and executive management.

Additionally, the Saudi Arabian Anti-Doping Committee is given clear statutory authority, independent legal personality and the power to issue regulations, collect samples, and sanction violations in alignment with international commitments. Both developments are huge positives, putting certainty, fairness and reputation at the forefront of Saudi sports.

Staying ahead of the changes

Many details are yet to be finalised, including foreign ownership thresholds, minimum capital requirements, licensing standards and insurance details. Nonetheless, the scope and direction of regulatory oversight are already clear: the Law reshapes governance structures, redefines compliance expectations and opens pathways for corporatisation and investment.

These all carry significant opportunity but also legal risk. Once the Law and Implementing Regulations take full effect, the scope for retrospective regularisation may be limited. Accordingly, stakeholders active in Saudi sports should take proactive steps to assess their position, prepare for licensing and registration, review their governance structures, verify those of their commercial partners, and assess the readiness of their internal processes to respond to heightened inspection and enforcement powers.

Contact us

If you have any questions regarding these important changes, our team can help.

PwC Legal Middle East is experienced in sports, regulatory and corporate advisory matters. We can guide clubs, leagues, federations, investors, and service providers through every stage of adaptation: from redrafting statutes, securing licences and supporting inbound investment to structuring M&A transactions, implementing robust governance frameworks and managing regulatory risk.



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