# **Investor Journey** Guide for Obtaining a **License to Operate Food** and Feed Manufacturers and Warehouses



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### Introduction

Based on the General Authority for Food and Drug's system issued by the Royal Decree No. (M/6) dated 25/1/1428H, and as stipulated in Article 5 of the system, "The Authority shall carry out all regulatory, executive, and supervisory tasks necessary to achieve its purposes and the objectives required to be accomplished...," the regulatory tasks in paragraph (4) include establishing the proper foundations for food and pharmaceutical manufacturing and the health requirements to be met by facilities and manufacturers.

This guide has been prepared to clarify all procedures related to licensing local food and feed establishments, including the specified regulations, such as the conditions for obtaining a license to operate, and the documents required by all relevant government entities involved in licensing this type of establishment.

Applications for obtaining a license are submitted through the unified electronic system "Ghad," which provides a range of electronic services that facilitate investors in submitting, following up on their requests, and completing their various procedures without the need to visit any of the authority's branches. Users can also track the expiration dates of licenses for various activities to renew them on time.

### Chapter One Definitions

The following words and phrases, wherever they appear in this guide, shall have the meanings indicated next to them, unless the context requires otherwise...

### The Authority:

The General Authority for Food and Drug.

### **Investor:**

An individual or a group of individuals (company) involved in investing and establishing a manufacturer or warehouse in the field of manufacturing or storage of food and feed, whether they are Saudi, Gulf, or foreign nationals.

### **Manufacturer:**

A building or buildings, whether connected or separated, that is used for production, operation, manufacturing, packaging, handling, or storing raw materials or finished products. It also includes the surrounding area subject to manufacturer's control.

### Warehouse:

A building or part of a building designated for storing and preserving food, feed, or non-pharmaceutical feed additives for a specified period until they are offered for sale. It operates as an independent establishment.

### **Distribution Center:**

A building or part of a building designated for short-term storage of products before distribution. This type of building is often constructed when there is a need to distribute locally produced products to areas far from the manufacturer.

### **Technical License (Operating License):**

A license issued by the General Authority for Food and Drug to operate the activity after obtaining the necessary official licenses from the relevant government authorities and complying with the technical requirements and regulations.



# Chapter Two Scope and Application wish to obtain a lice

This guide applies to investors who wish to obtain a license to operate one or more economic activities falling within the Authority's jurisdiction. This is after fulfilling all the documents and requirements of the relevant government authorities including:

<ul><li>The General Authority for Food and Drug</li></ul>	<ul> <li>Saudi Ports Authority</li> </ul>
<ul> <li>Ministry of Commerce</li> </ul>	<ul> <li>Ministry of Industry and Mineral Resources</li> </ul>
<ul> <li>Saudi Authority for Industrial Cities and Technology Zones</li> </ul>	<ul> <li>Royal Commission for Jubail and Yanbu</li> </ul>
<ul> <li>Ministry of Investment</li> </ul>	<ul> <li>Ministry of Environment, Water, and Agriculture</li> </ul>
<ul> <li>Authority for Special Economic Zones and Cities</li> </ul>	<ul> <li>King Abdullah Economic City</li> </ul>
<ul> <li>Ministry of Municipal and Rural Affairs and Housing</li> </ul>	<ul> <li>National Center for Environmental Compliance Monitoring</li> </ul>

# Chapter Three Journey Path for Obtaining an Operating License

1. The journey path for an investor to obtain a license to operate varies based on the location:

If the establishment is located in one of the areas under the Ministry of Municipal and Rural Affairs and Housing or the Ministry of Environment, Water, and Agriculture, the following approvals and licenses must be obtained:

- A municipal license issued by the Ministry of Municipal and Rural Affairs and Housing for approval of the location, or a license issued by the Ministry of Environment, Water, and Agriculture for the location.
- Water source approval from the Ministry of Environment, Water, and Agriculture General Directorate for Water Regulation (for water bottling and ice manufacturers).
- An industrial license issued by the Ministry of Industry and Mineral Resources for food and feed manufacturers in the construction or production phase.
- Environmental permit from the National Center for Environmental Compliance Monitoring according to the specified activities.

If the establishment is located within one of the industrial or economic cities, or under the Royal Commission for Jubail and Yanbu, or equivalent, the investor must obtain approval for the location and the necessary licenses from the relevant government authorities, including:

- Operating license issued by the Saudi Authority for Industrial Cities and Technology Zones, or the Economic Cities Authority, or the Royal Commission, or the authority for special economic zones.
- Approval for water source and waste disposal from the Ministry of Environment, Water, and Agriculture General Directorate for Water Regulation (for water bottling and ice manufacturers).
- Industrial license issued by the Ministry of Industry and Mineral Resources for food and feed manufacturers in the construction or production phase.
- Environmental permit from the National Center for Environmental Compliance Monitoring according to the specified activities.

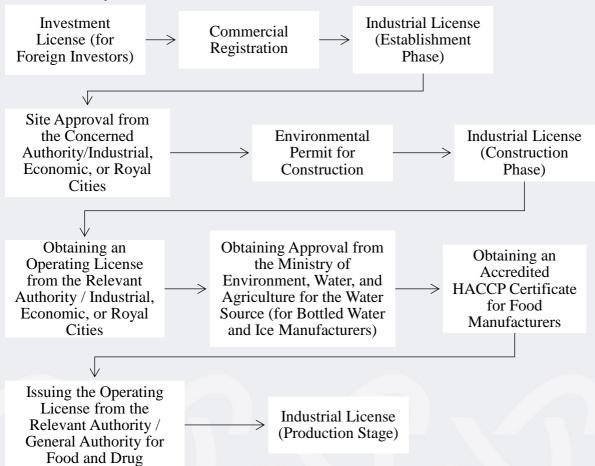


- 2. After obtaining approvals from the relevant government authorities, the investor must establish and equip the manufacturer in accordance with the specifications and technical requirements, including the technical guides available on the Authority's website. Additionally, the investor must comply with the requirements of the licensing entity, such as the Ministry of Municipal and Rural Affairs and Housing, or the Industrial or Economic Cities Authority, or the Royal Commission.
- 3. Obtain a Hazard Analysis and Critical Control Points (HACCP) certificate from an accredited certification body.
- 4. The manufacturer must perform laboratory testing in one of the approved private laboratories accredited by the Authority.
- 5. Register in the unified electronic system "Ghad" and submit a request for an operating license for the facility, attaching the required documents according to the activity.
- 6. Obtain final approval for the operating license from the General Authority for Food and Drug.

### Journey Path for Obtaining

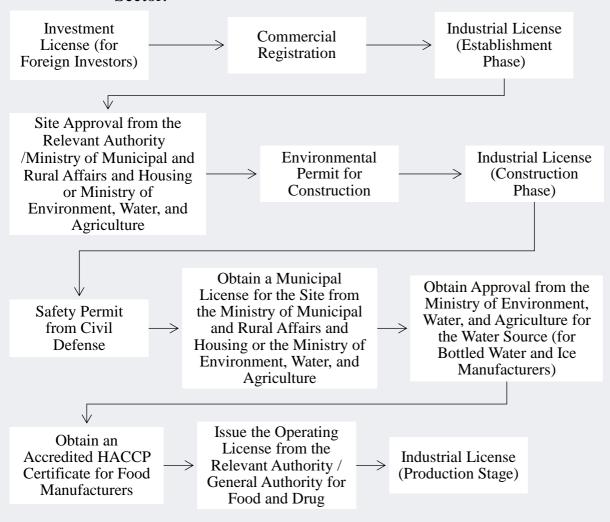
### a License to Operate Food and Feed Manufacturers

1. Manufacturers to be established within one of the Industrial, Economic, or Royal Cities:





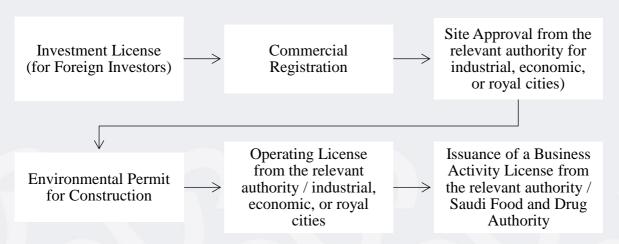
2. Manufacturers to be established within the Municipal or Agricultural Sector:



### Journey Path for Obtaining

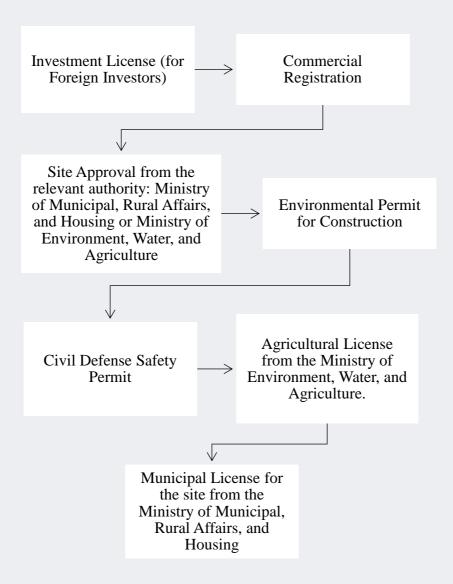
### a License to Operate Food and Feed Storage Warehouses

1. Storage warehouse / distribution center to be established within Industrial, Economic, or Royal Cities:





2. Storage warehouse / distribution center to be established within the municipal or agricultural sector



### Chapter Four Fees and License Duration

The Saudi Food and Drug Authority (SFDA) charges fees for the services it provides in the fields of registration, licensing, and inspection, as outlined below:

Service	Fees	Procedure Validity
Food manufacturer licensing service	SAR 2,000 – 10,000	1 – 3 years
Bottled Water or Ice Manufacturer Licensing Service	SAR 2,000 – 10,000	1-3 years
Food Warehouse Licensing Service	Area 0.6, number of years + SAR 1,000	1-3 years
Feed Manufacturer Licensing Service	No fees	1-3 years
Feed Warehouse Licensing Service	No fees	1-3 years

### **Details of Fee Calculation (Food Manufacturer):**

The SFDA charges fees for the services it provides in the fields of registration, licensing, and inspection of food manufacturers, water manufacturers, and ice manufacturers, as outlined below:

Service		Monetary Fees			
		Category B	Category C		
Registration and Licensing of Food, Bottled Water, or Ice Manufacturer  1,000 SAR					
Inspection Fees for Food, Bottled Water, or Ice Manufacturer per year	3,000 SAR	2,000 SAR	1,000 SAR		

### **Notes:**

- The license fees for operating the activity are charged based on the manufacturer's category and the number of years for the license.
- The licensing fees = (Registration and licensing fees of 1000 SAR) + (Inspection fees based on category × number of years, with a minimum of one year and a maximum of three years).



### **Details of Fee Calculation (Food Storage Warehouse / Distribution Center):**

- For Investors (Owner/Leaser): The license duration can be selected as 1 year, 2 years, or 3 years.
- For Non-Owners (Tenant):
  - The tenant may choose a 1-year license duration for practicing the activity through the Unified Electronic System.
  - o A license must be obtained within 30 days of signing the lease agreement.
  - o The lease period starts from the date of signing the contract.

Service	Fees (SAR)
Registration and licensing of food storage warehouses and distribution centers	1,000 SAR
Food Storage Warehouse / Distribution Center Inspection for 1 year (area of 0.60 quarter acre)	1,000 SAR
Food Storage Warehouse / Distribution Center Inspection for 2 years (area of 1.20 quarter acre)	1,000 SAR
Food Storage Warehouse / Distribution Center Inspection for 3 years (area of 1.80 quarter acre)	1,000 SAR

# Chapter Five Required Documents to Obtain a License for Activity

### **Food or Feed Manufacturer License:**

- A copy of the industrial license issued by the Ministry of Industry and Mineral Resources for a manufacturer under construction or production.
- Approval from the Ministry of Environment, Water, and Agriculture regarding the water source for manufacturers producing bottled water and ice.
- Environmental permit issued by the National Center for Environmental Compliance Monitoring in accordance with the specified activities.
- A copy of the Hazard Analysis and Critical Control Points (HACCP) certificate for food manufacturers.

The following link contains activities that require an environmental permit as per the National Center for Environmental Compliance Monitoring's list. <u>Click here to view</u> the list of activities.

### **Storage Warehouse / Distribution Center License (Food and Feed):**

- Copies of the municipal license issued by the Ministry of Municipal and Rural Affairs and Housing.
- An operating license if the warehouse is located inside one of the industrial cities under the Saudi Industrial Cities and Technology Zones Authority, King Abdullah Economic City, or the Royal Commission for Jubail and Yanbu.
- If the investor rents a warehouse space, the lease agreement must be attached to the application, ensuring that the area designated for food storage meets the minimum required size (please refer to Chapter 8).
- An environmental permit issued by the National Center for Environmental Compliance Monitoring according to the <u>specified activities</u>.



## Chapter Six Technical Requirements for Licensing Food and Feed Manufacturers and Warehouses

### **Food Manufacturer License:**

- 1. Application of the technical requirements specified in <u>the guidelines for food</u> manufacturers and water production.
- 2. Adherence to technical regulations, including:
- SFDA.FD GSO 21: Health conditions in food manufacturers and for workers.
- SFDA.FD 323: General requirements for transporting and storing refrigerated and frozen foods.
- SFDA.FD GSO 9: Food product labeling standards.
- SFDA.FD GSO 168: Requirements for storage facilities for dry and packaged food products.
- SFDA.FD GSO CAC/RCP 23: Code of practice for food safety for low-acid and acidified canned foods.
- SFDA.FD GSO CAC/RCP 46: Code of practice for cleaning and sanitizing practices for packaged refrigerated foods with extended shelf life.

Compliance with technical regulations and specifications related to the facility and food products to be produced. The technical regulations and specifications can be obtained through the SFDA official online store: <a href="https://mwasfah.sfda.gov.sa">https://mwasfah.sfda.gov.sa</a>



### **Food Storage Warehouses and Distribution Centers License:**

The licensing of food storage warehouses and distribution centers must adhere to the following requirements and specifications:

- SFDA.FD GSO 168: Requirements for storage facilities for dry and packaged food products.
- SFDA.FD 323: General requirements for transporting and storing refrigerated and frozen foods.
- SFDA.FD GSO 969: Frozen and refrigerated food warehouses Part 2: General requirements.
- SFDA.FD GSO 968: Frozen and refrigerated food warehouses Part 1: Definitions, classifications, and terms.
- SFDA.FD 5014: Packaging and labeling of low-risk products within food storage warehouses.
- SFDA.FD GSO 21: Health conditions in food manufacturers and for workers.
- SFDA.FD GSO 9: Labeling requirements for packaged food products.

Compliance with technical regulations and specifications related to the facility and food products to be produced. The technical regulations and specifications can be obtained through the SFDA official online store: <a href="https://mwasfah.sfda.gov.sa">https://mwasfah.sfda.gov.sa</a>

### Feed Manufacturer and Storage Warehouses License:

Compliance with the following specifications and guidelines:

- Saudi Standard No. (40) SFDA-FD: Health practices for transporting packaged and bulk feed.
- Guideline for tracking animal feed.
- <u>Technical requirements for feed manufacturers and storage warehouses.</u>

The technical regulations and specifications can also be obtained through the SFDA official online store: <a href="https://mwasfah.sfda.gov.sa">https://mwasfah.sfda.gov.sa</a>



# Chapter Seven Expansion and Addition of Activities and Production Lines in Food Manufacturers

- The expansion or addition of activities and production lines in food manufacturers can be done by selecting the licenses obtained through the unified electronic system (GHAD) and requesting an update to the activities or addition of production lines.
- Adding an activity to the industrial license.
- The response will be provided to the facility regarding approval or rejection after the request is forwarded to the inspection team.
- Once approved, the client can print the updated license.

### Chapter Eight Special Requirements and Conditions for Proper Storage of Goods for Others

First: Provisions and Conditions to be Included in the Contract between the Parties:

- 1. The lessee must obtain a license from the relevant authority that allows them to store their food products with others before using the designated storage area.
- 2. The contract between the two parties should include the designation of responsibility for transporting the food products to and from the warehouse.
- 3. The warehouse must verify the availability of appropriate transportation methods through the contract between the two parties.
- 4. The designated areas for the lessees should be clearly defined in the contracts and separated in a clear manner. The area allocated for storing food products should not be less than 20 square meters.
- 5. The contract must specify the full responsibilities of both parties, particularly the clear definition of the following:
  - o Withdrawal.
  - o Receipt and delivery.
  - Unloading and loading.
  - o Destruction.
- 6. A new contract must be signed between the parties before or upon the expiration of the previous contract.
- 7. The contract should include a clause prohibiting the lessee from storing food products of unknown origin or unregistered.
- 8. The lessee must not sublease the warehouse or any part of it to others in any form.
- 9. The authority is not responsible for any disputes or financial claims between the parties.
- 10. Lessees of storage spaces within a warehouse are not permitted to engage in packaging and labeling activities.



### **Second: Lessee's Responsibility:**

### The lessee is obligated to:

- 1. Ensure the sources of purchase and supply of the food products stored in the designated area are from locally licensed manufacturers or imported by the lessee as the official agent or authorized distributor.
- 2. Document and archive all receipt and delivery operations for the food products stored in the designated area, either in paper or electronic form.
- 3. Adhere to the conditions, regulations, and instructions issued by the authority.
- 4. Fully comply with all procedures related to any food product recalls issued by the authority.
- 5. Choose a one-year license period to practice the activity through the unified electronic system.
- 6. Apply for the activity license within 30 days from the start of the lease contract's validity.
- 7. Maintain a designated area for recalled products.

### Third: Lessor's Responsibilities:

### The warehouse (lessor) is obligated to:

- 1. Obtain the necessary licenses from the authority that permit the storage of goods for others.
- 2. Prevent lessees from storing food or feed products before obtaining a license to practice the activity from the authority.
- 3. Ensure the documentation and archiving, either in paper or electronic form, of all receipt and delivery operations for the food products stored in the warehouse.
- 4. Verify the validity of the documents provided by the lessee (commercial register, national ID, or residence permit) to avoid any legal violations or concealment.
- 5. Immediately transfer any expired food products to the designated area once they reach their expiration date.
- 6. No expired food products should remain in the warehouse for more than one year from their expiration date, unless there is a legal or judicial order requiring otherwise.
- 7. Notify the lessee in writing or via email of any circulars or recalls issued by the authority immediately, using the address specified in the contract.
- 8. Monitor all storage quality aspects, including compliance with requirements, violations, and ensuring the warehouse is suitable for food storage, applying all relevant technical conditions.



- 9. The lessor may take responsibility for transporting food products, provided that appropriate transportation means are available.
- 10. Approval from the authority is required when contracting a third party for proper transportation according to the established distribution and storage guidelines, provided this is mentioned in the contract with the lessee.
- 11. In case of contract termination, the lessor must inform the authority, and is responsible for any food products remaining in the warehouse without a new contract for the lessee. Additionally, the lessee must be informed to cancel the license via the system <a href="https://ghad.sfda.gov.sa">https://ghad.sfda.gov.sa</a>.
- 12. The lessor is legally and practically responsible for implementing the authority's circulars, particularly regarding allowing authority staff to take samples of the food products inside the warehouse.
- 13. Document all information regarding recalled food products and store them in the designated area for such products.
- 14. Ensure there is an actual balance between the total licensed storage area for others and the number of lessees in the warehouse.
- 15. Provide an accurate and comprehensive system for tracking the receipt and distribution of food products, with readiness to electronically connect to the authority.
- 16. The warehouse (lessor) is not permitted to engage in packaging and labeling activities within the warehouse.
- 17. The lessor must provide all required documents for government authorities for all lessees and make them available upon request by inspectors.
- 18. Immediately notify the authority via email (LMRD.FOOD@sfda.gov.sa) about contracts signed with lessees, and inform lessees about the necessity of obtaining the required licenses by submitting a request for activity authorization within 14 working days from the contract signing, in accordance with circular No. (34442), dated 18/12/1445 AH.

**Note:** Failure to comply with the above will expose both the warehouse and the lessee to penalties as outlined in the Food Law and its executive regulations issued under Royal Decree No. (M/1) dated 6/1/1436, as published on the authority's website.



### Chapter Nine Packaging and Labeling of Low-Risk Food Products in the Warehouse

Warehouses may store food and prepare packaging areas for low-risk food products, with adherence to the following:

- SFDA.FD GSO 168: Requirements for storage facilities for dry and packaged food products.
- SFDA.FD 323: General requirements for transporting and storing refrigerated and frozen foods.
- SFDA.FD GSO 969: Frozen and refrigerated food warehouses Part 2: General requirements.
- SFDA.FD GSO 968: Frozen and refrigerated food warehouses Part 1: Definitions, classifications, and terms.
- SFDA.FD 5014: Packaging and labeling of low-risk products within food storage warehouses.
- SFDA.FD GSO 21: Health conditions in food manufacturers and for workers.
- SFDA.FD GSO 9: Labeling requirements for packaged food products.
- Compliance with technical regulations related to food products. Technical regulations and approved specifications can be accessed through the SFDA official online store: <a href="https://mwasfah.sfda.gov.sa">https://mwasfah.sfda.gov.sa</a>.
- Add the packaging and labeling activity for food products in the commercial register and the municipal license, in addition to one of the food storage activities under the authority's supervision.
- Choose the packaging and labeling activity for food products through the unified electronic system.
- The packaging and labeling activity is permitted only for the following products:
  - Spices and herbs.
  - $\circ$  Salt and sugar.
  - Fresh and dried vegetables and fruits.
  - o Coffee and tea.
  - o Nuts.
  - Sweets and chocolates.
  - o Legumes.
  - o Grains (e.g., rice, flour, etc.).
  - Cooking oils.

Exclusion: Products that carry organic production logos and certifications from repackaging.

# Chapter Ten Transfer of Ownership, Modification of License Data, Transfer of Facility Location, License Renewal, and License Cancellation

### **Transfer of Ownership or Modification of License Data:**

- If the commercial registration number is changed or modified, a new registration is required. The account must be created, and a new license request must be made through the unified system, treated as a new issuance as explained in Chapter 5. Once the new license is issued and approved, the previous license must be canceled through the system.
- If the commercial registration number remains the same but the investor wishes to modify the details, they must submit an update request by selecting the activity license through the unified electronic system (Ghad) and attaching the supporting documents after the data is updated.

### **Transfer of Facility Location:**

• If the facility's location is changed, transferred, or modified, a new license request must be submitted via the unified system and treated as a new issuance as stated in Chapter 5. After approval and issuance of the new license, the previous license must be canceled through the system.

### **License Renewal:**

• To renew the license, the licenses held should be selected through the unified electronic system (Ghad). Then, the license to be renewed should be selected, and the renewal request must be made within 60 days prior to the expiration of the current license, with supporting documents attached.

### **License Cancellation:**

• To cancel a license, select the licenses held through the unified electronic system (Ghad), then choose the license to be canceled, specify the reason for cancellation, and ensure the facility is closed with no outstanding violations or unpaid fines.