

MAY EDITION 2025

# **CROWDFUNDING AND PRIVATE CREDIT: CATALYSTS FOR ECONOMIC GROWTH AND FINANCIAL INCLUSION IN SAUDI ARABIA**

Market Snapshot Report | Kingdom of Saudi Arabia

Ezdaher is part of the global award winning ecosystem of AVANA Companies, specialised in funding franchise hotels & hospitality supplier SMEs, with over 23 years of experience

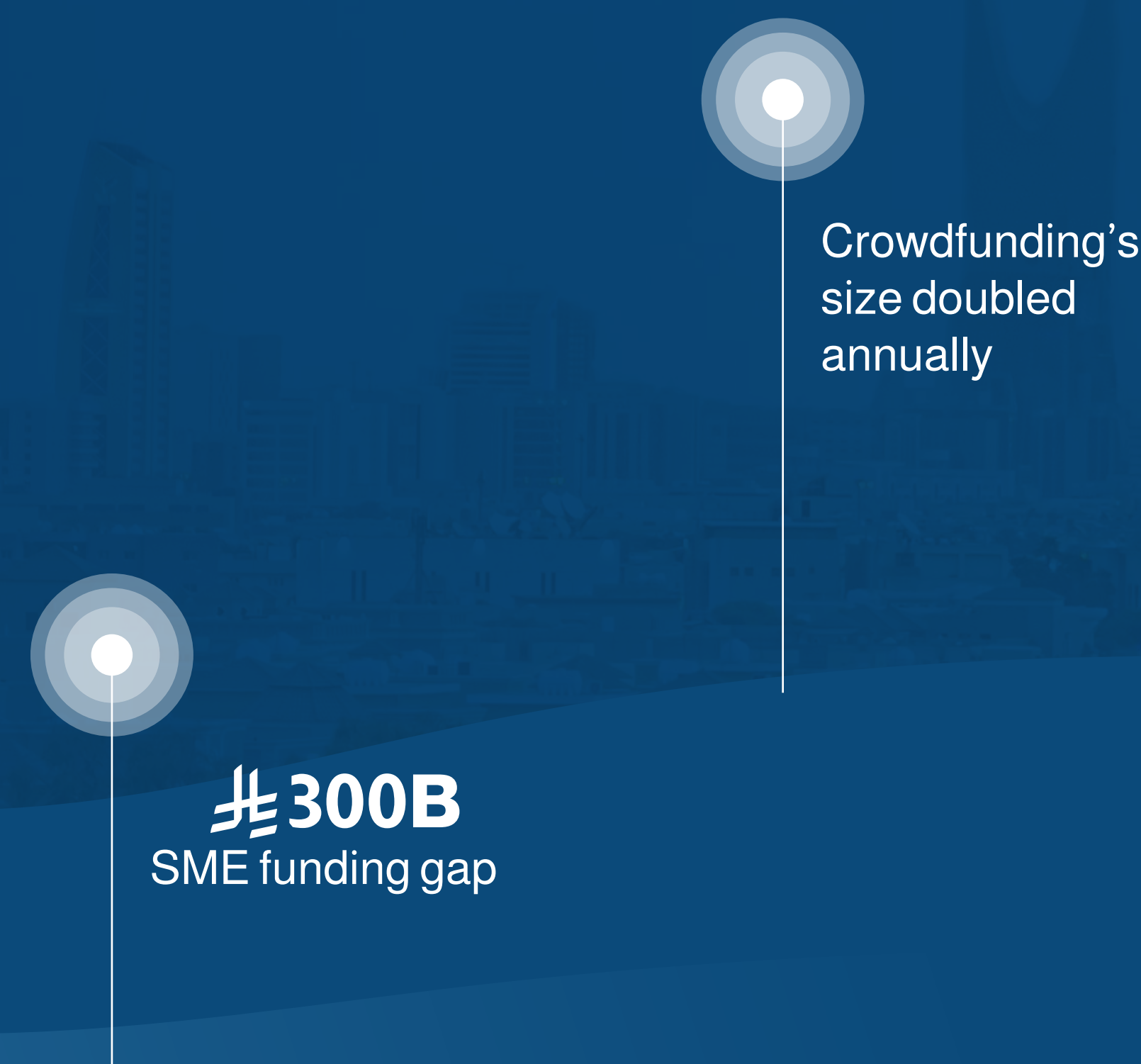
## What is Crowdfunding?

Crowdfunding is a method where businesses and individuals raise funds by collecting small amounts of money from a large number of people, typically via online platforms. This approach enables startups and SMEs to secure financing without relying on traditional banks.

## Crowdfunding in Saudi Arabia

The Saudi crowdfunding market is poised for significant growth, driven by evolving regulatory frameworks and increasing demand for alternative financing. With SMEs constituting 99.5% of businesses in Saudi Arabia but only 6% using commercial banks, the funding gap of **ﷲ300B** presents a unique opportunity for innovative financial solutions.

Debt-based crowdfunding in Saudi Arabia has significantly outpaced expectations. By late 2024, the market surged to over **ﷲ3 billion**, driven by exponential platform adoption and institutional backing. Saudi Arabia's crowdfunding platforms have doubled in size annually. This rapid expansion underscores the Kingdom's evolving fintech ecosystem and aligns strongly with Vision 2030's objectives of economic diversification, SME empowerment, and financial inclusion.



# Crowdfunding and Private Credit in Saudi Arabia: Market Potential

## Crowdfunding

Bridges a critical gap in the Saudi financial ecosystem by enabling SMEs to access funding through alternative means. The hospitality sector, projected to require 320,000 new hotel rooms by 2030, highlights the growing need for financing in high-demand sectors.

## Private Credit

Often operating as a complementary mechanism, private credit strengthens the scalability of crowdfunding platforms by incorporating institutional-grade due diligence and liquidity management, creating a dynamic financial ecosystem.



SMEs represent 99.5% of all businesses



Hospitality growth projection:  
320,000 hotel rooms

# Crowdfunding Models and Shariah Compliance

Debt-based crowdfunding aligns with Saudi cultural and regulatory expectations by adhering to Shariah principles. These platforms emphasize risk-sharing and ethical practices, fostering trust among investors and borrowers alike.

**MARKET  
TRANSPARENCY**

**SHARIAH  
COMPLIANT**

Advanced guidelines from SAMA, such as mandatory default disclosures and creditworthiness checks, have strengthened investor confidence and market transparency.

**CREDIT  
WORTHY**



# The Saudi Regulatory Framework

The regulatory landscape for crowdfunding in Saudi Arabia is one of the most developed in the region, with SAMA introducing robust rules to support growth and protect investors. These include transparency requirements, rigorous compliance standards, and measures to encourage participation from both retail and institutional investors.

This regulatory leadership positions Saudi Arabia as a model for fostering innovation in debt-based crowdfunding, while also addressing global investor expectations for accountability and risk management.

In January 2021, the Saudi Central Bank (SAMA) introduced comprehensive regulations for debt-based crowdfunding platforms. These guidelines mandate platforms to conduct thorough borrower evaluations, disclose default rates, and adhere to strict licensing requirements. Ezdaher aligns with these regulations, ensuring transparency and building investor trust by operating within a well-defined regulatory framework.



**Key regulatory milestone:**  
January 2021 guidelines



Investor protections include mandatory  
default rate disclosures



# Key Crowdfunding and Private Credit Companies: Saudi Arabia Market



**Manafa** is a crowdfunding platform offering both debt and equity financing to SMEs



**Raqamyah** is a peer-to-peer lending platform



**Forus** is a debt crowdfunding platform connecting investors with SMEs



**Scopeer** is an equity crowdfunding platform enabling individuals to invest in startups

AMONGST OTHER COMPANIES



# OPPORTUNITIES AND CHALLENGES

## OPPORTUNITIES

- **Funding Gap in Untapped Sectors:** Facilitates financing for high-potential industries, including technology, tourism, hospitality, and other niche sectors.
- **Financial Inclusion:** Expands access to capital and investment participation for individuals and SMEs underserved by the conventional banking system.
- **Economic Diversification:** Vision 2030 promotes alternative financing and SME empowerment, creating space for crowdfunding to thrive across sectors.

## CHALLENGES

- **Lack of Awareness :** Many entrepreneurs and retail investors remain unfamiliar with crowdfunding models, limiting broader adoption and market scale.
- **Investor Trust:** Concerns around risk, transparency, and platform credibility continue to slow investor engagement without strong safeguards.
- **Compliance with Regulation:** Navigating evolving SAMA and CMA requirements poses challenges, especially for newer entrants and early-stage ventures.





## Message from Co-Founder & CEO

**“As Saudi Arabia accelerates toward Vision 2030, Ezdaher is pairing Sharia-compliant crowdfunding with disciplined private credit so every entrepreneur—from SME owners to the teams building 320 000 new hotel rooms—can access capital that is as ethical as it is efficient, fueling inclusive prosperity across the Kingdom.”**

**Sundip Patel, Co-Founder & CEO**



## Let's Connect!

**At Ezdaher, we believe in building lasting partnerships that drive real growth. Whether you're an entrepreneur seeking smart financing solutions, an investor looking for new opportunities, or a partner ready to part of shaping the future of private credit in Saudi Arabia - we're here for you. Reach out today and let's take the next step together.**



**[ezdaher.sa/en/contacts](https://ezdaher.sa/en/contacts)**



**@Ezdaher Financing Compnay**



**@ezdahersa**

# ABOUT EZDAHER

Part of the award-winning global ecosystem by AVANA Companies

Ezdaher, a part of the award-winning ecosystem of AVANA Companies, is the Saudi Arabian deployment of 23 years of hospitality funding experience. Specializing in Sharia-compliant funding for franchised hospitality and revenue-based funding for hospitality supply chain businesses in Saudi Arabia, we offer not just access to capital but also invaluable insights and expertise.

We believe in offering financing that aligns with the Shariah principles. To ensure that we are committed to these principles, our in-house Sharia Supervisory Board diligently evaluates and approves all our financing products and processes. The Board also conducts regular reviews to ensure that we continue to stay Shariah-compliant.

Contact us for more information

## Disclaimer

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