



Ministry of Human Resource  
and Social Development  
Kingdom of Saudi Arabia

# **The Implementing Regulations of Labor Law and its Annexes**



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### **Ministerial Decision**

**The Minister of Labor and Social Development,**

**Based on authorities duly granted to him,**

Having reviewed the Labor Law issued by Royal Decree No. (M/51) dated 23/ 08/ 1426 H, and amended by Royal Decree No. (M/24) dated 12/ 05/ 1434 H, as well as Royal Decree No. (M/46) dated 05/ 06/ 1436 H, amended by Royal Decree No. (M/14), dated 22/ 02/ 1440 H, amended by Royal Decree No. (M/134), dated 27/ 11/ 1440 H; and

Having reviewed the Implementing Regulations of Labor Law and its Annexes issued by Ministerial Decision No. (70273), dated 11/ 04/ 1440 H,

#### **Decides as follows:**

I: Paragraph (3) of the clause (7) of Article (38) of the Implementing Regulations of Labor Law and its Annexes issued by Ministerial Decision No. (70273), dated 11/04/1440 H shall be deleted.

II: Paragraph (1) of clause (8) of Article (38) of the Implementing Regulations of Labor Law and its Annexes issued by the Ministerial Decision No. (70273), dated 11/04/1440 H, shall be amended to read as follows: The violator shall claim for a settlement within (90) ninety days starting from the date of notification of the administrative decision imposing a relevant penalty. In such case, the settlement claim shall be considered by the competent authority within a period of at most (90) ninety days as of the date of the claim. Such authority may recommend pending the penalty enforcement until considering the said claim.

III: Paragraph (5) of clause (8) of Article (38) of the Implementing Regulations of Labor Law and its Annexes issued by the Ministerial Decision No. (70273), dated 11/04/1440 H, has been amended to read as follows: The violator shall abide by the violation settlement decision within (60) sixty days after the date of notification; otherwise, the settlement shall be abrogated.

IV: This decision shall repeal all previous decisions in contradiction with the decision herein.

V: This decision shall be published in the Official Gazette and on Ministry's website; in addition, it shall be come into force after the date of publication.

VI: The Deputy Minister shall take the necessary actions for enforcement.

God Bless

**Minister of Labor and Social Development**

(Signed)

Ahmad bin Sulaiman Al-Rajhi

### The Implementing Regulations

#### Article (6)

Incidental, seasonal and temporary workers shall be subject to the provisions of duties, disciplinary rules, the maximum working hours, daily and weekly rest periods, overtimes, public holidays, safety rules, occupational health, work injuries and compensations therefore as well as the Minister's decisions.

#### Article (1)

Subject to Article (6) of Labor Law:

1. If both parties to the temporal or incidental employment contract continue the contract enforcement for a period exceeding (90) ninety days, the temporal or incidental employment contract shall be deemed as a permanent employment contract subject to all provisions of the Labor Law. Neither the job title indicated in the work permit submitted by the worker- if expatriate-, nor the residence period granted thereunder is considered.
2. The Labor Courts shall have the jurisdiction to consider the disputes arising between the parties over the incidental, seasonal and temporal employment contract.

#### Article (7)

1. The following shall be excluded from the implementation of this Law:
  - (a) The employer's family members, namely, the spouse, the ascendants and descendants who constitute the only workers of the establishment.
  - (b) Players and coaches of sports clubs and federations.
  - (c) Domestic workers and the like.
  - (d) Agricultural workers, private shepherds and the like.
  - (e) Sea workers working on board of vessels with a load of less than five hundred tons.
  - (f) Non-Saudi workers entering KSA to perform a specific task for a period not exceeding two months.
2. The Ministry shall- in coordination with the competent authorities- draft one or more regulations for categories mentioned in sub-paragraphs (a), (c), (d), (e) and (f) of paragraph (1) of this Article; specifying the rights, duties and other special provisions relevant to each category.

#### Article (2)

Subject to the provisions of sub-paragraph (d) of paragraph (1) of Article (7) of the Law:

The agricultural workers, shepherds and the like shall mean agricultural workers, shepherds and the like who work in individual's houses, farms, livestock farms, laying aside those working in establishments.

**Article (12)**

1. The Ministry shall establish a unified form- or more- of the work regulations, to be comprehensive of work organization rules and related provisions, including provisions on privileges, violations and disciplinary penalties.
2. The Ministry shall establish controls and mechanisms for the adoption of the work regulations.

**Article (13)**

1. Each employer shall set work regulations to govern the work performed in his establishment in accordance with the form set by the Ministry, from which the Minister may be exempted.
2. The employer may include additional conditions and provisions in the regulations, in a manner consistent with this Law and regulations thereof as well as the decisions issued in implementation thereof.
3. The employer shall announce the work regulations and any amendment thereto by displaying it in a visible place within the establishment or by any other means that ensures the workers' awareness thereof.

**Article (3)**

Subject to the provisions of paragraph (1) of Article (12) of the Law, the unified form of the work regulations shall be approved as per the form attached hereto (**Annex No. 1**).

**Article (4)**

Subject to the provisions of paragraph (2) of Article (12) and paragraph (2) of Article (13) of the Law, the establishment's work regulations shall be approved according to one of the following procedures:

1. The establishment may select the online unified form of the work regulations, in order to regulate the establishment's work without any amendments or additions, through the Ministry's e-services portal, and to follow-up the required steps pending the final approval, by issuing relevant e-certificate.
2. If the establishment desires to prepare a special work regulation rather than selecting the unified form regulations, such regulations shall be audited and approved by the law firms certified by the Ministry of Labor and Social Development. Relatedly, the law firm shall ensure that no contradiction with the provisions of Labor Law, its Implementing Regulations or enforcement decisions is established. Consequently, such regulations shall be referred to the competent authority determined by the Ministry in order to be approved as per the applicable procedures.



#### **Article (17)**

The employer shall maintain at the workplace records, statements and files specifying the nature thereof; in addition to the data that shall be included within the regulations.

The employer shall display at a visible place within the workplace a schedule of working hours, breaks, weekly rest days and time of start and end of each shift, when working in shifts.

#### **Article (5)**

Subject to Article (17) of the Law, the employer shall incorporate under the statements, records and files maintained in the workplace- whether in hard or soft copies- the following details:

1. Workers' Name Statement: including names, occupations, ages, nationalities, and identifications numbers of workers, and numbers and dates of work permits in case of non-Saudis.
2. Workers' Wage Payroll: including wages of workers, dates of receipt, deducted amounts and deduction reason.
3. Fine Record: including the name and wage of worker, and the amount, reason and effective date of fine.
4. Attendance Record: including the attendance and departure to/from the workplace as well as any other statements specified by the employer.
5. Saudi Training Record: including the training program's title, category, duration, year, enrolled workers and their percentage out of total workers.
6. The medical examination record for the establishment's workers who are likely to be infected with occupational disease: including the workers names who were examined as well as the date and result of examination.
7. Work file for workers: including data, address, copy of the employment contract and any certificates or documents submitted to the employer.

#### **Article (20)**

An employer or a worker may not perform any act that may abuse this Law or the decisions or regulations issued in implementation thereof. Neither of them may undertake any act that infringes upon the freedom of the other or the freedom of other workers or employers to realize any interest or impose a point of view that conflicts with the freedom of work or the competence of the authority settling the disputes.

#### **Article (6)**

Subject to Article (20) of Labor Law:

The employer may not withhold the passport, residence or medical insurance card of the non- Saudis.



### **Article (22)**

The Ministry shall establish employment units, free of charge, at locations convenient for employers and workers, which shall:

1. Assist workers finding suitable jobs and helping employers recruiting suitable workers.
2. Collect and analyze necessary information about the labor market and its developments so as to make it available to various public and private authorities concerned with economic and social planning affairs.
3. Perform the following duties:
  3. 1. Registration of job applicants.
  3. 2. Obtainment of data about job vacancies from employers.
  3. 3. Referral of workers' applications for suitable vacancies.
  3. 4. Provision of advice and assistance to job applicant with respect to vocational qualification and training or the required retraining to fill vacancies.
  3. 5. Other matters decided by the Ministry.

### **Article (23)**

Every citizen of working age who is capable of and willing to work may register his name at the employment unit, indicating his date of birth, qualifications, previous work, wishes and address.

### **Article (24)**

The regulations shall specify the rules for work progress and procedures at the employment units, forms of registers, notices and respective working papers as well as the vocational classification lists, according to the adopted vocational classification, which shall be the basis for regulating recruitments.

### **Article (25)**

Every employer shall send the following to the competent labor office:

1. A statement of vacancies and new jobs, their types, locations, wages, and requirements within a period of at most fifteen days from the date of vacancy or creation thereof.
2. A notice of measures taken to employ the citizens nominated by the employment unit within seven days from receiving the nomination letter.
3. A list of names, jobs, occupations, wages, ages and nationalities of his workers, as well as numbers and dates of work permits for non- Saudis and other data specified in the Regulations.
4. A report on the status, conditions and nature of work and the anticipated increase or decrease in jobs during the year following the date of the report.
5. The statements specified in Paragraphs (3) and (4) of this Article shall be sent off during the month of Muharram every year.

### Article (7)

Subject to the provisions of Article (22, 23, 24 and 25) of Labor Law, there shall be mutually coordinated between the Ministry and Human Resources Development Fund (HRDF) in order to activate and support the employment units affiliated to HRDF to employ, qualify, train the national workers to replace the expats.

### Article (26)

1. All establishments in all activities, whatever the number of their workers, shall work to attract and employ Saudis, provide them with the means to keep them in the job and provide them with an adequate opportunity to prove their suitability for the job by guiding, training and qualifying them for their assigned jobs.
2. The percentage of Saudi workers employed by the employer may not be less than 75% of the total number of his workers. The Minister may temporarily reduce this percentage in case of inadequacy of technically or academically qualified workers or in case of impossibility to fill the vacant jobs with citizens.

### Article (8)

Subject to the provisions of paragraph (2) of Article (26) of Labor Law, the obligatory Saudization rates for establishments shall be determined through programs set out by the Ministry. Through such programs, the Saudization rates for each activity of the private sector shall be followed-up. Furthermore, all or part of the Ministry's services provided for establishments failing to achieve the specified Saudization percentage shall be ceased, such as the Program for Incentivizing Establishments to Saudize Jobs (Nitaqat); provided that the Ministry periodically updates these programs whenever necessary.

### Article (28)

Each employer, employing twenty- five or more workers where the nature of his work allows recruitment of the disabled persons who have been professionally rehabilitated, shall employ a number of disabled persons that represents at least 4% of the total number of his workers either through nomination by the employment units or other means.  
Furthermore, the employer shall send to the competent labor office a list of the jobs and posts occupied by the professionally rehabilitated disabled persons and their wages.

### Article (9)

Subject to Article (28) of Labor Law,

1. A person with disability means every person proven under a medical report issued by the Ministry of Health or Hospitals of other governmental sectors or under one of the

identification cards issued by the Ministry of Labor and Social Development (MLSD) that he has one or more permanent disability as in the following forms:

Visual, hearing, mental, physical, and motor impairment, learning disability, speech disorder, behavioral and emotional disorders, autism, or any other disability requires one form of the facilitating measures and services.

2. The facilitating measures and services: mean the engineering modifications and provision of appropriate work conditions and environment according to the standards stated under Chapter (2) of architectural requirements folder, under Saudi Building Code and any of the arrangements indicated under the guiding list attached hereto (**Annex No. 2**) that might be required to enable the person with disability to perform the assigned tasks.
3. The ability to work means that the person with disability has fulfilled the vacancy requirements, or the work applied for, including the science, vocation, skill and/or other requirements that help him perform his work.
4. In order to consider the person with several disabilities according to (Nitaqat) program, the following requirements shall be applicable:
  - a. The person with disability shall obtain the identification card from MLSD indicating the type and degree of disability.
  - b. The functions and employment nature held by the worker as well as the type and degree of disability.
5. Each and every worker shall benefit from the necessary facilitations and measures in order to perform his work if proven according to a medical report issued by the authorities stipulated under clause (1) of this Article that he suffers from an illness or disability that does not require a leave for a period exceeding 120 days after the date of disability.
6. Workers with disability shall have all rights and benefits provided for others, specified under the Labor Law, these Regulations or the establishment's work regulations.
7. The disability may not be regarded as a main reason to reject the person-with-disability employment, promotion, or the provision of professional trainings if the ability to work is fulfilled under the definition included in clause (3) of this Article.
8. There may be no wage discrimination among workers based on disability, which shall be deemed as a misconduct.
9. The establishment shall keep the data, work nature, wages, and types of measures and facilitations of the workers with disability. Such data shall be disclosed to the work inspectors upon request.
10. The job applications submitted by persons with disability shall be in accordance with the forms and controls applicable by HRDF.
11. The establishment recruiting persons with disability shall maintain the place-based requirements and explanatory services stipulated under the guide attached hereto (**Annex No. 2**).
12. The work inspectors shall, upon paying an inspection visits for establishments, examine the persons-with-disability number, work nature, arrangement types and explanatory services.

### Article (30)

A natural or legal person may not engage in the recruitment of Saudis or in the recruitment of workers from abroad unless he is licensed for the same by the Ministry.

The Regulations shall determine the functions of these two types of activities, the conditions for granting and renewing a license to each of them, the duties and prohibitions, rules for non-renewal or revocation of the license and the consequences thereof and other conditions and controls necessary for ensuring the proper conduct of business.

### Article (10)

Subject to Article (30) of Labor Law, the licensing requirements of Saudization activity, recruitment activity, renewal and termination of licenses, and Saudis' tasks, as well as their implications shall be determined through the following:

1. Controls and rules of Saudization as per the form attached hereto, which shall be deemed an integral part hereof (**Annex No. 3**).
2. Controls and rules of practicing the outsourcing activity for recruitment and provision of the labor services as per the form attached hereto which shall be deemed an integral part hereof (**Annex No. 4**).

### Article (36)

The Minister shall issue a decision specifying the occupations and jobs which are prohibited for non-Saudis.

### Article (11)

Subject to Article (36) of the Labor Law:

**I:** The non-Saudis may not be recruited for any of the following occupations:

1. Senior HR Manager.
2. Director of Personnel Department.
3. Director of Labor Affairs
4. Director of Personnel Relations Department
5. Personnel Specialist
6. Personnel Affairs Clerk
7. Recruitment Clerk
8. Staff Affairs Clerk
9. Attendance Clerk
10. General Reception Clerk
11. Hotel Reception Clerk
12. Patient Reception Clerk
13. Complaint Clerk
14. Treasurer
15. Private Security Guard
16. Expediter (Government Relations Officer)
17. Key Smith
18. Customs Broker.

Furthermore, any of the functions included under the abovementioned occupations and employments may not be assigned to a non-Saudi worker- directly or indirectly- under any other job title.

**II:** Working in any activity, occupation or jobs may be reserved for Saudis as determined by the Ministry.

#### **Article (37)**

The employment contract for non-Saudis shall be written and of a limited period. If the contract does not specify the duration, the duration of the work permit shall be deemed as the duration of the contract.

#### **Article (12)**

Subject to Article (37) of the Labor Law, the non-Saudi employment contract shall have a definite term regardless of any extended terms. In any event, the contract may not be amended to have an unspecified term even if agreed to by the parties.

#### **Article (39)**

1. Unless he has followed the stipulated legal rules and procedures, an employer may not allow his worker to work for third parties, and a worker may not work for other employers. Similarly, an employer may not employ workers of other employers and the Ministry of Labor inspects the establishments and investigates the violations seized by its inspectors to be referred to the Ministry of the Interior to apply the penalties prescribed thereon .
2. An employer may not allow his worker to work for his own account and a worker may not be self-employed. The Ministry of Interior shall control, stop, deport and penalize the violators, including the self-employed persons (Hawkers) in the streets and squares, those who are absent from work (fugitive workers); as well as those who employ, connive and transport them and all those who participate in the violation. Accordingly, the prescribed penalties shall be applied.

#### **Article (13)**

Subject to Article (39) of the Labor Law, the non-Saudi part-timers shall be subject to its provisions; except those excluded by the Ministry and included under Ajeer Program.

#### **Article (41)**

The Regulations shall specify the conditions for recruitment, transfer of services and change of occupation, as well as the controls and procedures thereof.

#### **Article (14)**

Subject to Article (41) of the Labor Law, there shall be determined:

I. Requirements, controls and procedures of recruitment as follows:

1. The recruitment process shall not lead to a competition among Saudis or excluding from an occupation, or a number of occupations, crafts, or activities.
2. The employer failure to recruit Saudis may not be deemed as a reason for recruiting non-Saudis.
3. The establishment wishing to carry out the recruitment shall achieve the Saudization percentage in order to carry out the recruitment process established under (Nitaqat) Program.
4. Any recruitment visas granted to the non-Saudi applicants that may decrease the Saudization percentage below the standards of the Ministry may not be issued.
5. The workers recruited for the establishments shall be determined according to (Nitaqat) program.
6. Codes and titles of occupations shall be strictly adhered to as per Saudi vocational Classification Guide upon request for recruitment visas.
7. The non-Saudis recruitment and employment shall be limited to the activities indicated under (Nitaqat) program.
8. No workers may be recruited for occupations reserved for Saudis.
9. Workers under the age of 18 or above the age of (60) may not be recruited for work. Meanwhile, the experts, physicians and others determined by the Minister shall be exempted from the maximum limit for working age.
10. The recruitment applications shall be submitted through e-services website of the Ministry as per (Nitaqat) program.
11. An approval letter sent by a governmental or private agency, supporting the need of the establishment to a number of workers, may not be deemed as an approval by the Ministry to recruit those workers. Such approval shall subject to the standards stated under (Nitaqat) program or to the decisions of the Ministry.
12. The Ministry may reject the recruitment application in the following cases:
  - a. If there is a collective delay of wages, a commercial concealment is established or there has been proven that the employer allows all or part of his workers to illegally work for third parties or work for their own account.
  - b. If the establishment fails to achieve the minimum limit of the required Saudization percentage.
  - c. If the establishment submits or has submitted to the Ministry or the Labor Office, incorrect data, information or confirmations. Consequently, all procedures related to the recruitment shall be suspended for a period of at most five years. In addition, the visas issued for the establishment shall be canceled. Nonetheless, no work permits may be issued for the establishment based on such recruitment visas. The statutory procedures shall be enforced for the implementation of Anti-Forgery Law and other relevant laws stated under (Nitaqat) program.



- d. If the establishment was proven to have sold the obtained work permits. Consequently, all relevant procedures for recruitment shall be suspended for five years.
  - e. If the establishment failed to renew the work permits or residence of its workers.
  - f. Any other cases stated under (Nitaqat) program.
13. Whosoever obtaining one or more visas may request termination. In such case, he may not be granted an alternative visa. Any request for an alternative visa shall be deemed as a recruitment request that shall be subject to the requirements of approving the visas stated under (Nitaqat) program.
14. An alternative visa replacing the terminated one may be issued if it has a governmental accreditation, with no need for a new governmental endorsement, provided that the alternative visas application shall be conducted within (6) six months after the date of previous visa's termination. In addition, the remaining term of the governmental contract may not be less than (6) six months.
15. In case of visas termination or expiry, the applicant shall be refunded the paid fees.

**II. Terms, controls and procedures for employing expats for others as follows:**

1. No specific term for the expats working for a specific employer is required to be realized in order to be employed to another employer; unless the controls stated under (Nitaqat) program otherwise stated.
2. Transferring the employment of a worker to another establishment shall be rejected if the establishment, to which the transfer occurs, has an expatriate worker holding an expired work permit or residence that were not renewed, or if such expatriate had entered KSA (3) three months ago without obtaining work permit or residence. The following expats shall be excluded: the one reported as absent from work for a period exceeding (15) fifteen days, the one who has an employment transfer application under review by the Ministry and the one who obtained final exit visa.
3. The services of workers, of nationalities that prohibit their services transfer, may not be transferred according to laws.
4. The services may not be transferred to an employer who was reported for a collective delay of wages or proven to have committed a commercial concealment or to allow all or part of his workers to illegally work for third parties or work for their own account.
5. The services of the new expat for whom no work permit was issued may be transferred without the consent of his employer according to the controls stated under (Nitaqat) program.
6. The expat services may be transferred if his authorized contract, work permit or residence was expired without the consent of the current employer according to the controls stated under (Nitaqat) program.
7. The Minister or his deputy may approve transfer of the expat's services to another employer without the consent of the worker's current employer in the following cases:



- a. If there is a claim between the worker and the employer considered before a court, while the employer caused the extension of the case consideration. This shall be established by any of the following cases:
  - If the employer or his representative do not appear before the court in two hearings of the same judicial degree without legal justification accepted by the judiciary.
  - If the court establishes that the employer or his representative cause the extension of the case in a way differs from the above-mentioned case.

The above two cases require the worker to never causes or contribute to extension of the claim consideration.

- b. Based on a recommendation by the court during the proceedings in order to avoid any damages that might affect the worker.
- c. If the establishment do not pay the worker's wages for three successive months or delays the remuneration beyond the maturity date on the third month, provided that the worker may not have caused such actions based on a request submitted by the worker within the Hijri year effective from the maturity date on the third month.
- d. If the employer is absent due to travel, imprisonment, death or any other reason which leads to the establishment's inability to fulfill its obligations towards its workers for 3 months without appointing an official to be responsible for the establishment and personnel affairs.
- e. Some categories or nationalities of workers who have special instructions regulating their conditions, if the employment contract is expired or terminated by the employer.
- f. The expat whose services are transferred to work for any establishment after the expiry of the work relation as per the controls and arrangements set out by the Ministry.
- g. Family reunification:
  - If one of the spouses entered into a valid contract inside KSA, provided that the employment contract is expired or terminated by the employer.
  - If one of the spouses was a Saudi national.
- h. If the worker reported a commercial concealment against the employer while providing the supporting proof, provided that the worker may not be involved in such case.
- i. Any other cases required for the public interest and determined by the Minister or his authorized representative.
8. The services of the expat residing in KSA may be transferred under the statutory measures to the establishment that fulfills the recruitment terms stipulated under Article (14) herein. In order to transfer the service, the following conditions shall be fulfilled:
  - a. The expat shall be (18) years old or above.
  - b. The services transfer requirements indicated in this Article shall be fulfilled.
  - c. The occupation requirements stated under paragraph (2) of clause (III) herein shall be fulfilled except the paragraphs (a, c and d).



9. The establishment requiring the services to be transferred shall achieve the Saudization percentage for the activity or entity according to (Nitaqat) program.
10. The services transfer requests shall be submitted for the purpose of online working through the e-services website of the Ministry.
11. The Ministry may coordinate with HRDF in order to ensure that there is no Saudis available to the occupations for which the services required to be transferred.
12. The Ministry may ensure the coordination between the activity and occupations for which the services required to be transferred.
13. The previous and current employers shall maintain a written consent of the worker, for transferring his services to the new employer before conducting the relevant procedures.
14. An e-consent by the employer for the request of transferring the worker's services or a hard copy for the unconditional waiver for the worker's services by his employer addressed to the applicant of service transfer, endorsed by an official authority. Such e-consent or hard copy waiver shall exempt the followings:
  - a. Cases of transferring services without the employer's consent stated under such regulations and (Nitaqat) program.
  - b. Cases of transferring the workers' services for the new contractor in the ongoing Management, Operation and Maintenance contracts (OMM) concluded with the governmental agencies; if they were recruited or their services transferred in order to execute such contracts.
15. If no consent is obtained for the worker's services' transfer after the e-consent or the hard copy waiver is endorsed by the previous employer had been issued, for whatsoever reason, the worker shall remain in service of the principal employer.
16. Prior to conducting the transfer procedures, no contradicting decision or final judgment may have been issued.
17. If no consent was obtained for transferring the worker's services for any of the cases stated in paragraph (7) of this clause, the Minister or his authorized representative shall authorize the worker to work for another employer. The authorization terms shall be determined as part-time work for (six months). It shall be regularly renewed until the full achievement of the authorization's purpose.
18. The following cases may not be deemed as services transfer cases, rather, job retitled cases:
  - a. Desire by one or some of the inheritors to continue the activity of their inherited, as long as an authorization from the inheritors to the appointed inheritor who would continue the business is obtained, the business status changed to be a company managed by all or part of inheritors, or an approval by the Ministry of Commerce and Investment obtained.
  - b. Change of the establishment's name, purposes, all or part of the partners, business status while maintaining the commercial register, obtaining an approval by the Ministry of Commerce and Investment (MOCI).

- c. Merger of two or more establishments whether by changing the legal status or not, save the change status shall be specified in the Articles of Association and an approval by the Ministry of Commerce and Investment issued.
  - d. Separation and independence of one or more partners with their individual shares; provided that such procedure shall be specified in the company's amendment contract or company's splitting up contract and an approval by the Ministry of Commerce and Investment shall be obtained.
  - e. Transformation of the sole proprietorship to a partnership through one or more partners.
  - f. Transfer of establishment ownership to another owner while maintaining the same workers and commercial register and obtaining an approval by the Ministry of Commerce and Investment.
19. The following cases may not be deemed as service transfer cases, rather, workers' registration transfer ones:
- a. Transferring the expats' registration among branches in the same entity for more than once with no restrictions according to the provisions of (Nitaqat) program.
  - b. Transferring the expats' registration among entities of the same establishment according to the provisions of (Nitaqat) program.

**III. Terms, controls and procedures for occupation change as follows:**

1. The occupation change means the authorization of the non-Saudi worker to work in another occupation other than the one he was authorized for.
2. In order to change the occupation, the following conditions shall be fulfilled:
  - a. The employer of the worker shall have a valid business license or valid commercial register registered with the Labor's Office and an the business shall be existing.
  - b. The occupation required to be changed shall be specified as per the Saudi vocational Classification Guide.
  - c. The worker shall have the supporting academic qualifications and experience required for the occupation. Such academic certificates shall be certified by the competent authorities in the worker's home country and the Saudi Embassy, if it was issued outside KSA. Such condition may not include the following cases:
    - If the occupation change was resulted from a gradual promotion achieved by the worker.
    - If the occupation change does not require academic qualification, training or experience.
  - d. The establishment shall achieve the required Saudization percentage according to (Nitaqat) program.
3. The occupation change may not be applied to occupations reserved for Saudis.
4. The occupation change may not be applied to occupation prohibited under regulatory instructions.

5. The occupation change request shall be applied via the e-services website of the Ministry.
6. If change of specific occupation requires obtaining prior work permit, consent or work permit certificate in accordance with laws or the instructions of other official authorities, the approval of the relevant authorities, that is, Saudi Council of Engineers and Saudi Commission for Health Specialties, shall be obtained in order to change the occupation category to engineering or medical field occupation, etc.

#### **Article (42)**

An employer shall be required to prepare his Saudi workers and enhance their technical, administrative, vocational and other skills for the purpose of gradually putting them in place of non-Saudis. The employer shall keep a record of the names of the Saudi workers who have replaced the non-Saudis in accordance with the conditions and rules set forth in the Regulations.

#### **Article (15)**

Subject to Article (42) of the Labor Law, each and every employer shall in order to replace the non-Saudis by the Saudis, observe the following terms and rules:

1. Preparation of job description for the tasks and functions of the employment according to the adopted Saudi vocational Classification Guide, and, accordingly, determination of the relevant job requirements.
2. Identification of the relevant career paths of employments for the workers.
3. Provision of the required training and qualifying programs for jobs, according to paragraph (1) of this Article. Employer shall also seek to be updated of the new techniques, within his tasks and functions and to enable the Saudis to receive the relevant training and qualifying programs.
4. Generation of timelines as per the vocational categories and classifications for all posts held by non-Saudi workers; through which the employer shall provide the appropriate means for qualifying and training the Saudis replacing the non-Saudis.
5. Provision of the opportunities for Saudis to occupy the vacancies of non-Saudis enabling them to acquire experience and on-the-job-training so as to observe paragraphs (2) and (3) of this Article.
6. Preparation of a report for the Saudis replacing the non-Saudis.

#### **Article (44)**

The training program shall provide the rules and conditions to be followed in training, its duration, number of hours, the theoretical and practical training programs, method of testing and certificates to be granted in this regard. The Regulations shall set forth the general standards and rules to be followed in this regard to raise the worker's level of performance in terms of skills and productivity.

### Article (16)

Subject to Article (44) of Labor Law:

**I:** The establishment requiring training shall observe the following standards and rules:

1. Various training programs shall be prepared for all occupations required by the establishment, since such programs boost the worker's efficiency and skills that are required for the employer's objectives.
2. The establishment shall direct the training programs to focus on the most needed occupations, crafts and works needed, especially those occupied by non-Saudis, in order to gradually replace the non-Saudis by Saudis.
3. Whenever professional standards or aptitude tests in any sector is adopted by the competent governmental agencies such as Saudi Commission for Health Specialties or other, the training standards set forth by the establishment shall be compatible with the very standards and tests.
4. The training program duration may not be less than 16 hours.
5. The employer shall determine the worker's employment term after the completion of training, provided that such duration may not exceed the duration of the training program for which the worker has undergone. Furthermore, he shall determine the employment term if the employment contract term is undetermined or if the remaining employment term in undetermined contract is less than the period required for the training program.
6. The programs shall include theoretical and practical training with single or multi-levels scaled according to the skills and productivity of the worker, so as to increase the worker's skills and efficiency.
7. The training programs shall have direct or indirect relation with the trainee's work.
8. In case the trainee passes the course's examination, the establishment shall provide the Ministry with a the course completion certificate, including the trainee's name, title, type, duration and year of the program via the Ministry's e-portal.
9. The training fees shall be on the employer's account. The establishment shall conduct the training in the workplace if it was certified by the Technical and Vocational Training Corporation (TVTC) or it may assign the training to any training centers or institutes certified by the competent authority or e-training platforms. The training may be conducted inside or outside KSA.
10. The establishment shall notify each Saudi worker of the training data including the title, type and duration of training, the entity conducting the training, training mechanism and method and the examination result in case the trainee passes the examination within one month of the training date.

**II.** The employer may charge the training and qualifying fees to the worker in the following cases:

- a. If the worker decides to terminate the training or qualifying program before the due date without an acceptable justification.
- b. If the employment contract is terminated according to the cases specified under Article (80) of the Labor Law, except for paragraph (6) therein, during the training and qualifying term or within the period determined by the employer after the completion of the training or qualifying program term in proportion with the remaining period.
- c. If the worker resigned or abandon the job for reasons other than those specified under Article (81) of the Labor Law during the training and qualifying program term or within the period specified by the employer after the completion of the training or qualifying program term in proportion with the remaining period.

**III:** Meeting the determined training percentage is not a requirement for the establishments recruiting more than 50 workers, while their Saudization percentage determined in (Nitaqat) program required is less than (12 %) of their total workers. In such case, it is only required to train all Saudis annually.

#### **Article (49)**

The training and qualification contract shall be subject to the provisions of this Law pertaining to the annual leave, public holidays, maximum working hours, daily and weekly rest periods, occupational health and safety rules, work injuries and their conditions as well as the Minister's decisions.

#### **Article (17)**

Subject to Article (49) of Labor Law, the Labor Courts shall have the jurisdiction to consider the disputes arising out of the training and qualification Contracts.

#### **Article (52)**

(1) Subject to the provisions of Article (37) herein, the Ministry shall establish a unified form for the employment contract, which shall include: name and location of the employer, name and nationality of the worker and stuff necessary to prove his identity, residence address, the agreed salary, including the benefits and allowances, type and location of the work, date of employment and the duration thereof, if time-limited.

(2) The employment contract shall be in accordance with the form referred to in paragraph (1) of this article. The parties to the contract may add other clauses thereto, in a manner consistent with the provisions of this Law, its regulations and the decisions issued in implementation thereof.

#### **Article (18)**

Subject to paragraph (1) of Article (52) of the Labor Law, the employment contract shall be approved as per the attached form hereto as a unified form for the employment contract (**Annex**



**No. 5).** The employer shall conclude an employment contract with the worker, provided that the employment contract shall at least include the obligatory clauses stated under the unified form. Other clauses may be added to the contract, without prejudice to the provisions of this Law, Regulations and decisions issued for its implementation.

**Article (53)**

If the worker is subject to a probationary period, the same shall be expressly stated and clearly indicated in the employment contract. Such probationary period shall not exceed ninety days. In addition, under a written agreement between the worker and the employer, this probationary period may be extended no more than one hundred and eighty days. Such probationary period is exclusive of Eid al-Fitr and Eid al-Adha holidays and sick leaves. Each party is entitled to terminate the contract during this period, unless the contract includes a clause giving the right of termination of the contract to only one of them.

**Article (19)**

Subject to Article (53) of the Labor Law, if both parties agree to extend the probationary period, such period shall be extended after the commencement of the employment contract, within the valid probationary period. Such extension may carry out once or more times; provided that it shall be conducted based on a prior written agreement per each time. In any event, the original probationary period along with the extension periods may not exceed 180 days.

**Article (58)**

1. The employer may not transfer the worker without his- written- consent from his original workplace to another place that entails a change in his place of residence.
2. The employer may- in cases of necessity that may be required by incidental circumstances and for a period of at most thirty days per year- assign the worker to work in a place different from the agreed place without need to his consent. In such a case, the employer shall bear the costs of the worker's relocation and residence during that period.

**Article (20)**

Subject to Article (58) of Labor Law, if the employment contract included a condition specifying the workplace of the worker within KSA or allowing the employer to transfer the worker from his original workplace to another one which requires the worker to change its residence per work requirements, this condition, then, shall be deemed as a written consent by the worker to be transferred to another place requiring the residence change per the above-mentioned Article.



### Article (61)

Further to duties stipulated in this Law and the regulations and decisions issued in implementation thereof, the employer shall:

1. Neither use the worker without pay nor, without a judicial instrument, withhold the worker's wages or any part thereof. The employer shall treat his workers with due respect and refrain from any action or utterances that may infringe upon their dignity and religion.
2. Give the workers the time required to exercise their rights as provided in this Law without any deductions from their wages against such time. He may regulate the exercise of this right in a manner not detrimental to the work progress.
3. Facilitate for the workers of the competent authorities any task related to the enforcement of this Law.

### Article (21)

Subject to Article (61) of the Labor Law, the phrase "use the worker without pay" shall mean: all works or services forced upon the worker and not included in the employment contract. Such works are ordered by threat of any punishment, and not performed by the workers without his own choice. This may neither include any work, service resulted by emergencies, or force majeure such as wartime, fires, floods, famines, earthquakes, epidemic diseases, plagues of animals, insects plant pests, etc.

### Article (106)

An employer may not comply with Articles (98), (101) and paragraph (1) of Article (104) of this Law, in the following cases:

1. Annual inventory work, budget preparation, liquidation, closing of accounts and preparations for discount and seasonal sales, provided that the number of working days may not exceed thirty days a year.
2. If the work is intended to prevent a hazardous accident, remedy its impact or avoid an imminent loss of perishable materials.
3. If the work is intended to face extraordinary work pressure
4. Eids, other seasons, events and seasonal work indicated by the Minister's decision

In all of the above cases, the actual working hours may not exceed ten hours a day or sixty hours a week. The maximum overtime hours allowed per year shall be determined by the Minister's decision.

### Article (22)

Subject to Article (106) of the Labor Law, the overtime hours may not exceed 27 hours per year; however, they may be increased by the consent of the worker.



### Article (108)

Articles (98), (101) of this Law may not apply to the followings

1. Persons occupying high positions in management and guidance, if such positions grant the said persons authority over the workers;
2. Preparatory or supplemental works to be completed before or after commencement of work;
3. Intermittent work; and
4. Guards and janitors, excluding civil security guards

The Regulations shall specify the work described in paragraphs 2, 3 and 4 of this Article and the maximum working hours.

### Article (23)

Subject to Article (108) of the Labor Law:

1. The preparatory works shall mean works to be completed before or after the work commencement. It shall also mean the works conducted by the worker in preparation for the work commencement, such as material and equipment processing, handling, and handing over from the officer assigned by the employer to maintain and store such materials.
2. Supplemental works shall mean the works performed by the worker at the end of work completion in order to restore the materials and equipment to the warehouses or the officer responsible for maintaining, storing, cleaning, greasing, and oiling the machines. They shall also include works used to hand over works by the worker to the one replacing him, if the work is performed on rotational basis.
3. Intermittent work shall mean the discontinued nature-based works, including working with intermitted periods in which workers do not perform any activity, are sustainably attentive, or only stay in their workplace for carrying out potential orders. Furthermore, it means works that require workers to intermittently come to work, such as technicians, mechanics, who are recruited for the purpose of repairing or operating machines, or the workers used for transporting, delivering, shipping, or unloading goods, as well as fuel workers, garage workers, drivers, redeployments in railways workers, stevedores, bellmen in airports and freight stations, etc.
4. Security Guards shall mean those assigned to secure places, objects, equipment, tools, or employer's property, whether in night or morning shifts, save they may not be assigned for other works outside the security works within the working hours. Such definition does not include those working in civil or industrial security missions.
5. Janitors shall mean those assigned to the cleaning tasks of the workplace or the relevant establishments during the work or within the cessation periods; provided that the working time may not exceed 6 hours successively.

6. The total time required for performing the preparatory or supplemental works by the worker may not exceed 30 minutes added to the working hours; provided that 15 minutes shall be allocated for preparatory works and 15 minutes for the supplemental works.
7. The actual working hours shall be determined for the intermittent works as 10 hours per day, which shall be reduced to 8 hours within Ramadan, so as the weekly working hours may neither exceed 48 hours in normal months, nor 36 hours in Ramadan for Muslim workers. In such case, any additional hours shall be calculated as overtime. The worker shall have a break of at least 10 hours per each 24 hours. The employer shall enable the workers to perform prayers on time.
8. The actual working hours for security guards and janitors shall be 12 hours per day, and reduced to 10 hours within Ramadan, so as the weekly working hours may neither exceed 48 hours in normal months, nor 36 hours in Ramadan for Muslim workers. In such case, any additional hours shall be calculated as overtime. The employer shall enable the workers to perform prayers on time.

**Article (112)**

Each worker shall be entitled to full-pay leave on Eids and ceremonies specified in the Regulations.

**Article (24)**

Subject to Article (112) of the Labor Law:

I. Eids and ceremonies holidays shall be determined as follows:

1. Eid al-Fitr holiday shall be 4 days effective from the day following the 29<sup>th</sup> Ramadan, as per Um al-Qura calendar.
2. Eid al-Adha holiday shall be 4 days effective from the day of Arafat.
3. Saudi National Day holiday shall be only one day on the first day of the Libra horoscope according to Umm Al-Qura calendar

II. In case the Eids and ceremonies leaves coincides with the followings:

1. Weekend: The worker shall be compensated for the same exact number of days before or after those leaves.
2. Annual Leave: It shall be extended for the same exact number of Eid days.
3. Sick Leave: The worker shall be entitled to a full pay for the leaves days without considering the due wage for the sick leave.
4. If the Saudi National Day coincides with the leave days of Eids, the worker may not be compensated for such day.

**Article (116)**

A worker, subject to the employer's consent, may obtain unpaid leave for a duration to be agreed upon by both parties. The employment contract shall be deemed suspended for the duration of the leave in excess of twenty days, unless both parties agree otherwise.

**Article (25)**

Subject to Article (116) of the Labor Law:

1. If the unpaid leave- agreed upon- exceeds 20 days and the employment contract has been suspended, all legal effects shall be suspended accordingly, unless otherwise agreed by the parties.
2. If the employment contract has a definite term, it shall be extended for the same suspension period of the contract, unless otherwise agreed by the parties.

**Article (117)**

A worker whose illness has been proven shall be entitled to a paid sick leave for the first thirty days, three quarters of the wage for the next sixty days and without pay for the following thirty days, during a single year, whether such leaves are continuous or intermittent. A single year shall mean the year which begins from the date of the first sick leave.

**Article (26)**

Subject to Article (117) of the Labor Law, if the sick leave days coincides with the annual leave days, the annual leave days shall be suspended until the end of the sick leave days. Then, the remaining days shall be resumed after that. Meanwhile, if the weekend days coincides with the sick leave days, the worker may not be compensated for those days.

**Article (120)**

The Minister shall issue the necessary rules and controls for organizing part-time work, indicating therein the obligations of the part-time workers and employers. To the exclusion of the protection granted for the similar full-time workers in terms of occupational safety and health, and work injuries, this Law shall apply only to the extent determined by the Minister.

**Article (27)**

Subject to Article (120) of the Labor Law:

1. The rules and controls of part-time work shall be as identified as follows:

- a. The part-time employment contract shall be in a written form and have a definite term. It shall include the working hours, so as it shall be reduced to half of the normal working days in the establishment, whether the work is performed on daily basis or throughout some days per week.
  - b. The part-time employment contract may be renewed for similar terms or a term agreed upon by the parties.
  - c. If the part-time employment contract was terminated by either party for illegal reason, the aggrieved party shall be entitled to claim for the remuneration of the remaining wage as a compensation, unless otherwise agreed by the parties.
  - d. Part-timers shall be subject to the Labor law provisions in terms of leaves, weekends, official holidays and overtime.
  - e. The Saudi worker working for an employer in one of the entities affiliated to part-time contract shall be included under the Saudization percentage according to the approved percentages stated under (Nitaqat) program, provided that he shall be registered with the General Organization for Social Insurance (GOSI) as a part-timer.
2. The Labor Courts shall have the jurisdiction to consider the disputes arising out of part-time employment contract.

**Article (141)**

The procedures for reporting work injuries shall be determined under the Minister's decision

**Article (28)**

Subject to Article (141) of the law, when the establishment is not subject to Occupational Hazards Branch included in the Social Insurance Law, the following procedures of reporting work injuries shall be taken:

1. The employer shall inform the competent labor office of the worker's injury within one week of his knowledge.
2. The labor office determines whether it is a work injury or not, as per the official reports.
3. In case of lack of any medical reports that determine the percentage of deficit resulted from the injury, or if either party appealed against the medical report, the labor office shall refer the injured person to any governmental hospitals to get the necessary medical report.
4. The labor office shall determine the compensation due to the injured person as per the percentage of deficit indicated in the medical report.
5. If either party rejects the labor office's estimation, the subject shall be referred to the competent labor courts.

### Article (142)

An employer shall provide one or more medical aid cabinets, supplied with drugs and other necessities required for first aid.

The Regulations shall specify the contents of such cabinets of first aid means, numbers of such means and quantities of drugs. Furthermore, it shall also regulate the method of maintenance together with the requirements to be maintained by the first aid providers.

### Article (29)

Subject to Article (142) of the law, the employer shall provide medical aid cabinet as follows:

1. Medical aid cabinet shall contain the following supplies:

| Type                                   | Quantity     |
|--|--------------|
| Burn gauze                             | (50) piece   |
| Sponge bandages                        | (10) piece   |
| Gauze pads for cleaning wounds         | (50) piece   |
| Sterile gauze pads 10x10               | (50) piece   |
| Gauze pads 5x5                         | (50) piece   |
| Ligaments of gauze 5x5                 | (10) piece   |
| Tourniquet                             | (1)          |
| Different sizes of compression bands   | (10)         |
| Medical swabs                          | (100) pieces |
| Plaster roll                           | (5) rolls    |
| Sterile plasters                       | (20) pieces  |
| Sterile gloves                         | (20) gloves  |
| Face masks                             | (10) masks   |
| Eye wash solution                      | (1) package  |
| Foldable patient stretcher             | (1)          |
| Antiseptic solution                    | (1) package  |
| Set of positive airways                | (1)          |
| Splints for the thigh, leg and forearm | (1)          |
| Solid plate for spinal cord injuries   | (1)          |
| Cervical splints for neck injuries     | (1)          |
| Appropriate size of scissors           | (2)          |
| Large size blanket                     | (1)          |
| Appropriate size of forceps            | (2)          |

2. The above types and quantities shall be always usable.

3. The shortage of the medical aid cabinet shall be addressed immediately, if the quantity of any supplies was below the minimum indicated in the table.
4. The volume of the medical aid cabinet shall be suitable to the supplies contained. Furthermore, it shall be maintained in a place meeting sanitary conditions and having proper temperature; so that the drugs will not be spoiled. The cabinet shall be marked with a red crescent on a white background. Posts shall be placed on the workplace indicating the cabinet's place and the one in charge of it.
5. The employer shall complete the supplies indicated in the previous list with the other necessary supplies as required by the nature and volume of work.

#### **Article (146)**

An employer shall provide, at his own expense, all or some of the followings to those who work in remote locations as determined by the Minister:

- 1) Stores for selling food, clothing and other necessities at moderate prices in places where such stores are not available.
- 2) Suitable recreational and educational services and sports facilities attached to the workplaces.
- 3) Necessary medical arrangements to protect the workers' health and provide comprehensive treatment for their families (family shall mean spouse, children and parents residing with the worker).
- 4) Schools for the workers' children if there are not enough schools in the area. .
- 5) Mosques or prayer areas at the workplaces.
- 6) Literacy programs for the workers.

The Regulations shall specify the remote locations.

#### **Article (30)**

Subject to Article (146) of the law, the remote locations are determined as follows:

1. Workplaces that are far away from the urban growth boundaries determined by the secretariat and different municipalities by no more than 50 kilometers if the roads were paved, and 25 kilometers if the roads were not paved.
2. Residential areas where such facilities and services are unavailable.

**Article (154)**

When a female worker returns to work following a maternity leave, she is entitled to take a period or periods of rest not exceeding one hour per day in addition to the rest periods granted to all workers. Such period or periods shall be calculated as part of the actual working hours and shall not entail any reduction in wages.

**Article (31)**

Subject to Article (154) of the law:

1. The female worker is entitled to take a period or periods of rest with a full wage to breastfeeding her child not exceeding one hour per day and calculated from the actual working hours for 24 months from the delivery date, be it natural or other breastfeeding.
2. The period of rest taken for the purpose of breastfeeding is not included in the official periods of rests provided for the workers.
3. The period or periods of rest taken for the purpose of breastfeeding shall be determined upon the availability of the nursery within the establishment and according to the followings:
  - A. If the nursery was not available within the establishment, the female worker is entitled to take one hour for breastfeeding, at the beginning or the end of the working hours, as appropriate to the nature of work.
  - B. If the nursery was available within the establishment; the female worker is entitled to choose period or periods of rest for a total of one hour for breastfeeding, as appropriate to the nature of work.
4. After coming back from the delivery leave, the female worker shall notify the employer in writing of the period or periods of rest as well as any change thereto.

**Article (161)**

Minors may not be employed in hazardous jobs, harmful industries, occupations or jobs that may endanger their health, safety or morals due to the nature or conditions of the same. A Minister's decision shall specify such jobs, industries and occupations.

**Article (32)**

Subject to Article (161) of the Law, the minor who completed fifteen years of age and not yet eighteen is prohibited from performing any works that may endanger his health, safety or morals due to the nature or conditions of the same, including but not limited to the following:

1. Work in mines, quarries, or extraction of mineral materials.
2. Industries with health risks.
3. Works that may expose the minor to physical hazards due to the usage of high-risk machinery and equipment, such as sharp cutting machines.
4. Any work that may expose the minor to moral, psychological, and physical problems.

#### **Article (162)**

- 1) Any person under the age of fifteen years may not be employed or allowed to enter places of work. The Minister's decision may raise this age limit in certain industries or areas or for certain categories of minors□
- 2) Notwithstanding paragraph (1) of this Article, the Minister may allow the employment of persons between□(13) and□ (15) years of age in light works, subject to the followings:
  - 2.1) Such jobs shall not be potentially harmful to their health or growth□
  - 2.2) Such jobs shall not hinder their school attendance, participation in orientation or vocational training programs, or impair their ability to benefit from their schooling.

#### **Article (33)**

Subject to Article (162) thereof, any person under the age of fifteen may not be employed under any circumstances whatsoever, except in the cases stipulated in the Minister's decision.

#### **Article (163)**

Minors may not be employed during the night at least twelve consecutive hours, except in cases determined by the Minister's decision.

#### **Article (34)**

As exception to Article (163) of the Law, minors may be employed during the night in the following cases:

1. The establishment where work is limited to family members.



2. Work in vocational schools and training centers.
3. Work in bakeries, excluding the period from 9 PM to 4 AM.
4. Force majeure and emergency cases.

**Article (167)**

The provisions provided for in this Part shall not apply to work undertaken by children and minors in schools for general, vocational or technical education or in other training institutions. Furthermore, it shall not apply to work undertaken in establishments by persons who are at least fourteen years of age, if such work is performed in accordance with the conditions set forth by the Minister and the work constitutes an essential part of the followings:

- 1) An educational or training course with primary responsibility for a school or training institution.
- 2) A training program that all or the major part of which is implemented in an establishment if approved by the competent authority
- 3) An orientation program aimed at facilitating the selection of the career or type of training.

**Article (35)**

Subject to Article (167) of the Law, the following conditions shall be met:

1. A direct supervision shall be conducted by the entity responsible for the activity.
2. Education and training shall be taken in a progressive manner, so that no difficulty could face the learner or the trainee.
3. Education and training may not hinder the academic achievement of the learner or the trainee.
4. Work may not be as hazardous as stipulated in Article (161) of the Labor Law.
5. The entity that desires to regulate educational or training programs shall have the approval of the Ministry as well as the entity licensing the activity.

### Article (196)

The functions of the labor inspectors are as follows:

- 1) Monitor the proper implementation of the provisions of the Labor Law and its implementing regulations and decisions
- 2) Provide the employers and workers with the necessary technical information and guidelines that enable them to follow the best means for implementing the provisions of the Law
- 3) Inform the competent authorities with the shortcomings which the existing provisions fail to remedy and provide the relevant suggestions
- 4) Detect the violations of the provisions of the Labor Law and its implementing decisions.
- 5) Verify from the violations determined by other competent governmental agencies and referred to the Ministry.
- 6) Propose the appropriate fine according to the schedule of violations and penalties.

### Article (36)

Subject to Article (196/5) of the Law, if the labor inspector found any violations to the Labor Law, this Regulation, or the relevant decisions made by the competent governmental bodies, it shall prepare a record of the violations determined as per the provisions included in the Implementing Regulation for controlling and regulating inspection works and fulfilling the regulatory procedures.

### Article (197)

Before assuming their duties, labor inspectors shall undertake before the Minister to perform their duties honestly and sincerely and not to disclose the secrets of any industrial invention or any other secrets, which may come to their knowledge by reason of their offices  even after leaving such offices. A labor inspector shall carry an identification card issued by the Ministry.

### Article (37)

Subject to Article (197) of the Law, the labor inspector shall undertake before commencing the work to:

I, the labor inspector/..., having functional no. ( ), civil register no. ( ), undertakes before Allah and before my heads to perform my duties honestly and sincerely and not to disclose the secrets of any industrial invention or any other secrets, which may come to my knowledge by reason of my office, even after leaving such office. In case of violation, I will be deemed a violator and shall bear the legitimate and regulatory liability resulting therefrom.

Issued on: / /

Signature:

### Article (230)

1. The Ministry- under a decision of the Minister or its representatives- may impose both or one of the penalties stated under sub-paragraph (a), (b) of paragraph (1) of Article (229) herein, provided that neither penalty shall exceed half of the maximum limit provided thereunder. In such case, a grievance may be brought against the issued decision, before the competent administrative court.
2. A list for violations and their respective penalties that do not exceed half of the maximum limit provided under sub-paragraph (a), (b) of paragraph (1) of Article (229) hereunder shall- under a decision of the Minister- be issued. In such case, the gradual amount and applicability shall be made in proportion with the severity of the violation.
3. A list for violations and their respective penalties that exceed half of the maximum limit provided under sub-paragraph (a), (b) of paragraph (1) of Article (229) hereunder shall- under a decision of the Minister- be issued. It shall also include the violations with the penalty indicated in sub-paragraph (c) of paragraph (1) of the above-mentioned Article.
4. If the violation requires a penalty exceeds half of the limit of amount established or requires the permanent closure of the establishment, as per the list stated under paragraph (3) of this Article, the Ministry shall brought a case before the competent Court to be considered and impose the appropriate penalty stipulated under Article (229) of this Law.
5. The Ministry may agree with the violator to settle the violation, provided to pay the penalty amount determined by the Ministry; however, a relevant ministerial decision shall be issued.

### Article (38)

Subject to paragraphs (1/4/5) of Article (230) of the Law:

**I.** The penalties of the list indicated in Clause (First) of Paragraph (1) of the Minister's decision, regarding the violations and penalties to be applied to the violators, shall be imposed by the administrative unit concerned with penalty applications approved by the Minister.

**II.** Deputy Minister for Inspection and Development of Work Environment shall establish, under the Minister's approval, a unit or center for receiving the record of work violation control from the labor inspector. Such unit is to review how far the violation is recorded according to law, classifying and verifying it, issuing the decisions of proposed penalties or filing the record and taking any of the following procedures:

1. Issuing an administrative decision for penalty application to the violator if the penalties to be imposed are included in the penalty list of Clause (First), Paragraph (1) of the above decision.

2. Guiding those specialized in filing cases against violators before the competent court (labor courts) if the penalties to be imposed are included in the penalty list of Clause (First), Paragraph (2) of the above decision.

3. Directing to file the record if the violation has not been established.

**III.** upon drafting any control record for any violation to the Labor Law, this Regulation, or the relevant decision requiring the imposition of the penalties stipulated in the schedule of violations and penalties, the labor inspector shall submit it to the competent department or to the workers concerned with penalty application as indicated in Clause (Second) of this Article.

**IV.** Deputy Minister for Inspection and Development of Work Environment shall establish, under the Minister's approval, a unit or center to undertake the following:

1. Considering the appeals submitted by the violators against the administrative decisions issued for imposing work violation penalties;
2. Considering violation settlement requests submitted by the violators;

As follows:

- As for the appeals submitted against the administrative decisions issued for imposing work violation penalties, the unit or center shall issue its decisions as per Clause (Fifth & Sixth) stipulated in Article (38) of this Regulation.
- As for settlement, unit or center shall submit its recommendations to the Minister for approval.

**V:** the administrative decision of imposing work violation penalties shall be appealed within (30) days from notifying the violator with the administrative decision. Such appeal may not suspend the implementation of the relevant penalty.

**VI:** If the appeal against the administrative decision has been accepted and another decision has been issued for its termination, the amounts collected shall be returned to the appellant as per the procedures followed by HRDF.

**VII:** the following procedures are required to submit requests for work violation settlement:

1. An administrative decision shall have been issued to impose any of the penalties stipulated in the schedule of violations and penalties indicated in Clause (First), Paragraph (1) of the above decision. A final judgment shall have been issued by the competent court to impose any of the penalties stipulated in the schedule of violations and penalties indicated in Clause (First), Paragraph (2) of the above decision.
2. The settlement may not be made to a violation occurring for the third time over two years from imposing the penalty or to a violation that has been settled previously.

Eighth: the following procedures shall be taken upon work violation settlement:

1. The violator shall submit the settlement request within (90) days after being notified with the administrative decision, provided that the competent department shall decide on the settlement request within no later than (70) days from its submission. In this case, it may suspend the implementation of the penalty until the request is decided.
2. The violator shall eliminate all violations, subject of settlement, and provide the documentary evidences.
3. The competent department may summon the violator and ask him about the settlement and its items, paying the due regard to the circumstances surrounding.
4. The competent department shall submit the settlement agreement, attached with the recommendation, to the Minister for issuing settlement decision in case of approval.
5. The violator shall implement the settlement decision within (60) days from notification, otherwise the settlement is deemed cancelled.
6. The Minister authorizes the Deputy Minister of Labor and Social Development to develop the detailed condition of violation settlement.

**Article (231)**

Violators shall undertake to eliminate the violation within the time limit specified under the Regulations. If such violation was not eliminated, it shall be regarded as a new violation

**Article (39)**

Subject to Article (231) of the Law, the violator shall eliminate the violation within (10) days from the date of penalty application. If such violation was not eliminated within the time limit specified, it is deemed a repetition for the violation and the penalty shall be doubled.

**Article (232)**

Fines established under this Law, according to the procedures followed for collecting the public funds. The collected amounts shall be transferred to the Human Resources Development Fund (HRDF).



**Article (40)**

Subject to Article (232) of the Law and without prejudice to the procedures followed for collecting the public funds, the violator shall pay the imposed fines within (60) days from being notified of the administrative decision or the final judgment. Failure to do so, the Ministry's services shall be suspended until the payment of the fines. The implementation by the decision may not be suspended by any grievance before the competent administrative court against any administrative decision of imposing the penalty of the list included in Clause (First), Paragraph (1) of the Minister's decision that is relevant to the violations and penalties, except upon the court's decision.



**Annex No. (1)**  
**Unified Form of Work Regulations**



## Work Regulations

### Introduction

The regulations has been developed in implementation of Article (12/1) of the Labor Law that is issued under the Royal Decree No. (M/51) dated 23/ 08/ 1426 H, and amended under the Royal Decree No. (M/24) dated 12/ 05/ 1434 H, and Royal Decree No. (M/46) dated 05/ 06/ 1436 H. Every employer shall develop a regulation to organize the work in its establishment as per this form.

### Establishment Data

**Establishment Name:**

**Head Office:**

**Number of workers:**

**Activity:**

**Address:**

**P. O. Box:                      Postal Code:**

**Wasel Post No.**

**Telephone:**

**Fax:**

**E-mail:**

**Commercial Register No.:**

**Commercial Register Issue Date: / /**



## Generals

### Article (1)

The word "establishment" whenever used in the regulations means:

The word "worker" means, whenever used in the regulations, every natural person working for an establishment and under its management or supervision for a wage, even if not under its direct control.

### Article (2)

The evaluation adopted in this establishment is ....

### Article (3)

1. The provisions of the regulations shall be applied to all workers of the establishment and its branches.
2. The provisions of these Regulations may not prejudice the workers' rights. These regulations are deemed supplementary to the employment contracts and may not prejudice the said rights.
3. The establishment shall inform the worker of these Regulations upon signing the contract and that shall be stipulated in the employment contract.

### Article (4)

1. The establishment may issue special decisions and policies under which the workers are given better rights than what is included in the Regulations.
2. The establishment is entitled to include additional terms and conditions in the Regulations without prejudice to the workers' rights acquired under the Labor Law, its Implementing Regulations, and relevant decisions. Such amendments and additions may not be valid unless approved by the Ministry of Labor and Social Development.
3. Every text added to the Regulations in contradiction with the Labor Law, its Implementing Regulations, and the relevant decisions shall be deemed null and void.

## Employment

### Article (5)

Workers are employed for jobs with certain titles and specifications. The following requirements shall be considered upon employment:

1. The job applicant shall be Saudi.
2. The job applicant shall have scientific qualifications and expertise required for the job.

3. The job applicant shall successfully pass the tests and personal interviews developed by the establishment for such job.
4. The job applicant shall be medically fit under a medical certificate issued by the entity to be determined by the establishment.
5. Non-Saudis may be excluded from employment as per the terms and conditions included in Articles (26), (32), and (33) of the Labor Law.

### **Employment Contract**

#### **Article (6)**

The worker is employed under an employment contract made of two copies as per the standard form developed by the Ministry; one delivered to the worker and the other kept in the worker's file with the establishment. The contract shall include the employer's name, worker's name, nationality, original address, original address, kind of work, place of work, agreed basic wage, and any other agreed concessions. Furthermore, it shall determine whether it is a fixed-term contract or not and whether it is signed for the performance of certain work or not as well as it shall include the probationary period, date of work commencement, and any other information required. The contract may be executed in another language beside the Arabic language, provided that the Arabic text shall be always adopted.

#### **Article (7)**

Subject to the date specified in the employment contract, the establishment is entitled to terminate the contract of the worker who fails to perform his duties without reasonable excuse. Such termination shall take place within (7) days from the date of signing the contract between both parties if it was signed inside KSA, or from the date of arriving to KSA if the contract was signed outside KSA.

#### **Article (8)**

1. The establishment may not transfer the worker from the original place of work to another one requiring the change of the residence place without his written approval.
2. if necessary, the establishment may assign the worker with a work in a place other than the place agreed upon without the worker's approval for a period of at most (30) days a year, provided that the establishment shall provide all costs of transportation and residence during this period.

## Transportation

### Article (9)

The obligation of the transportation costs of the worker or his family members shall be determined as per the following controls:

1. At the beginning of the contract, as agreed in the employment contract.
2. When the worker enjoys his annual leave, as agreed in the employment contract.
3. When the worker's service is ended, as per Article (40/1) of the Labor Law.
4. The establishment may not bear the costs of returning the worker to his country if he was not eligible to work during the probationary period or if desired to return without a legitimate reason or committed a violation that caused his departure under an administrative or court decision.

### Article (10)

The worker transferred from his original workplace to another one that entails a change in his place of residence is entitled to get the transportation expenses for himself and his family members who are living with him at the date of transfer including the expenses of luggage transfer, unless the transportation was based on the worker's desire.

## Training and Qualification

### Article (11)

The establishment incurs all costs required for qualifying and training non-Saudis. If the place of qualification or training was not within the establishment, the establishment, then, shall bear the flight tickets (return tickets) of the class determined by the establishment. The establishment, either, provides food, housing, and internal transportation. Instead, it may provide the worker allowances as well as it shall provide him with the wage specified throughout the probationary and training period.

### Article (12)

1. The establishment may terminate the qualification or training contract without the worker's approval if the reports issued from the entity in charge of training reveals that the worker is unable to complete the training productively.
2. The trainee, excluding workers, or his guardian is entitled to end the training or qualification program if the reports issued from the entity in charge of training or qualification reveals his inability to productively complete the training programs.

3. In either case, the party who desires to terminate the contract shall notify the other party at least one-week prior to termination.
4. The establishment may oblige the trainee or the person subject to qualification, excluding the workers, to work with it for a similar period after full performance of the training or qualification period.
5. The establishment may oblige the trainee or the person subject to qualification, excluding workers, to pay all or part of the costs of training or qualification incurred if he rejected to work with it for a similar period.

### **Article (13)**

- I. The establishment may ask the person subject to training or qualification to work with it for a similar period not exceeding the period of training or qualification program having fully performed the training or qualification period. The above shall be applied if the employment contract term is not fixed or if the remaining period of the employment contract is fixed or less than the training period.
- II. The establishment may end the training or qualification program and oblige the worker to pay all or part of the training costs it incurred in the following cases:
  1. If the worker decided to end the training or qualification program before the date specified without a legitimate reason.
  2. If the employment contract is terminated as per any of the cases included in Article (80) of the Labor Law, excepting paragraph (6) thereof, during the training or qualification period.
  3. If the worker resigned from the work for any case other than those included in Article (81) thereof during training or qualification period.
- III. The establishment may oblige the worker to pay all or part of the costs of training or qualification it incurs if the worker resigned from the work, for any case other than those included in Article (81) thereof, before the expiration of the training or qualification period.

## **Wages**

### **Article (14)**

Subject to any procedures or arrangements stipulated in Wages Protection Program, the worker's wages shall be paid in the official currency of the countries in the dates specified and deposited with the workers' accounts of the banks accredited in KSA.

**Article (15)**

Overtime wages that is due to the worker shall be paid at the end of the month in question.

**Article (16)**

If the day of payment coincides with the weekly day of rest or with official holiday, the payment shall be made on the previous business day.

**Performance Reports**

**Article (17)**

The establishment prepares performance reports periodically, at least once a year, for all workers as per the form designated, provided that such reports include the following:

1. Ability to work and efficiency of work.
2. The worker's behavior, its cooperation with the heads, colleagues and the establishment's clients.
3. Attendance

**Article (18)**

The worker's performance shall be evaluated in the report according to the establishment's estimates, provided to follow a scale of 1-5.

**Article (19)**

The report shall be prepared under the knowledge of the direct head of the worker and approved by (the authority holder). The worker shall be provided with a copy of the report once approved. The worker is entitled to appeal against the report as per the grievance rules stipulated herein.

**Bonuses**

**Article (20)**

1. The establishment may grant the workers annual bonuses to be determined in light of the establishment's financial position.
2. The worker shall be eligible for bonuses once reordered an average level in his periodic report in the form developed by the establishment, and after one year from joining the work or from obtaining previous bonuses.
3. The establishment's department may grant the worker exceptional bonus per the controls developed in this regard.

## Promotions

### Article (21)

The establishment develops a career ladder for its jobs determining the number and titles of the jobs, level of each job, occupation requirements, and its starting pay per the Saudi vocational Classification Guide. The worker shall be eligible for high-position promotion whenever the following conditions are met:

1. The higher post is vacant.
2. The worker meets the qualifications of the position he is supposed to promote to upon nomination.
3. The worker gets above-average level in his latest periodic report.
4. The approval of the authority holder is obtained.
5. The establishment's department may grant the worker an exceptional promotion, as per the controls developed in this regard.

### Article (22)

If the conditions of high-position promotion are met in more than one worker, the selection for promotion shall be based on the following:

1. The one nominated by the authority holder
2. The one obtained higher evaluation
3. The one got more scientific certificates or training courses
4. The one having scientist expertise in the field of the establishment business
5. Work seniority

## Assignment

### Article (23)

If the worker has been assigned to perform work outside his workplace, the establishment shall abide by the following:

1. It shall provide the worker with all necessary transportation means, unless an allowance has been provided to him upon his approval.
2. It shall provide the worker with an allowance for the costs incurred for housing and food, unless provided by the establishment.

3. It shall provide the worker with a daily allowance for assignment, according to the worker's grade.

All such obligations shall be determined in the assignment decision as per the categories and controls developed by the establishment in this regard. The said costs and expenses shall be calculated once the worker leaves his workplace until his return, according to the period determined by the establishment.

### **Benefits and Allowances**

#### **Article (24)**

The establishment shall provide its workers with the appropriate housing and transportation means if stipulated in the employment contract. It may be stipulated in the employment contract that the establishment shall pay the worker an allowance for housing together with a cash allowance for transportation.

### **Working Hours and Days**

#### **Article (25)**

1. The number of working days shall be .... A week. The (day/ days) of rest is.... and paid for all workers. After notifying the competent labor office, the establishment may replace this day with any other days of week. Furthermore, it shall enable the workers to perform their religious duties and the day of rest may not be compensated with a cash allowance.

2. The working hours are (8 hours) a day and will be reduced to (6 hours) a day in Ramadan for Muslim workers

### **Overtime**

#### **Article (26)**

1. When the worker is assigned with additional work under a written or electronic assignment, sent by the responsible entity in the establishment, revealing the number of the additional hours and days required, per Article (106) of the Labor Law.

2. The establishment shall provide the worker with additional wage equivalent to the hourly rate plus 50% of his basic wage for the additional working hours.

### **Administrative Inspection**

#### **Article (27)**

The workers shall enter and exit their workplaces from the designated places. Furthermore, they shall abide by the administrative inspection whenever requested.

### **Article (28)**

The establishment may entail the worker to prove his attendance and departure with any means designated for such purpose.

## **Leaves**

### **Article (29)**

A worker is entitled to a full-pay annual leave of not less than (21) days per each year of service. It is extendable to a minimum of (30) days if the worker spends five consecutive years in service. Subject to the consent of the establishment, the worker may take a part of his annual leave based on the period spent in service during the year. In addition, there may be agreed in the employment contract to increase such annual leave.

### **Article (30)**

A worker is entitled to a full-pay leave in Eids and occasions as follows:

1. Four days for Eid Al-Fitr "Festival of Breaking the Fast", starting as of the day following 29<sup>th</sup> day of Ramadan, as per Um Al-Qura calendar.
2. Four days for Eid Al-Adha "Festival of the Sacrifice", starting as of the Day of Arafat.
3. One day for the Saudi National Day (on the first day of Libra Horoscope).

If these leaves coincide with the weekly rest, the worker shall be compensated with equivalent days before or after such leaves.

However, if any of both Eids coincides with Saudi National Day, the worker may not take an equivalent day off.

### **Article (31)**

A worker is entitled to a full pay leave in any of the following cases:

1. Five days upon his marriage.
2. Three days for the birth of his child.
3. Five days in case of death of the worker's wife, an ancestor or a descendant.
4. Five months and ten days in case of the death of the husband of a Muslim wife. She is entitled to extend this leave without pay if pregnant until giving birth. She may not enjoy the rest of bereavement leave granted to her after giving birth to her child.
5. Fifteen days in case of death of the husband of a non- Muslim female worker.



The establishment is entitled to request supporting documents for above-mentioned cases.

### **Article (32)**

The worker- proving his sickness under a medical certificate issued by the establishment's physician or a health authority approved by it- is entitled to sick leaves per annum, starting as of the date of the first sick leave, whether connected or intermittent, as follows:

1. A full pay leave for the first thirty days.
2. Three quarters of the wage for the next sixty days.
3. Unpaid leave for the following thirty days.

The worker may request to combine his sick leave with his annual leave.

## **Medical Care**

### **Article (33)**

The establishment shall provide health insurance coverage for all its workers as per the Cooperative Health Insurance Law and Implementing Regulations thereof. In addition, it shall pay the subscription amount for all workers in the Occupational Hazards Branch within the General Organization for Social Insurance, in accordance with the provisions of the law thereof.

## **Work Environment**

### **Article (34)**

#### **a. General Controls**

1. Employment of female workers does not require a permit from Ministry of Labor and Social Development or any other entity.
2. Wage discrimination between male and female workers performing equal work is prohibited.
3. The employer shall provide prayer and rest areas as well as restrooms at proper distance for female workers.
4. In case of a desk-work, the employer shall ensure the privacy of the female workers' offices.
5. Protection of the male and female workers from occupational hazards and provision of suitable work environment falls within the establishment responsibility.
6. The employer shall provide seats for female workers at their work places.
7. Only female workers may be appointed in women's closed establishments.
8. Only male workers may be appointed in the establishments designated for men.

9. The establishment shall secure a security system. If the establishment receives the public, security guards shall be appointed.

**b. Controls over women's work in establishments restricted to women:**

1. A signboard, indicating that the establishment is restricted to women and no men allowed, shall be placed at a prominent place.
2. Female workers are only allowed to be appointed at such establishments.
3. The establishment shall appoint security guards and set a security system if not provided by the owner of the shopping center if the establishment is located inside a shopping center.

In case a security system is set up, the establishment owner shall place a signboard stating that the establishment is under the security control.

**Article (35)**

A female worker is entitled to a full-pay maternity leave for a period of ten weeks, distributed as she wishes; at a maximum of four weeks before the anticipated date of delivery, which shall be determined by a health authority approved by the establishment or under a medical certificate certified by a health authority. □ It is prohibited to ask the female worker to work during the six weeks following giving birth.

In case of a sick child or a child with disabilities, the female worker is entitled to one month's leave at full pay beginning after the expiry of the period of maternity leave, extendable for one month without pay.

**Article (36)**

When a female worker returns to work following a maternity leave, she is entitled to take a period or periods of rest of at most one hour per day in addition to the rest periods granted to all workers. Such period or periods shall be calculated as part of the actual working hours and may not entail any reduction in wages. The female worker shall, after returning to work following a maternity leave, serve a written notice to the employer, including the period or periods of such rest and changes thereto; as well as the maternity period or periods in accordance with the Implementing Regulations of Labor Law.

**Social Services**

**Article (37)**

The establishment shall provide the following social services:

1. Preparation of a prayer area.

2. Preparation of meal area.

3. The establishment shall provide the requirement, service and convenience facilities necessary for workers with disabilities in order to enable them to perform their work in accordance with the requirements stipulated in the Implementing Regulations of Labor Law.

### **Business Conduct Controls**

#### **Article (38)**

1. An establishment may oblige all or some of the workers to wear a uniform. In all cases, men uniform shall suit the public taste and women uniform shall be modest, loose and opaque.

2. All establishment's workers shall comply with the requirements of the provisions of Sharia and social norms applied in dealing with others.

3. All workers are prohibited to be intentionally alone with a worker of different gender and the establishment shall take all procedures to prevent this matter between both genders inside the establishment.

4. All workers shall abstain from any kind of physical, verbal or suggestible abuse, or any act affecting the modesty, dignity, reputation or freedom or aimed at tempting or compelling any person into an illegal relationship, even if it is just for fun in case of a direct communication or by any other means of communication. In addition, the establishment may take all arrangements and procedures necessary for notifying all workers thereof.

#### **Article (39)**

1. All direct or indirect maltreatments, all forms of exploitation, blackmail, seduction or threatening, whether physical, psychological or sexual, that take place in the workplace either by an employer against the worker, by a worker against the employer or by a worker against his fellow worker or any other person present at the workplace, are considered types of abuse. In addition, any assistance given or misprision are types of abuse as well.

2. Any act done by any means of communication, either in word, writing, hint, indirect reference, painting, telephone, other electronic means or in any indicating type of conduct indicated, are deemed types of the above-mentioned abuse.

#### **Article (40)**

1. Without prejudice to the right of the party suffering an abuse at the workplace to recourse to the competent governmental agencies, he is entitled to submit his complaint to the establishment within a maximum period of five days as of suffering the same. Besides, every person witnessing such incident may notify the establishment thereof. In case such abuse was committed by the establishment owner or by the person assuming the highest powers, the complaint shall be filed with the competent governmental agency.

2. Upon filing a complaint or a report, the establishment shall form a committee under a decision by the person-in-charge. This committee shall be assigned with investigating the cases of abuse, considering evidence and recommending the application of an appropriate disciplinary penalty against the convicted person within five working days as of receiving the complaint or report.

### **Article (41)**

1. Subject to the principle of confidentiality, the committee shall hear all parties and witnesses and mention everything in records, to be firstly signed by parties and witnesses, and, then, by the committee's members at the end of each page.

2. The committee is entitled to summon any worker to investigation, as it deems necessary, and hear his statements. Every summoned worker shall appear before the committee to avoid any relevant liability.

3. The committee may submit a recommendation to the establishment administration to separate between the complainant and the complainee during the investigation period.

4. If the incident of abuse is evidenced under any adopted means of proofs, the committee recommends, upon majority vote, the application of the appropriate disciplinary penalty to the assaulter.

5. If the assault constitutes a criminal offence, the committee shall file the complaint with the general manager to be communicated to the competent governmental agencies.

6. If the incident of abuse is not proven, the committee shall recommend the application of a disciplinary penalty to the reporting party if the complaint or report is proven to be vexatious.

7. Application of the disciplinary penalty imposed by the establishment against the assaulter does not deprive the aggrieved party of his right to recourse to the competent governmental agencies.

8. Application of another legal or statutory penalty to the assaulter may not prevent the establishment from imposing a disciplinary penalty on him.

## **Violations and Penalties**

### **Article (42)**

A violation is any act committed by the worker and requires any of the following penalties:

1. Written warning: A notice sent by the establishment to the worker indicating the type of violation committed. Under this notice, the establishment draws the worker's attention to the possibility of being exposed to a harsher penalty in the event of the continuation or repetition of the said violation.

2. Fine: A deduction of a percentage equivalent to a part of the daily wage from the wage or a deduction of a percentage ranging between a one-day wage and five-day wage at most per month.

3. Suspension from work without pay: The worker is prevented from performing his work duties within a certain period and deprived of his wage during the said period, provided that the suspension period may not exceed five days a month.

4. Deprivation of promotion or periodic bonus: It may last for a maximum period of one year as of the application thereof.

5. Termination of employment with a reward: Termination of the worker's services based on a legitimate reason for a violation, without prejudice to entitlement to the end of service benefits.

6. Termination of employment without a reward: Termination of the worker's employment contract without a reward, notice or compensation as a result of committing any of the cases stipulated in Article (80) of Labor Law.

The penalty applied to the worker shall be proportional to the type and gravity of the committed violation.

### **Article (43)**

Each worker committing any of the violations mentioned in the schedule of violations and penalties- attached to these regulations- shall be penalized with its respective penalty.

### **Article (44)**

Application of the penalties stipulated in these regulations falls within the establishment (authority holder)'s powers or his representative. He may substitute a lesser penalty.

### **Article (45)**

If the worker recommits the same violation (180) days after first time, this violation may not be considered as a repeated violation; rather, it is deemed as being committed for the first time.

### **Article (46)**

In case of multiple violations for a single act, only the most severe penalty among the penalties stipulated herein shall be applied.

### **Article (47)**

Only a single penalty may be imposed on a worker committing a single violation. In addition, for a single penalty committed by a worker, only a fine of an amount not exceeding the wage of five days may be imposed. To meet the fines imposed on a worker, only five-day's wage may be deducted per month.

### **Article (48)**

The establishment may not impose any penalty exceeding a one-day wage unless it notifies the worker in writing of the violation claimed against him, hears his statements and investigates his defense under a record added to his personal file.

### **Article (49)**

The establishment may not impose any penalty on the worker for an act committed outside the workplace unless it is directly linked to the nature of his work, the establishment or its manager in charge, without prejudice to Article (80) of Labor Law.

### **Article (50)**

The worker's disciplinary accountability may not be investigated for a violation detected more than (30) days after the establishment's knowledge of its perpetrator without taking any investigation procedures.

### **Article (51)**

The establishment may not applied any penalty to the worker if more than (30) days elapsed since the violation has been established.

### **Article (52)**

The establishment shall send a written notice to the worker, including the penalties imposed against him, their type and extent as well as the penalty that would be imposed in case of recommitting the violation. If the worker refuses to receive the notice or sign after the receipt thereof or if he is absent, a registered mail shall be sent to his address mentioned in his personnel file or his e-mail mentioned in the employment contract or adopted by the establishment. Any notice by any of such communication means shall resulted in all legal consequences.

### **Article (53)**

A statement of penalties shall be recorded for each worker, including the category, date, relevant penalty of any violation. Such statement shall be reserved in the worker's service file.

### **Article (54)**

Pursuant to Article (73) of Labor Law, the fines applied to workers shall be recorded in a private register. The workers committee of the establishment shall dispose thereof in a manner beneficial to the workers. In the absence of workers committee, disposal of fines shall be subject to the approval of the Ministry of Labor.



## **Grievance**

### **Article (55)**

Without prejudice to the worker's right to recourse to the competent administrative or judicial agencies or authorities, the worker is entitled to submit a grievance to the establishment's administration against any conduct, procedure or penalty taken against him. That grievance shall be submitted to the establishment's administration within three working days from the date of knowledge of the grieved conduct or procedure. Submission of the grievance does not harm the worker who is notified about the result of the consideration of his grievance within a period not exceeding (5) working days as of the submission of such grievance.

## **Final Provisions**

### **Article (56)**

Provisions of such regulations shall be applied to the establishment as of the date of notifying it of the adoption thereof, and be applicable to the workers on the day following the announcement thereof.



## **Schedule of Violations and Penalties**





**I: Violations related to working hours:**

| Ser. No. | Violation type  | Penalty (deduction, a percentage of the daily wage) |             |            |             |
|----------|---|---|-------------|------------|-------------|
|          |   | First time  | Second time | Third time | Fourth time |
| 1        | Delayed attendance for work up to (15) minutes Without permission, or an acceptable excuse, if it does not result in disrupting other workers.                        | written warning                                     | 5%          | 10%        | 20%         |
| 2        | Delayed attendance for work up to (15) minutes without permission, or an acceptable excuse, if this results in disrupting other workers.                              | Written warning                                     | 15%         | 25%        | 50%         |
| 3        | Delayed attendance for work is more than (15) minutes to (30) minutes without permission, or an acceptable excuse, if it does not result in disrupting other workers. | 10%   | 15%         | 25%        | 50%         |
| 4        | Delayed attendance for work is more than (15) minutes to (30) minutes without permission, or an acceptable excuse, if this results in disrupting other workers.       | 25%   | 50%         | 75%        | 1 day       |
| 5        | Delayed attendance for work is more than (30) minutes to (60) minutes without permission, or an acceptable excuse, if it does not result in disrupting other workers. | 25%   | 50%         | 75%        | 1 day       |
| 6        |   | 30%   | 50%         | 1 day      | 2 days      |



|    |   |  |        |        |   |
|----|---|--|--------|--------|---|
|    | Delayed attendance for work is more than (30) minutes to (60) minutes without permission, or an acceptable excuse, if this results in disrupting other workers. | In addition to deducting the wage of delay in minute         |        |        |   |
| 7  | Delayed attendance for work for more than an hour without permission, or an acceptable excuse, whether arranged, or not, by disrupting other workers.           | Written warning  | 1 day  | 2 days | 3 days  |
|    |   | In addition to deducting the wage of delay in hour           |        |        |   |
| 8  | Leaving work, leaving before the specified time without permission, or an acceptable excuse not exceeding (15) minutes.   | Written warning  | 10%    | 25%    | 1 day   |
|    |   | In addition to deducting the wage for period of leaving work |        |        |   |
| 9  | Leaving work, leaving before the specified time without permission, or an acceptable excuse for more than (15) minutes.   | 10%  | 25%    | 50%    | 1 day   |
|    |   | In addition to deducting the wage for period of leaving work |        |        |   |
| 10 | Staying in or returning to the workplace after the end of work hours without prior permission.  | Written warning  | 10%    | 25%    | 1 day   |
| 11 | Absence without written permission or an acceptable excuse for a day, during the same contracted year.  | 2 days   | 3 days | 4 days | Withholding of promotions or bonuses for one-time |
| 12 | Continuous absence without written permission or an acceptable excuse from two to six days, during the same contracted year.                                    | 2 days   | 3 days | 4 days | Withholding of promotions or bonuses for one-time |
|    |   | In addition to deducting the absence wage                    |        |        |   |



|    |  |   |   |   |   |
|----|--|---|---|---|---|
|    |  |   |   |   |   |
| 13 | Continuous absence without written permission or an acceptable excuse from seven to ten days, during the same contracted year.             | 4 days  | 5 days  | Withholding of promotions or bonuses for one-time                 | Dismissal from service with no bonus if the total absence does not exceed 30 days |
|    |  | In addition to deducting the absence wage   |   |   |   |
| 14 | Continuous absence without written permission or an acceptable excuse from eleven to fourteen days, during the same contracted year.       | 5 days  | Withholding of promotions or bonuses for one-time, with a notice of dismissal from service according to Article (80) of the labor law | Dismissal from service according to Article (80) of the labor law |   |
|    |  | In addition to deducting the absence wage   |   |   |   |
| 15 | Discontinuation from work without a legitimate reason for a period of more than fifteen consecutive days, during the same contracted year. | Dismissal without compensation or bonuses, provided that it is preceded by a written warning after absence for a period of ten days, within the scope of Article (Eighty) of the Labor Law. |   |   |   |
| 16 | Intermittent absence without legitimate cause for periods exceeding in total thirty days during the same contracted year.                  | Dismissal without compensation or bonuses, provided that it is preceded by a written warning after absence for a period of ten days, within the scope of Article (Eighty) of the Labor Law. |   |   |   |



**II. Violations related to organization of the work:**

| Ser. No. | Violation type  | Penalty (deduction, a percentage of the daily wage) |             |            |                        |
|----------|---|---|-------------|------------|------------------------|
|          |   | First time  | Second time | Third time | Fourth time            |
| 1        | Unjustified presence in a place other than the workplace designated for the worker during work time.                              | 10%   | 25%         | 50%        | 1 day                  |
| 2        | Receiving visitors in matters other than the business's activities in the workplace, without permission from the administration.  | Written warning                                     | 10%         | 15%        | 25%                    |
| 3        | Use of the machines, equipment, and tools of the establishment for special purposes without permission.                           | Written warning                                     | 10%         | 25%        | 50%                    |
| 4        | Unlawful intervention by the worker in any work beyond his/her competence, or entrustment.  | 50%   | 1 day       | 2 days     | 3 days                 |
| 5        | Exiting or entering an entrustment place.   | Written warning                                     | 10%         | 15%        | 25%                    |
| 6        | Negligence of cleaning or maintaining machines, not caring for them, or not reporting any defects in them.                        | 50%   | 1 day       | 2 days     | 3 days                 |
| 7        | Failure to put the tools for repair, maintenance, and other supplies in the places designated for them, after finishing the work. | Written warning                                     | 25%         | 50%        | 1 day                  |
| 8        | Shredding or damaging ads or establishment management reports   | 2 days  | 3 days      | 5 days     | Dismissal with bonuses |
| 9        | Negligence of any stuff in his/ her possession, for example: (cars,   | 2 days  | 3 days      | 5 days     | Dismissal with bonuses |



|    |  |                        |               |  |                               |
|----|--|------------------------|---------------|--|-------------------------------|
|    | machines, devices, equipment, tools, etc.).  |                        |               |  |                               |
| 10 | Eating at the workplace or at a place other than the intended one, or outside of rest hours.                                       | <b>Written warning</b> | <b>10%</b>    | <b>15%</b>   | <b>25%</b>                    |
| 11 | Sleeping while working.  | <b>Written warning</b> | <b>10%</b>    | <b>25%</b>   | <b>50%</b>                    |
| 12 | Sleeping in situations that require constant vigilance.  | <b>50%</b>             | <b>1 day</b>  | <b>2 days</b>  | <b>3 days</b>                 |
| 13 | Loitering or being out of the place of work, during work time.   | <b>10%</b>             | <b>25%</b>    | <b>50%</b>   | <b>1 day</b>                  |
| 14 | Tampering with proof of attending or leaving.  | <b>1 day</b>           | <b>2 days</b> | <b>Suspension of promotions or withholding of bonuses for one-time</b> | <b>Dismissal with bonuses</b> |
| 15 | Disobeying normal work orders, or failure to follow work instructions, which are placed in a visible location.                     | <b>25%</b>             | <b>50%</b>    | <b>1 day</b>   | <b>2 days</b>                 |
| 16 | Incitement to violate orders and written instructions of work.   | <b>2 days</b>          | <b>3 days</b> | <b>5 days</b>  | <b>Dismissal with bonuses</b> |
| 17 | Smoking in places announced as prohibited, in a pursuit to maintain the safety of workers and the establishment.                   | <b>2 days</b>          | <b>3 days</b> | <b>5 days</b>  | <b>Dismissal with bonuses</b> |
| 18 | Negligence or omission of the work that may result in harm to the health or safety of workers, or to materials, tools and devices. | <b>2 days</b>          | <b>3 days</b> | <b>5 days</b>  | <b>Dismissal with bonuses</b> |



**III. Violations related to worker behavior:**

| Ser. No. | Violation type   | Penalty (deduction, a percentage of the daily wage) |             |            |                        |
|----------|--|---|-------------|------------|------------------------|
|          |  | First time  | Second time | Third time | Fourth time            |
| 1        | Quarreling with co-workers or with others or causing riots in the workplace.   | 1 day   | 2 days      | 3 days     | 5 days                 |
| 2        | Malingering or false demonstration by the worker that he/ she was injured while working or because of working.                                 | 1 day   | 2 days      | 3 days     | 5 days                 |
| 3        | Absence from a medical examination when requesting the establishment's physician, or refusing to follow medical instructions during treatment. | 1 day   | 2 days      | 3 days     | 5 days                 |
| 4        | Violation to health instructions placed in the workplace.  | 50%   | 1 day       | 2 days     | 5 days                 |
| 5        | Writing on the walls of the establishment, or placing ads on it.   | Written warning                                     | 10%         | 25%        | 50%                    |
| 6        | Refusal to submit to administrative inspection upon leaving.   | 25%   | 50%         | 1 day      | 2 days                 |
| 7        | Failure to deliver the money collected to the establishment's account on the specified dates without acceptable justification.                 | 2 days  | 3 days      | 5 days     | Dismissal with bonuses |
| 8        | Refraining from wearing clothing, and devices for prevention and safety.   | Written warning                                     | 1 day       | 2 days     | 5 days                 |



|    |   |   |        |                        |                        |
|----|---|---|--------|------------------------|------------------------|
| 9  | Intentionally being alone with worker of different gender in the workplace.   | 2 days  | 3 days | 5 days                 | Dismissal with bonuses |
| 10 | Inspiration of others to outrage modesty in word or deed.   | 2 days  | 3 days | 5 days                 | Dismissal with bonuses |
| 11 | Assaulting co-workers by saying, or pointing, or using electronic means of abusive or insulting.  | 2 days  | 3 days | 5 days                 | Dismissal with bonuses |
| 12 | Physical assaulting of co-workers, or others in a pornographic manner.  | <b>Dismissal without bonuses, notice or compensation under Article (80)</b> |        |                        |                        |
| 13 | Physical or verbal assaulting or using any electronic means of communication against the employer, the responsible manager, or one of the heads during the work or because of it. | <b>Dismissal without bonuses, notice or compensation under Article (80)</b> |        |                        |                        |
| 14 | Submission of a complaint or a malicious complaint.   | 3 days  | 5 days | Dismissal with bonuses |                        |
| 15 | Failure to comply with the request of the investigation committee to appear, make statements, or testify.   | 2 days  | 3 days | 5 days                 | Dismissal with bonuses |

God Bless,,,



**Annex No. (2)**

**Schedule of Arrangements and Facilitating Services**

**in the Work Environment**

**for Workers with Permanent and Temporary Disabilities,**

**and Workers with a Disease that puts them**

**in a Disabled Situation**





**I. Physical Impairment:**

| Wheelchair users  |   |
|---|---|
| Job and its nature  | Type/ format of the proposed arrangements   |
| Office jobs: researcher, policy analyst, laws, or plans, planning consultant, legal consultant, data entry, essayist, human resources/ personnel affairs, administrative, secretarial/ receptionist for technical jobs, | Ramps, toilets with handles, with a suitable height for the toilet, the sink, and a space under the sink, suitable electric buttons, vacuum tables from the bottom that allow wheelchair access under it, a suitable height for the shelves, a safe exit method in an emergency.  |
| Technical and training jobs   | Providing physician examination beds of appropriate heights need for the wheelchair, installing pharmacy shelves at appropriate heights, providing samples and training stuff, organizing the halls so that it enables the trainees to easily receive the training and plainly move.  |
| Teaching in schools or universities   | Moving the rooms and lecture halls, regardless of their difference from one year to another, to the ground floor, unless there is a prepared elevator, putting the board inside the classroom, or the lecture hall at a low height that suits the person, taking into account the spaces between the drawers a reasonable movement for the teacher or the lecturer.   |
| Manual or muscle jobs:<br><br>Driver, carpenter, divided bailiff, tailor, textile worker, packaging workers, auto mechanic, heating and cooling worker, satellite pick-up technician                                    | Providing a car equipped for hand-driving, tools, woodworking machinery, blacksmithing, dismantling, mounting, and lifting machines, etc., with suitable handles, and in a position that separates the machine from a person's thigh, providing the tip of the wheelchair, a simple mechanical or manual lever, for lifting the wheelchair for access to a device, or hanging machine, tables at heights appropriate for placing machines, their accessories... counters, and phones at heights appropriate for those sitting on the chair. |
| Physical Impairments in the upper limbs   |   |
| Office jobs   | Providing a computer with a modified keyboard that can be adapted according to the nature of the handicap, or one of them, or at one of the fingers, and with speech-to-text transducer program to replace manual typing, a table, a seat that is height, low and bent in various directions; to enable the person to use his/ her feet to pick things up, maybe print, and write, and placing phones and electrical buttons at a low altitude to control them,   |



|   |   |
|---|---|
|   | either by elbow, foot, or mouth, as the person fits and asks for.   |
| Technical jobs                              | Providing computer-controlled devices with touch by mouth, lips, or feet, padded handles, and reasonable space for office supplies, of any kind, to enable a person to capture them, and use them on any part of their body such as the mouth, arms, or feet, a personal coordinator where necessary.                         |
| Teaching in schools or universities         | Providing a safe type of chalk and pens, if the teacher or lecturer wants to use his/ her mouth for writing, providing personal coordinator whenever necessary, and upon the person's desire, putting handles for doors at a low height that the teacher, or lecturer control it with his/ her shoulder, elbow, or knee.      |
| Manual or muscle jobs:                      | Providing equipped vehicle that can be driven with one hand, tools, and modified and flexible machines, with padded handles, and with a reasonable area, which can be controlled by feet, upper arms, chest, or mouth, or otherwise kneaded, the speech converter to order in telephones.                                     |
| <b>Physical Impairments (short stature)</b> |   |
| All previous jobs and posts                 | Taking into account appropriate heights of devices, tools, machines, door handles, buttons, furniture, elevator buttons, etc., and providing platforms, escalators, and cushions that the short stature person can climb, whenever he deems it necessary, in addition to preparing cars to suit their effective and safe use. |
| All jobs and all motor impairments          | Modifying behavior, and attitudes of workers.   |

## II. Visual Impairment:

| Job and its nature | Type/ format of the proposed arrangements   |
|--------------------|---|
| Office jobs        | Providing a computer equipped with a screen reader in Arabic and English, such as: "Jaws, hal, Ibsar ...", the electronic line that converts the text on the computer screen to Braille, a screen magnifier for people with low vision, a phone device that carries a speaking program such as "Tux" , or an iPhone device originally installed with a Voiceover talkie, tools for writing Braille, a "Perkins printer", or a |



|                                     |  |
|-------------------------------------|--|
|                                     | handheld device called: a tablet, library..., an OCR scanner program that is usually attached to a screen reader, a Braille printer For personal use, if the nature of the work requires the person to print Braille paper copies, sound alarms, and a safe way to exit in cases the emergency ....  |
| Technical jobs                      | Providing a portable speaking screen program, stored on a CD or a memory card, can be run on any computer easily, and is facilitated by workers in the field of computer maintenance, technics, calculators, and cash counters for accountants, and programs professional accounting for the use of a screen reader, personal coordinator, where necessary, and providing medicine information in Braille for pharmacists.                                     |
| Teaching in schools or universities | Providing the school building, or lectures at the university, with floor and wall signals that allow the person to easily move around the building, providing curricula, materials for teachers, or lecturers in Braille, or in electronic reading format, allocating personal coordinator if necessary, at the request of the person, and his/ her desire, to provide curricula, information, and materials in large print letters for the visually impaired. |
| Manual or muscle jobs               | Providing carpentry tools, sewing, or blacksmiths that are safe to use, provided with clear, different beep badges indicating operation, stopping, interruption, etc., personal coordinator , movement training, phones with prominent concrete buttons without flat panels.   |
| All jobs                            | Modifying behavior, and attitudes of workers.  |

### III. Hearing Impairment:

| Job and its nature | Type/ format of the proposed arrangements   |
|--------------------|---|
| Office jobs        | Appointing sign language interpreter, or training someone who works in sign language, light alarms in case of emergency, phone with |



|  |  |
|--|--|
|  | video calling, and vibration feature, signal dictionary if any.  |
| Technical jobs                                 | Providing monitor screens throughout the clinic, pharmacy, or laboratory which screens reveal to the deaf people light signals of every movement within the place where they work if it is a private clinic or pharmacy, and providing a secretary who is fluent in sign language.   |
| Teaching in schools and universities           | Allocating coordinator to facilitate communication between the teacher, lecturer, and students, arranging the classroom, or lecture hall to allow the translator to stand in a back location outside a focus and the students' sight to get the focus together with the teacher, or the lecturer, providing curricula, and materials in sign language, and providing specialized reference dictionaries, when available. |
| Manual and muscle jobs                         | Providing machines and tools equipped with warning signals indicating the rotation of the machine, stopping, malfunction, and others. Providing phones equipped with a signal-to-speech converter, and vice versa, and equipped with glass and light instead of the bell.  |
| All jobs for the hearing impairment            | Providing loudspeaker, a person's earpiece and training a number of lip readers to use phones with loudspeaker feature.  |
| All jobs for deaf and hearing-impaired workers | Modifying behavior and attitudes of workers.   |

#### IV. Psychological Impairment:

| Job and its nature | Type/ format of the proposed arrangements   |
|--------------------|---|
| Office jobs        | Providing color of the room paint so that it is comfortable to look, not nervous, putting a flexible schedule for working hours, and rest, and putting that into the computerized system. |
| Technical jobs     | Providing the aforementioned arrangements for this disability.  |



|                                     |  |
|-------------------------------------|--|
| Teaching in schools or universities | Taking into account the colors of the rooms, and what the teacher may require of modification, and flexibility in class times and lectures that should be on the non-upper floors, if the person has a high, or crowded, phobia. |
| Manual and muscle jobs              | Taking into account the breadth of the place, its ventilation, and its lack of height for those who have a closed, crowded, narrow, or raised phobia.  |
| All jobs                            | Modifying behavior and attitudes of workers.   |

#### V. Mental Impairment:

| Job and its nature                  | Type/ format of the proposed arrangements  |
|-------------------------------------|--|
| Office jobs                         | Converting the necessary documents and materials into a simplified language, hiring an educational expert to facilitate communication, if necessary, or training one of the workers in that, training in the use of devices related to the job tasks, being flexible in the dates of completion of the job tasks as appropriate. |
| Technical jobs                      | Providing the tools with the maximum safety and security and training the worker on their requirements, personal coordinator, wherever necessary.  |
| Teaching in schools or universities | Providing a teacher, or "assistant" lecturer, that is, an assistant to the person whenever he or she wants.  |
| Manual or muscle jobs               | Providing all of the above-mentioned taking into consideration the specialized training according to each occupation, or an occupation or profession he will be assigned to.   |
| All jobs                            | Modifying behavior, and attitudes of workers.  |

#### VI. Cases of temporary disabilities and chronic or temporary illness:

| Job and its nature    | Type/ format of the proposed arrangements  |
|-----------------------|--|
| office jobs and posts | Providing privacy for rest, lying down, bedded, and mattress/ medical mattress for workers who |



|   |  |
|---|--|
|   | need to rest a few minutes from time to time, as is the case for patients with discs, spines, and joints. Providing comfortable seats, backrests and feet for workers with discs, spines and vascular patients, as appropriate.  |
| Technical posts and jobs and manual and muscle jobs | Providing tools, means, machines, and devices with the highest levels of security and safety, so that the chances of causing wounds or scratches to workers with diabetes, or blood thinners, or who use blood clotting drugs, diminish.   |
| All posts and jobs                                  | Calculating the days during which a worker is absent for physiotherapy, occupational, or dialysis purposes, or for chemotherapy or radiotherapy sessions, paid leave.<br>If the work is divided into shifts, the requirements of workers with night blindness, and workers who go to morning therapy sessions, shall be taken into account, so that their work is always during the morning shift. |
| Office posts and jobs                               | Allowing workers to wander and move the body from time to time depending on the nature of their condition, as is the case for patients with discs, blood vessels, and others.  |
| Field posts and jobs                                | Providing an equipped vehicle, if the worker uses a wheelchair for a temporary period, and providing personal coordinator as appropriate.  |
| All jobs and posts                                  | If the employer provides meals for workers, sugar-free meals should be provided for diabetics, and salt-free for blood pressure patients.  |
| All jobs and posts                                  | Removing workers with epilepsy from high places, and emptying the surrounding area in which they sit from the edges, or sharp machines, or any object that could harm them, in the event of a seizure, and falling to the ground.  |
| All posts and jobs                                  | Providing all arrangements and facilitative services for persons with disabilities for workers who have temporary disabilities or illness that will have an effect on any of the body's sensory, nervous, visual, psychological or mental functions, as appropriate and throughout the duration of the temporary disability or disease effect.   |
| All posts and jobs                                  | Modifying behavior and attitudes of workers.   |



**Annex No. (3)**  
**Regulations and Rules**  
**for Outsourcing the Employment of Saudis**

## Part 1: Introductory Provisions

### Article (1):

The following terms and expressions, wherever mentioned in these controls, shall have the meanings ascribed to them, unless the context requires otherwise:

**Controls:** Controls and rules for outsourcing the employment of Saudis.

**Licensee:** An office, or a Saudi employment company, that has a license from the Ministry to provide regulated activity in these controls.

**Work applicant:** Every Saudi citizen requests work, according to the provisions of these controls.

**Employer:** Every natural or legal person who requires one or more Saudis, according to the provisions of these controls.

**Employment Outsourcing:** Serving the employment of Saudi men and women for the benefit of employers in KSA.

**Office:** Saudi employment office licensed by the ministry to engage in the employment outsourcing of Saudis.

**Company:** A Saudi employment company that is licensed to engage in the employment's outsourcing of Saudis, in accordance with the provisions of these controls.

**license:** A license granted by the Ministry to the applicant, after fulfilling the conditions and requirements stipulated in these controls and related regulations, authorizing him to perform the activity for which he was authorized, according to these controls.

**Applicant:** The person who applies to the Ministry to obtain a license to establish an office or employment company for Saudis, in accordance with the provisions of these controls.

**License applicant:** The one who obtained the initial approval to obtain a license to engage in outsourcing activity in employing Saudis, whether the license for office or company.

### Article (2):

The activity mentioned in these controls may not be practiced except through offices or companies established for this purpose, and after obtaining a license from the Ministry, according to the conditions and procedures mentioned in these controls. In the event of a violation of this, the Ministry has the right to apply the penalties stipulated in the schedules of violations, and the corresponding penalties issued by virtue of Minister of Labor and Social Development Resolution No. (4786) dated 28/12/1436H and any potential amendments thereto.



## Part 2: A license to practice outsourcing in the employment of Saudis

### Article (3):

1. In order to obtain a license (office) to engage in the employment's outsourcing of Saudis, the following is required:
  - a. That the owner of the office shall be Saudi.
  - b. The owner of the office shall not be less than twenty-five years old.
  - c. That the owner of the office has a university qualification, or equivalent, or that he/ she has a high school diploma with at least three years of experience in the field of employment.
  - d. The owner of the office shall not have been convicted of a crime involving dishonor, dishonesty, or combating trafficking in persons, unless he/she has been discharged.
  - e. That the owner of the office manages his/ her office himself/herself, and it is permissible to appoint a deputy for him/ her who meets the previous conditions that shall be met by the owner of the office.
2. In order to obtain a license (a company) to practice outsourcing activity in employing Saudis, the following is required:
  - a. To be a company with an independent commercial registry, according to what is stipulated in the Companies Law.
  - b. The company's capital shall be wholly owned by natural or legal Saudi persons.
  - c. The company's registered capital in the commercial registry shall not be less than (500,000) five hundred thousand Saudi riyals.
  - d. That the natural person who participates in the incorporation of a company, or joins it after incorporation, meets the following:
    - He/ She shall be a Saudi national.
    - He/ she may not have been previously convicted of a crime involving dishonor, dishonesty, or combating trafficking in persons, unless he/ she has been discharged.
    - He/ she may not previously obtained an office license to outsource in the employment of the Saudis, or was he/she a partner in a company to outsource the employment of the Saudis, or was he/she a partner in a company that was a partner in a company that outsourced the employment of the Saudis, and the license was revoked by a decision as a penalty.
  - e. That the legal person who participates in the establishment of a company, or who joins it after incorporation, fulfills the minimum level of Saudization.
  - f. To be appointed a director of the company that meets the conditions that must be met by the owner of the office, provided that the company is obligated to maintain the availability of these conditions in the company manager throughout the license period.

#### Article (4)

To obtain a license to practice outsourcing for the employment of Saudis, preliminary approval has been issued by the Ministry to establish an office, or a Saudi employment company, in accordance with the following procedures and controls:

**I:** the applicant, or his/ her representative, submits an application for initial approval to grant an office or company license to practice the employment activity of Saudis, provided that it includes the name, office owner's identity number, or a list of names and national identity numbers for each of the applicants to establish the company, and their proportions in the ownership therein, and pledged not to change this list, along with the following:

1. The company articles of association if the license is for a company.
2. The work plan of the office or company during the required license period.

**II:** After studying the application, the Ministry may take one of the following decisions:

1. Granting preliminary approval, and a signed, sealed, and issued document to authorize him/her to establish the outsourcing company in the employment of Saudis.
2. Rejecting the application, provided that the decision in this case was justified.

#### Article (5):

If the Ministry decides to reject the application, withdraw the initial approval after its issuance, and cancel it, then it is not permissible for the holder of that approval to submit another license application before the lapse of one year from the date of informing him/ her of the decision to reject the application, or withdraw the approval, and cancel it.

#### Article (6):

To obtain an office or company license to engage in employment outsourcing of Saudis, take the following procedures:

**I.** The applicant, or his/ her representative, submits an application to obtain the license, attached by the following documents:

1. A copy of the commercial registry of the office or company (with the original for conformity).
2. Bank guarantee with respect to an office license of (100,000) one hundred thousand Saudi riyals. With regard to a company license of (300,000) three hundred thousand Saudi riyals, provided that the bank guarantee is not subject to cancellation from a local bank, according to the form approved by the ministry.

**II.** After studying the application, the Ministry may take one of the following decisions:

1. Granting the license and issue a document to that effect from the Minister Deputy for Customer Services and Labor Relations.
2. Rejecting the license application, provided that the decision is justified, in which case the preliminary approval decision is canceled.

**Article (7):**

The licensee shall practice its activity within a maximum period of six months from the date of obtaining the license, so that during this period an interactive website will be established, according to the requirements set by the ministry, provided that it includes the following electronic records:

- a. An electronic record in which the contracts signed with the employers are recorded, in which it records in particular the date of the agreement between it and the employer.
- b. An electronic record listing the requests submitted by job seekers, the name of the facilities to which they were attached, their activity, and any other data that is necessary.

**Article (8):**

The license period shall be two renewable Hijri years, according to the following procedures:

**I:** The licensee, or his/ her representative, shall submit to the Ministry a request to renew the license, according to the form prepared thereof, before the expiry of the license period of sixty days, attached by the following:

1. A report on the work of the office or the company during the previous period.
2. Renewal of the bank guarantee to include the renewal period.
3. Any other document required by the Ministry.

**II:** After studying the application, the Ministry may take one of the following decisions:

1. Renewing the license, and the license is issued for the new term by the Deputy Minister for Customer Services and labor relations.
2. Rejecting the license renewal request, if one of the following reasons is available:
  - a. If it is proven that, the licensee has ceased its activity for a period of six consecutive months, unless the suspension is for a reason acceptable to the Ministry.
  - b. If it violates one or more of the license terms.

In this case, the Ministry informs the relevant authorities, and the licensee must stop practicing its work after the license expires, and liquidate all of its obligations towards its workers, job seekers, employers working with it, and the licensee, or partners, remain subject to the authority of the Ministry, and are responsible before it for any violations, or actions that have arranged rights for others.

### Article (9)

The licensee may dispose of the license to transfer ownership of it to others, provided that the recipient has the same conditions prescribed in the applicant for licensing; in accordance with the provisions of these controls with the same procedures used to grant preliminary approval, and grant the license stipulated in these controls. In the event that the Ministry approves the transfer of ownership, the recipient is given a new license with the remainder of the original license from the Deputy Ministry for Customer Services and labor relations.

## Part 3: Employment Outsourcing for Saudis

### Article (10)

The practice of mediation activity in the employment of Saudis shall be according to the following procedures:

1. Obtaining accurate information from employers about vacant jobs, particularly the job title, occupation, workplace, salary, specific features assigned to them, qualifications, experience, and other required conditions and the period specified for their occupation.
2. Receiving requests from Saudi citizens who wish to work according to the form prepared for that, receiving copies of the documents submitted by them, registering them in a special record, and giving the job applicant a registration card that includes in particular the name of the job applicant, the number of the application in the registry, and the deadline for review.
3. Conducting interviews with job seekers to employ them in jobs, and jobs that suit their capabilities, qualifications, experiences, and specialties, and providing advice and guidance to those who need them for training, or retraining to get the appropriate jobs.

### Article (11)

Without prejudice to the employer's statutory rights arising from the employment contract, the licensee is responsible for the Saudi worker who outsourced his employment, during the probation period that is specified in the employment contract, provided that the limits of that responsibility are to return the fees that received from the employer, during the agreed probation period, in the following cases:

1. The worker refrains from work or leaves it for reasons that do not belong to the employer.
2. Worker does fail to perform his duties, according to the employment contract concluded with him/her.

### Article (12):

The worker whose employment is outsourced by the licensee is considered a worker with the employer, and a direct contractual relationship is established accordingly between the employer

and the Saudi worker, so that the employer is responsible for paying all the worker's financial rights arising from that relationship.

#### **Part 4: Generals**

##### **Article (13)**

The Ministry is competent to apply the provisions of these controls, and to supervise and monitor the implementation of the provisions contained therein, and for that purpose may issue decisions and controls that it deems necessary to improve the performance of the licensee.

##### **Article (14)**

The licensee shall adhere to the following:

1. The activity shall be performed in an independent place, according to the spatial conditions set by the Ministry.
2. All works in an office or recruitment company for Saudis are reserved for Saudis only, except for cleaning and hospitality.
3. Licensee shall write down in all its publications and seals its name, and the license number.
4. Licensee shall use in its works the Saudi vocational Classification Guide.
5. Licensee shall obtain its fees for providing its services from the employer, provided that no financial sums are taken from the job applicant due to outsourcing for his/ her employment.

##### **Article (15)**

The Ministry may compel the licensee to connect automatically with the Ministry and the relevant authorities.

##### **Article (16)**

The licensee shall avoid the following:

1. Mediating the employment of non-Saudis, whether from inside the Kingdom, or from outside.
2. Opening a branch in the same city, or in another city without the approval of the Ministry of Labor.
3. Performing any of the practices that constitute trafficking in persons, or assist in this according to the anti-trafficking law and the international agreements ratified by KSA.
4. Performing or assisting in any of the practices that constitute an infringement on employment.
5. Refraining from mediating the employment of children in contravention of the labor law, including cases in which the licensee knows that the age of the child mentioned in the documents submitted to prove his eligibility to work is contrary to the fact of his age.

6. Dealing with any employer who performs any of the activities that constitute, contribute to, or facilitate trafficking in persons, an attack on employment, or child labor.
7. Performing any works that help with imaginary employment with employers.

#### Article (17)

The Ministry may suspend the services provided to the licensee from the Ministry and from the relevant authorities, or withdraw any financial amounts from the bank guarantee submitted by it any financial sums for the payment of its obligations, or both together, after granting it a period of fifteen days from the date of informing it of the fulfillment of these obligations, if it proves before the ministry validity of any of the following cases:

1. The licensee's inability or failure to pay the rights of Saudi or non-Saudis affiliated to it or pay the costs of returning to their country, and the resulting fines or penalties.
2. The inability of the licensee or its failure to return the sums it received from the employers in return for performing its licensed activity and did not pay it.
3. In implementation of a final court decision or judgment issued against the licensee.
4. The penalties that the Ministry imposes on the licensee according to the labor law.
5. Any other amount that the Ministry deems to be paid from the bank guarantee as a result of applying the provisions of these controls.

The licensee must complete the bank guarantee to the extent of its deficiency within one month of the date of notification of the withdrawal.

#### Article (18)

The Ministry may revoke the license in the following cases:

1. If it is proven that the licensee did not start the activity within a maximum period of six months from the date of obtaining license, unless the suspension is for a reason acceptable to the Ministry.
2. If the licensee has lost one or more of the conditions required by the license applicant.
3. If it is proved that the documents provided by the licensee, on the basis of which the license was granted, were forged.
4. If the data provided by the licensee prove to be incorrect.
5. If it is proven that the licensee outsources the employment of non-Saudis, or assists them in that.
6. If the licensee does not complete the bank guarantee to the extent that it was withdrawn from it after the deadline for that has expired.
7. If the licensee requests to cancel the license.



**Article (19)**

In the event a decision is issued to apply the penalty of the final closing of the licensee, or the cancellation of the license in the manner indicated in the previous article, licensee shall liquidate its business within two months from the date of informing it of this. The licensee may not be granted a new license before the lapse of three years from the date of the closing, or cancellation.

**Article (20)**

The licensee is not allowed, directly or indirectly, to rent the license, or to grant others the right to use it by any means, even if this is without financial compensation.

Best regards,,



**Annex No. (4)**  
**Rules for Practicing the Recruitment Activity**  
**and Providing Labor Services**



## Part 1: Definitions and Objectives

### Article (1):

The following terms and expressions, wherever mentioned in these rules, shall have the meanings ascribed to them, unless the context otherwise requires:

**Ministry:** Ministry of Labor and Social Development (MLSD).

**Minister:** Minister of Labor and Social Development.

**Law:** Labor Law.

**Rules:** rules for practicing the recruitment activity and providing labor services.

**Licensee:** A recruitment company or office, or a local contracting company; which has a license from the Ministry to provide the activities stipulated in these rules.

**Expatriate Worker:** The non-Saudi worker who works in public or private sector.

**Domestic workers:** Domestic helpers and the like, of both genders.

**Local contracting:** To take advantage of the services of male and female expatriate workers located inside KSA from the categories in respect of which special instructions were issued regulating their status for the benefit of employers.

**Recruitment Outsourcing:** the service of bringing in expatriate workers of both genders for the benefit of employers in KSA.

**Providing general labor services:** recruiting or contracting by the licensee with local labor to work for the licensee's interest and to perform work of certain occupations, at licensee's workplace during a specified period in return for a fee in favor of the licensee. This does not include any contracting agreement between the licensee and the customer to accomplish specific actions.

**The Competent Department:** The department responsible for the services provided to the licensees.

**Employer:** Every natural or legal person who contracts with the licensee to outsource the recruitment of one or more workers to employ them for a specified period in return for a fee.

**Customer:** Every natural or legal person who contracts with the licensee to provide him with labor services for a specified period in return for a sum of money obtained by the licensee.

**Company:** The recruitment company or the local contracting company licensed to practice activities regulated by the provisions of these rules.

**Recruitment Company:** The company licensed to practice the activity of recruitment outsourcing and providing labor services in accordance with the provisions of these rules.

**Local Contracting Company:** The company licensed to practice the activity of providing labor services of the categories for which special instructions have issued regulating their conditions, in accordance with the provisions of these rules.

**Office:** The recruitment office licensed to engage in recruitment outsourcing, and any other associated activity as permitted by the Ministry.

**Applicant:** The person who applies to the Ministry for preliminary approval or a license to establish a recruitment company or recruitment office, in accordance with the provisions of these rules.

**Preliminary approval:** An approval granted by the Ministry to the applicant, which directs it to establish a recruitment company or office, in accordance with the provisions of these relevant rules and regulations.

**License:** A license granted by the Ministry to the applicant having fulfilled the conditions and requirements stipulated in these relevant rules and regulations, which license authorizes it to carry out the licensed activities, according to these rules.

**Service transfer:** A service that is available to the licensee to take the procedures of transferring household labor services to another employer, according to the procedures set by the Ministry.

**Authority:** General Investment Authority (SAGIA)

**Foreign Investor:** A company that sends labor that are presided by a head in its home country or in the country from which it wishes to recruit. such head is qualified by the Ministry to carry out household labor recruitment work and holds a foreign investor's license from the Authority.

### Article (2):

These rules aim to regulate the licenses granted by the Ministry according to the following classification:

The licensee practices its business by licensing it for any of the activities and services, according to the following classification:

| Ser. No. | Category | Type        | Classification | Activities and services of permitted practice  |
|----------|----------|-------------|----------------|--|
| 1        | Company  | Recruitment | A              | <ul style="list-style-type: none"> <li>• Recruitment outsourcing activity.</li> <li>• General labor service delivery activity for the public and private sectors.</li> <li>• Household labor service delivery activity.</li> </ul> |



|   |         |                   |   |  |
|---|---------|-------------------|---|--|
|   |         |                   |   | <ul style="list-style-type: none"> <li>• Service transfer for general labors</li> <li>• Local contracting activity and delivering general labor services of the categories for which special instructions are issued regulating their conditions.</li> </ul> |
| 2 | Company | Requirement       | B | <ul style="list-style-type: none"> <li>• Recruitment outsourcing activity.</li> <li>• Household labors services activity delivering.</li> <li>• Service transfer for general labors</li> <li>• Service transfer for household labors</li> </ul>              |
| 3 | Company | Local contracting | C | <ul style="list-style-type: none"> <li>• Local contracting activity and delivering general labor services of the categories for which special instructions are issued regulating their conditions.</li> </ul>  |
| 4 | Office  | Requirement       | A | <ul style="list-style-type: none"> <li>• Recruitment outsourcing activity.</li> <li>• Household labors services activity delivering.</li> <li>• Service transfer for general labors</li> <li>• Service transfer for household labors</li> </ul>              |
| 5 | Office  | Requirement       | B | <ul style="list-style-type: none"> <li>• Recruitment outsourcing activity.</li> <li>• Service transfer for general labors</li> <li>• Service transfer for household labors</li> </ul>  |
| 6 | Office  | Recruitment       | C | <ul style="list-style-type: none"> <li>• The activity of recruitment outsourcing of household labors</li> </ul>  |

**Part 2: Company licensing and procedures**  
**Article (3):**

To obtain a company license, the following conditions shall be met:

- The company shall be a closed joint stock company, consisting of at least five Saudi partners, and they shall meet the following:
- Neither a natural partner may be charged under a final ruling with a crime against honor or trust, or any of the violations related to the provisions governing child protection, or combating human trafficking, unless he/ she is discharged.

- Neither a partner may obtain a license for an office or recruitment company- or be a partner in one of them- and its license was, then, canceled under a decision or a court ruling as a penalty according to these rules or any other law, unless at least five years have passed.
- The capital of the company shall be wholly owned by Saudis, and in the event that a legal person participates in the company, its capital shall be wholly owned by Saudi natural persons. That the legal person shall as well achieve the minimum level of Saudization.
- The paid-up capital of the company may not be less than specified amount according to the following classification:

| Ser. No. | Category | Type              | Classification | Paid-up capital of the company   |
|----------|----------|-------------------|----------------|----------------------------------|
| 1        | Company  | Requirement       | A              | One hundred million Saudi riyals |
| 2        | Company  | Requirement       | B              | Twenty million Saudi riyals      |
| 3        | Company  | Local contracting | C              | Fifteen million Saudi riyals     |

#### Article (4):

An application for initial approval for the establishment of the company shall be submitted to the Ministry, attached to the following:

I. The applicant or his/ her representative submits an application that includes a list of the names and numbers of the national identity of each of the applicants to establish the company, their ownership rates in it, and a representation that this list is never going to be changed except upon the approval of the ministry. The application shall be attached to the following:

- The draft of the company articles of association.
- An economic feasibility study for the company, prepared by a licensed consulting firm, to include the number of branches of the company to be opened, according to the conditions and specifications set by the ministry.
- The company's first five-year work plan.
- The recruitment company plan to house the labor that is being recruited to provide its labor services in each administrative region.
- A plan to recruit, qualify and train Saudis to work for the company.

- A primary bank guarantee in the name of the applicant as one of the partners equivalent to (2) of the company's capital, not subject to cancellation from a local bank, according to the form approved by the Ministry, provided that it is valid for a period specified by the Ministry and automatically renewable.

**Article (5):**

After submitting an application to obtain initial approval, the Ministry will take the following measures:

I. After studying the application, the Ministry may take one of the following measures:

1. Granting the primary approval: such approval shall be according to a signed and sealed document authorizing him/ her to start the company. The Ministry maintains the primary bank guarantee submitted by applicant until the application for obtaining the license is submitted, and a final bank guarantee provided by the company.
2. Requesting additional documents: The Ministry may, when needed, request the applicant to complete any documents or exhibits, or request the presence of the applicant or his/ her representative at the Ministry to answer any inquiry, or to clarify any issue related to the approval request, within a maximum period of thirty working days from the date of notification thereof, otherwise, the request will be rejected.
3. Rejecting the request: this shall be upon a grounded decision. The applicant recovers the primary bank guarantee submitted by him/ her, and he/she may not submit a new application before the lapse of one year from the date of informing him/her of the rejection decision.

II. The Ministry shall decide on the application within thirty working days from the date it is completed, and inform the applicant accordingly.

**Article (6):**

The company shall appoint a director having approved by the Ministry, as long as the following conditions are met:

- He/ she shall be a Saudi national.
- He/ she may not been previously convicted of a crime involving dishonor or dishonesty, or any of the violations related to the provisions regulating child protection, or combating human trafficking, unless he/ she has been discharged.
- He/ she shall hold a university degree.

**Article (7):**

To obtain a company license, the following procedures shall be taken:

**I:** A representative of the company submits an application to obtain the license, attached to the following documents:

- A copy of the company's articles of association (along with the original for conformity).
- A copy of the company's commercial register (along with the original for conformity).
- A copy of the title deed or the company's headquarters rental contract (along with the original for conformity).
- Title deed, a rental contract for workers' housing (along with the original for conformity), or a written commitment from the company representative to provide housing for labor recruited for the company, within a period of thirty days from the date of obtaining employment recruitment visas.
- A fixed-time plan to open the company's branches and locations, as presented in the previous economic feasibility study.
- A written commitment to the recruitment company to abide by the terms and specifications set by the Ministry for the company's branches and labor housing, and a commitment to the legal rules necessary to meet them, including the availability of security and safety conditions.
- A written commitment to the local contracting company to abide by the conditions and specifications set by the Ministry for the company's branches.
- A written commitment from the company to implement the submitted Saudi employment plan, within one hundred and twenty working days from the date of obtaining the license.
- A final bank guarantee from the company equivalent to (10) of the company's capital, not subject to cancellation from a local bank, according to the form approved by the Ministry.

**II.** The Ministry is studying the application for obtaining the license, and may take any of the following procedures:

- Inspecting the company headquarters, and examining the equipment and procedures taken to start the activity.
- Requesting to complete the documents or the information that is missing, or to supplement it with any additional information that it deems necessary to decide on the application within a period of at most thirty days from the date of notification.
- Conducting any survey related to the license application or the company.
- Ensuring that the company obtains the necessary licenses and approvals from the relevant authorities.

**III.** After studying the license application, the Ministry may take one of the following procedures:

- The license shall be granted, and a sealed document issued having the Ministry's seal or an electronic document from the Ministry's system, which authorizes the company to practice the activity licensed by it.

- The license application may be rejected provided that the decision is justified, in which case the preliminary approval decision is null and void, and the applicant recovers the submitted bank guarantee. A new application may not be submitted before the lapse of one year from the date of notification of the rejection decision.

**IV:** The Ministry shall decide on the application within thirty working days from the date it is completed, and inform the applicant for that.

**Article (8):**

The company shall carry out its licensed activities within a period of at most twelve months from the date of obtaining the license, provided that the following procedures are taken:

- Creating an interactive website, according to the rules set by the ministry, within a maximum period of one hundred and twenty days from the date of issuance of the license.
- Automatically linking with the Ministry and the relevant authorities, within a maximum period of twenty days from the date of issuance of the license, through the adoption of an electronic system and mechanism, and a database that includes electronic records requested by the Ministry.
- Allocating or establishing a call center and channels to receive complaints from workers, employers or clients, according to the criteria set by the ministry.
- Opening branches, according to the fixed-time plan set forth in Article 7 of these rules.
- Providing housing to accommodate the requirement labor; within 30 days from the date of obtaining employment recruitment visas, taking into account the proportionality of the housing capacity with the number of workers of each gender, so long as the absorption capacity ratio is not less than (10%) of the number of visas granted to the company, according to the rules determined by the ministry.

**Article (9):**

The license period of the company shall be ten Hijri years, renewable, according to the following procedures:

**I.** The Company submits to the Ministry an application for renewing the license one hundred and eighty days before its expiry, attached to the following documents:

- A report on the company's activities during the previous period.
- The company's work plan for the renewal period.
- Renewing the bank guarantee to include the renewal period.
- Any other document required by the Ministry.

**II.** After studying the application, and examining the assessments and violations that have been monitored, the Ministry may take one of the following instructions:



- Approval of the license renewal request. The company shall be presented with a document of the new period signed by the minister, or whomever he delegates, and stamped with the ministry's seal.
- Rejection of the license renewal request, provided that the decision is justified, in which case the Ministry informs the relevant authorities thereof, and the company shall stop practicing its activity after the license has expired, and liquidate all its obligations towards its employees, workers, customers, and employers dealing with it. The partners remain subject to the authority of the Ministry, and are accountable to it for any violations, or actions that have arranged rights over others. The Ministry shall maintain the bank guarantee for a period of two years from the date of the expiry of the license.

### **Article (10)**

The company may request modifying the license of the activity practicing to another activity as stipulated in Article (2) of these rules, without contradicting its provisions, any time during the license term. The above shall be subject to the following procedures:

**I.** The Company apply to the Ministry for a license modification, attached to the following:

- Proposal of the modification that the company desires to implement, the reasons thereof, and its impacts on the company's business.
- Undertaking by the company to meet all obligations relevant to the license to be modified together with all license requirements stipulated in Article (3) of these rules. Such undertake shall include an acknowledgement from the company's representative that if the company defaults in meeting such obligations, the Ministry is entitled to deduct the value of such obligations from the bank guarantee in order to fulfill them.
- Statement of the company's manner of dealing with the relevant obligations and rights in the light of the modification proposed.
- Statement of the workers recruited by the company to provide the necessary services and the impact of such modification on their rights.
- Statement of the visas obtained by the company for recruitment; however, the workers required has not been recruited.
- Statement of the number of company's workers determining the impact of such amendment on the company's financial obligations toward its workers.
- Statement of the period required for executing such modification.

**II.** After considering the application and reviewing the evaluations and violations committed by company, the Ministry may take any of the followings actions:

- Initially approving the license amendment application, allowing the company to complete the procedures and requirements stipulated in Articles (8), (9) of these rules, and amending



the company's capital and bank guarantee as per the amendment required for obtaining the license of the new activity.

- Rejecting the application upon a reasonable ground.

### **Article (11)**

The company may terminate the license, so long as it commits to provide the licensed activities for not less than (6) months from the date of applying for license termination, as per the following procedures:

**I.** The Company applies to the Ministry for a license termination application, attached to the following:

- Undertaking by the company to meet all obligations relevant to the license to be terminated. Such undertake shall include an acknowledgement from the company's representative that if the company defaults in meeting such obligations, the Ministry is entitled to deduct the value of such obligations from the bank guarantee in order to fulfill them.
- Statement of the company's manner of dealing with the relevant obligations and rights in the light of the termination.
- Statement of the workers recruited by the company to provide the necessary services, the impact of such termination on their rights, and the method of addressing their situations.
- Statement of the contracts concluded and visas obtained by the company for recruitment; however, the workers required has not been recruited.
- Statement of the number of company's workers determining the impact of such termination on the company's financial obligations toward its workers.
- Statement of the period required for executing such termination and liquidating the company.

**II.** The Company shall cease to practice its activity on the date determined, take the procedures of liquidation, and meet its obligations. The Ministry shall inform the relevant entities with the termination decision and oblige the company to take any procedures necessary for protecting third parties' rights. The partners remain subject to the Ministry's authority as well as responsible to it regarding any violations and actions incurring rights toward others. The Ministry shall reserve the bank guarantee for a period of two years from the date of license termination.

### **Article (12)**

The recruitment agency shall receive the labor recruited and provide them with the appropriate housing until they are delivered to the workers, as per the procedures established by the Ministry in cooperation with the relevant entities. The Ministry shall oblige the recruitment agencies to receive the female workers recruited and provide them the appropriate housing.

### **Article (13)**

After the Ministry's approval, the Company may reduce its capital to the minimum stipulated in these rules according to its license and as per the provisions of these rules.

### **Article (14)**

The Ministry may suspend all or part of the activities that the company is licensed to practice.

## **Part 3: Office License and Relevant Procedures**

### **Article (15)**

The initial approval shall be obtained from the Ministry to establish the recruitment office, as per the following procedures:

- There shall be applied to the Ministry for the initial approval as per the requirements determined by the Ministry.
- The Ministry shall take, after considering the application, any of the following procedures:
  - Granting the initial approval and issuing a document signed and sealed from the Ministry allowing the establishment of a recruitment office.
  - Requiring the applicant to come to the Ministry for personal interview, answering any inquiry, or explaining any issue relevant to the approval application, within a maximum of (30) business days from notification; otherwise, the application shall be rejected.
  - Rejecting the application, provided that the decision of rejection shall be legally grounded. The applicant shall recover the initial bank guarantee provided. The applicant may not apply for a new application before the lapse of one year from being notified with the rejection decision.
- The Ministry shall decide on the application within (60) business days from its completion and notify the applicant therewith.

### **Article (16)**

The one obtained the initial approval shall provide final bank guarantee within a maximum of (30) days from the date of obtaining the initial approval.

### **Article (17)**

The following procedures shall be taken for obtaining the recruitment office license:

- The applicant shall apply to the Ministry for a license, attached with the following documents:
  - A copy of the office commercial register (along with the original for conformity).
  - A copy of the title deed or rental contract of the headquarter office (along with the original for conformity).

- A Written representation involving the office adherence to the conditions and specifications developed by the Ministry for the headquarter office.
- An irrevocable bank guarantee by any of the local banks, as per the form approved by the Ministry. According to the office classification, the value of the guarantee shall be as follows:

| Ser. No. | Category | Type        | Classification | Bank Guarantee                              |
|----------|----------|-------------|----------------|---|
| 1        | Office   | Recruitment | A              | Bank guarantee of at least (SAR. 1.000.000) |
| 2        | Office   | Recruitment | B              | Bank guarantee of at least (SAR. 750.000)   |
| 3        | Office   | Recruitment | C              | Bank guarantee of at least (SAR. 450.000)   |

- The Ministry shall consider the license application and may take any of the following procedures:
  - Inspecting the office headquarter and checking the equipment and procedures taken to practice the activity.
  - Requesting to complete the documents or missing information or to provide any additional information necessary for deciding on the application, within no later than (30) days from the notification date.
  - Conducting any survey relevant to the license application or the office.
  - Ensuring that the owner of the office has got the necessary licenses and approvals from the relevant entities.
- The Ministry may take any of the following procedures after considering the application:
  - Grant the license to practice the activity licensed.
  - Reject the license application, provided that such rejection shall be legally grounded. In this case, the approval decision shall be deemed void and the initial bank guarantee shall be recovered. The applicant may not apply for a new application before the lapse of one year from the date of being notified with the rejection.
- The Ministry shall decide on the application within (60) days from its completion and notify the applicant therewith.

### Article (18)

The owner of the office (applicant) shall meet the following requirements:

1. He shall be Saudi national.
2. He shall be not be less than 25 years old.
3. He may not have another valid license for the recruitment office.
4. He may not have practiced any of these activities without a license.
5. He shall have an academic degree.

6. He may not have been charged with a crime against honor and honesty or any violations to the provisions regulating the child protection or combat human trafficking, unless he have been discharged.

7. He may not have obtained a separate license or was one of the partners of the company practicing any of the activities included in these rules. Furthermore, he may not have been a partner in a company having, under its legal capacity, coo-partnership with a recruitment agency and terminated the license under a judicial decision or ruling as per these rules or any other law, within (5) years of imposing the penalty.

8. He shall have passed the personal interviews and training courses determined by the Ministry.

### **Article (19)**

The office shall practice his licensed activity within no later than (6) months from the date of obtaining the license, provided to take the following procedures:

- Communicating with the Ministry and the relevant entities within no later than (60) days from the date of obtaining the license by approving the system, the electronic mechanism, and the database that includes the electronic records required by the Ministry.
- Registering in the electronic portal of the Ministry that is designated for recruitment offices and abide by all conditions and procedures of the electronic portal.
- Allocating or establishing communication center and channels for receiving the complaints from the workers, employers, or clients as per the standards determined by the Ministry.

### **Article (20)**

The license of the recruitment office shall be renewed as per the following procedures:

**I:** the owner of the office shall apply to the Ministry for license renewal before the expiry of the license with not less than (60) days, attached to the following documents:

- A report on the office works during the previous periods
- Renewal of the bank guarantee to include the renewal term required.
- Any other document required by the Ministry.

**II.** After considering the application and reviewing the evaluations and violations committed by the office, the Ministry may take any of the following actions:

- Initially approving the license renewal application.
- Rejecting the application, provided that such rejection shall be legally grounded, and the Ministry shall inform the relevant entities therewith. Thereupon, the office shall suspend its practice of the activity upon the expiry of the license. Furthermore, it shall liquidate all

its obligations toward the employees, employers, and clients. The owner of the office shall remain subject to the Ministry's authority as well as responsible before it for any violations and action incurring rights toward others. Furthermore, the Ministry shall maintain the bank guarantee for period of (2) years from the license expiration.

### **Article (21)**

The owner of the office may apply for license termination (90) days prior to the date proposed for termination, as per the following procedures:

I: The owner of the office shall apply to the Ministry for license termination according to the followings:

1. The owner of the office undertakes to meet all obligations related to the license to be terminated, provided that such undertaking shall include its acknowledgment that if he defaulted in meeting its obligations, the Ministry is entitled to deduct the value of such obligations from the bank guarantee in order to fulfill them.
2. Statement of the manner of dealing with the obligations and rights related to termination.
3. Statement of the contracts concluded and visas obtained by the office for recruitment; however, the workers required has not been recruited.
4. Statement of the workers recruited by the office for providing the necessary services, the impact of such termination on their rights, and the method of addressing their situations.
5. Statement of the number of the office's workers determining the impact of such termination on the office's financial obligations toward its workers.

II: The office shall cease to practice its activity on the date determined and liquidate its obligations toward its employees, employers, and clients. The Ministry shall inform the relevant entities with the termination decision. The owner of the office remains subject to the Ministry's authority as well as responsible before it for any violations and actions incurring rights toward others. The Ministry shall maintain the bank guarantee for a period of two years from the date of license termination.

### **Article (22)**

The owner of the recruitment office shall manage the office himself and may appoint a deputy meeting the requirements stipulated in Article (18), provided to be registered in the social insurances.

### **Article (23)**

The value of the bank guarantee may be increased under the Minister's decision and as per the type of the license issued for the licensee.

**Article (24)**

The license term of the recruitment office shall be two Hijri years; renewable for a similar period or periods according to the standards determined by the competent department.

**Article (25)**

The Ministry may oblige recruitments offices to receive the workers recruited. Furthermore, the Ministry may appoint an entity to be responsible for receiving the workers and providing them with the appropriate housing until they are delivered to the employers, as per the procedures established by the Ministry in coordination with the relevant entities.

**Article (26)**

The Ministry may suspend all or part of the services or activities that the office is licensed to practice.

**Article (27)**

The number of visas that the office tries to obtain for recruitment may be determined under the Ministry's decision. The office may increase the number determined by raising the value of the bank guarantee as per the proportions and rules established by the Ministry.

**Part 4: Foreign Investor License**

**Article (28)**

All obligations and rights included in the Foreign Investment Law and its Implementing Regulation shall be applied to the foreign investment in the field of recruiting domestic workers.

**Article (29)**

The foreign investment in the field of recruiting migrant workers are represented in the following activities:

- a. recruitment outsourcing the domestic workers.
- b. recruitment outsourcing for domestic workers and providing domestic worker services.

**Article (30)**

The applicant for foreign investment license shall have an independent qualification for recruitment from every country that he desires to practice the activity of recruiting domestic workers in. In other words, he shall get an independent qualification from the Ministry of every

country that he desires to recruit the domestic workers from. In order to be qualified, the applicant shall be a major source of employment in the country from which he will recruit workers. The above shall be subject to the certificate issued by KSA Embassy and sent directly and secretly to the Ministry, attached with the performance evaluation of the applicant in the light of his previous transactions with the Embassy revealing any reservations or remarks.

### **Article (31)**

The applicant for foreign investment license in the field of recruiting domestic workers shall submit an application to practice this activity, attached to the following documents:

1. Report on his performance related to dispatching the domestic workers to the host country, approved by the competent entity and attested by KSA embassy, including the followings:

- Previous expertise related to dispatching domestic workers over the last three years at least.
- Statement of the numbers of the domestic female workers dispatched to Gulf States over the last three years at least.
- Statement of the offices that the applicant dealt with in Gulf States and their contact numbers.
- Rate of workers returned before the expiration of their contracts and recruited by the office during the last three years at least.
- Performance evaluation certificate, issued by the entity supervising the activity of worker dispatch, revealing the history of the applicant, any relevant comments, and its approval on the applicant's activity of recruiting domestic workers inside KSA.
- Report on the applicant financial position, provided to be approved by an accredited accounting office in the dispatching country and attested by the entity supervising the activity of dispatching workers to the host country.
- Certificate demonstrating that neither partners have been obtained a license for dispatching workers or have been a partner in a company practicing such activity and its license has been cancelled under judicial decision or ruling, unless five years have passed over.
- Written acknowledgement to abide by the laws and instructions applicable in KSA as well as the laws and instructions regulating recruitment activity in KSA.

2. Economic feasibility study conducted by economic feasibility studies office, licensed in the host country, and attested by KSA Embassy or by the economic feasibility studies office in KSA. The economic feasibility study includes but not limited to the following elements:

- Action plan for the first five years of practicing the activity of recruiting domestic workers in KSA.
- Projected financial performance for the first five years of practicing this activity in KSA.



- The added value of the services to be provided for the clients in KSA.
- The mechanism of receiving workers and resolving complaints submitted by the clients.
- Plan of recruiting, qualifying and training Saudi nationals to work on the office.

3. The Ministry may develop special standards for choosing and qualifying the companies applying for the practice of recruitment activity and provision of domestic worker services.

#### **Article (32)**

The Ministry may take the following procedures after considering the application:

- Granting the initial approval, to complete the procedures of foreign investment license relevant to the recruitment activity and to provide the domestic worker services.
- Rejecting the application, provided that the rejection shall be legally grounded. The applicant may not apply for a new application before the lapse of one year from being notified of the rejection.

#### **Article (33)**

The recruitment establishment shall be wholly owned by the foreign investor, in his personal or legal capacity, and the legal form of the establishment shall be determined per the regulating laws and instructions.

#### **Article (34)**

After meeting the relevant conditions and obtaining the initial approval, the applicant applies to the Ministry for a final license to practice the recruitment activity and provide the domestic worker service. Such application shall be attached to the followings:

- Final irrevocable bank guarantee of not less than four million riyals issued by any of the local banks.
- Copy of the company's commercial register (along with the original for conformity).
- Copy of the title deed or rental contract of the headquarter office (along with the original for conformity).
- Written commitment to register in the approved electronic systems relevant to recruitment activity, within (30) business days from the date of granting the final license.

#### **Article (35)**

The Ministry shall consider the final license application after completing the following procedures:

- Inspecting the headquarter office and checking the equipment and procedures taken to practice the activity.



- Receiving any documents, missing information or additional information deemed necessary for deciding on the application.
- Ensuring that the applicant has got the necessary licenses and approvals from the other relevant governmental agencies.

After considering the application, the Ministry may decide any of the following:

- Granting the final license to practice the activity of recruiting domestic workers in the licensed country.
- Rejecting the license application, provided that the rejection shall be legally grounded. In this case, the license decision shall be null and void. The applicant may not apply for a new application before the lapse of one year from being notified of the rejection.

#### **Article (36)**

The term of license is five renewable years. The foreign investor is entitled to apply for the license renewal (90) days prior to the expiration of the current license. Such application shall be attached to the following documents:

- Report on his performance over the past period
- Action plant for the new license period.
- Renewal of the bank guarantee in a way covering the new license period
- Any other documents required by the Ministry

#### **Article (37)**

The foreign investor shall abide by any other obligations and requirements included in these rules. The Ministry is entitled to issue any subsequent decisions or regulations relevant to the foreign investor.

### **Part 5: Recruitment Outsourcing**

#### **Article (38)**

Recruitment outsourcing for workers can be performed through concluding the following contracts by and between recruitment company or office and the employer or the labor-dispatching office- as the case may be:

1. Contracts for recruitment outsourcing for ordinary workers.
2. Contracts for recruitment outsourcing for domestic workers.
3. Arrangement contract, which regulates the relationship between the authorized person and

This shall be carried out in accordance with the form prepared by the Ministry, where it defines obligations and rights of both parties, the required number of workers, their occupations,

qualifications, experiences and wages, the worker's probationary period, time limit required for recruitment, delay penalty and any other provision agreed upon between both parties.

### **Article (39)**

The recruitment company or agency shall be responsible for the worker it mediates in his recruitment for at least (90) days, starting as of the date of providing the employer with the said worker, in the following cases:

1. The worker's rejection to work for reasons not attributed to the employer, provided such rejection shall be established under a decision issued by the settlement committees for domestic workers.
2. Absence from work.
3. The worker's non-compliance with performance of his duties, in accordance with the employment contract concluded with him.
4. Lack of the required experience.
5. The worker suffering from an illness preventing him from performing his work.
6. The worker's medical examination and security check is invalid.
7. The agency or company is entitled to transfer the worker's services to another employer after compensating the former employer with the remaining value of contract.
8. The agency or company may not transfer the worker's services if he does not pass the medical examinations.
9. The agency or company shall be liable for the worker it mediates in his recruitment during the contract validity period, in the countries where the Ministry obliges the labor-sending country to be liable for the worker for two years.

### **Article (40)**

Extent of liability of the recruitment company or agency towards the worker shall be in accordance with one of the following two options:

1. Returning the recruitment total cost to the employer, less an amount equivalent to the worker's period of service, according to the following equation:

(Recruitment overall cost ÷ the term of worker's employment contract in months) x the remaining term of the worker's employment contract in months.

2. Providing the employer with an alternative worker- after receiving his written consent- of the same or another nationality, as per both parties' agreement, provided that the company or agency

shall incur costs of the worker's return to his home country in case the worker's services are not transferred to another employer.

#### **Article (41)**

If the percentage of absence and refrain from work by the workers- whom the recruitment company or agency outsourcing for their recruitment- exceeds the percentage determined by the Ministry, such company or agency may suspend the service of concluding outsourcing contracts and any other service for a period not exceeding (6) months at a time, within consecutive (24) months. In the event of repetition, the suspension period shall be doubled, so that the workers included within the percentage of the first time, would not be calculated again upon repetition.

### **Part 6: Provision of Labor Services**

#### **Article (42)**

In accordance with the following procedures, the person authorized to submit labor services shall:

1. Apply for obtaining recruitment visas from the ministry for the persons authorized to carry out the activities mentioned in Article (2) of such Rules.
2. Choose the workers- males and females- while observing the availability of the occupational and academic specialization or the work experience required for the jobs for which they were recruited.
3. Conclude employment contract with the worker, provided to be fully aware of the nature of his work. In addition, the following shall be stipulated under the contract:
  - a. The authorized person is entitled to provide labor services to his clients within any region of the Kingdom, subject to no objection from the worker.
  - b. The authorized person is entitled to withhold the amount of fines and deductions from the worker's wage, in accordance with the Labor Law and Regulations thereof.
  - c. The worker shall abide by the Regulations, work rules set forth by the clients of the authorized person, in relation to determination of the work techniques, working hours, leave periods as well as the other provisions stipulated under the Labor Law and Regulations thereof.
  - d. The worker may not perform any direct or indirect work- unnecessary for his job- with the clients of the authorized person.

Under that contract, a direct contractual relationship is concluded between the authorized person and the worker, where the authorized person shall be responsible for all the worker's rights arising thereunder.

4. The authorized person concludes with the client- as necessary- one of the following contracts:

- a. Contracts for provision of ordinary workers.
- b. Contracts for provision of domestic workers.

This contract shall be concluded in accordance with the form prepared by the Ministry, provided to include the following:

- a. Number of workers, their occupations, qualifications and experiences required by the work for which they have been recruited.
- b. The client's right for asking the authorized person to substitute the workers providing their services with other workers with the same qualifications and experiences required by the work for which they have been recruited.
- c. Validity period of service provision contract.
- d. The financial amount paid to the authorized person against the provision of labor services.

#### **Article (43)**

The authorized person may- under no circumstances- employ workers of a specific category or occupation in the work done by workers of another category or occupation, except with the approval of the Ministry.

#### **Article (44)**

The workers, providing their services for the client of the authorized person, are deemed legal persons of the workers according to whom the Saudization rates are calculated, unless the Ministry set forth specific requirements for calculating such workers within the Saudization rates.

#### **Article (45)**

The authorized person shall abide by the following:

- ⇐ Saudization requirements established by the Ministry for his clients. He shall also refrain from providing his workers to the client if percentage of these workers do not comply with the established Saudization rates.
- ⇐ Non-provision of labor services to the establishments specialized in activities prohibited by the Ministry.

### **Part 7: Obligations of Authorized Person**

#### **Article (46)**

The authorized person shall abide by:

1. Application of the provisions of these rules, provisions of Labor Law, Regulations thereof, Cooperative Health Insurance Law and all other related Laws.
2. Registration of all his workers in the General Organization for Social Insurance (GOSI).
3. Standard form contracts established by the Ministry.
4. Compliance with the Saudization rates upon recruiting his workers, as per the rates defined by the Ministry.
5. Performance of the activity in an independent location, where no other activity is carried out throughout the license period.
6. Registration of the application with the employer upon recruitment of workers.
7. Provision of all authorized services and activities and continuation of receiving the client's requests, unless otherwise approved by the Ministry.
8. Providing the competent labor office with any of his data updated under the approval of the Ministry, including the registered office where the activity is carried out.
9. Registration in all E-services offered by the Ministry.
10. Attending the training hours adopted by the Ministry, especially by the owners of recruitment agencies, recruiters and companies' CEOs.
11. Posting all provided services on the website adopted by the Ministry.
12. Number of contracts defined by the Ministry.
13. Recruitment outsourcing for workers and providing the authorized services through the E-contracting system adopted by the Ministry.
14. Providing the Ministry's Competent Department with the reports required during the determined period.
15. Compliance with the Laws, Regulations, Decisions and instructions with regard to advertising the provided services.
16. Registration of the agents authorized to deal with the Saudi Embassies outside the Kingdom, in the website adopted by the Ministry.
17. Establishment of a Compliance Department linked to the company's board of directors, in accordance with the Ministry's instructions.
18. Providing the Ministry with the adopted revenue account of the authorized person, and updating such account in the E-system adopted by the Ministry.
19. Compliance with the E-Systems related to the provision of labor services.

20. Compliance with the costs determined in the host country, with no direct or indirect increase.
21. Compliance with the costs posted on the website adopted by the Ministry.
22. Receiving the applications submitted by the persons with disabilities and the Ministry may oblige the authorized person with specific percentage.

#### **Article (47)**

Prior to the arrival of the recruited worker, the authorized person shall verify the following procedures:

1. The worker is to be trained on the required work
2. The recruited workers' awareness of the Laws and instructions shall be raised to insure that they are aware of the necessity for abiding by their duties and that they know their rights as well as everything related to the nature of traditions, customs, living circumstances and laws applicable in the Kingdom.
3. A worker shall undergo a medical check-up to ensure his medical fitness according the applicable standards and that he does not suffer from any chronic or infectious disease, physical impairments or any other diseases that could make him unable to work or harm the employer or his subordinates.
4. A worker shall undergo security check by the competent authorities in his country to ensure that his criminal record is clean.

#### **Article (48)**

The authorized person shall refrain from:

- ⇐ Performing or helping others in any of the practices constituting human trafficking, in accordance with the Anti-Trafficking in Persons Law and international agreements ratified by the Kingdom.
- ⇐ Performing or helping others in practices constituting an infringement of the workers' rights.
- ⇐ Outsourcing for recruiting children or concluding local employment contracts for children and minors, including the cases when the authorized person knows that the child's age mentioned in the submitted documents to prove his eligibility to the work, is invalid.
- ⇐ Dealing with, for the sake of outsourcing for recruiting workers, entities not authorized to carry out any of the activities stipulated under those rules or dealing with entities with which the dealing is temporarily or permanently prohibited, either inside or outside KSA.
- ⇐ Dealing with any of the agencies outsourcing for the recruitment of expats, which carry out any of the acts constituting, contributing in or facilitating human trafficking or

employing children or minors, in accordance with the standards applicable in the Kingdom and effective international legislation, or even dealing with those carrying out any of the acts criminalized under the national laws.

- ⇐ Dealing with any employer performing any of the acts constituting, contributing in or facilitating human trafficking or workers' rights infringement or child employment.
- ⇐ Authorizing any entities, institutions or individuals to recruit workers.
- ⇐ Recruiting workers without the employer's consent.
- ⇐ Recruiting workers without concluding contracts with the employer.
- ⇐ Providing the service with a cost different from the cost announced on the website adopted by the Ministry.

#### **Article (49)**

The authorized person shall observe that the amounts of money he receives for the provision of recruitment outsourcing services, labor services or transfer of services according to his authorized activities, are proportional to the costs he incurs. Relatedly, the Ministry- when necessary- may determine such amounts.

#### **Article (50)**

The authorized person may not receive any amounts of money from the worker in exchange for outsourcing of his recruitment or providing labor services.

#### **Article (51)**

The Ministry's competent department shall have jurisdiction for applying those rules and supervising and controlling the application thereof. For this purpose, it may issue the instructions necessary for improving and regulating the recruitment activity and the authorized person's performance.

#### **Article (52)**

- ⇐ The Ministry may, when the authorized person conducts his activity, increase the value of the bank guarantee, as the case may be.
- ⇐ The Ministry is entitled to oblige all or some of the authorized persons to submit the bank guarantees stipulated under such rules in cash, to be deposited in the Ministry's dedicated account.

#### **Article (53)**

The Ministry may suspend the services submitted to the authorized person by the Ministry or the related parties and/ or deduct the required amounts from his bank guarantee to meet his liabilities, after granting him a 15-day-time limit as of the date of notifying him of such liabilities, in the event of any of the following cases:



1. The authorized person's refraining from or failure to pay his workers their dues or to pay expenses of their return to their home country as well as the resulting fines or penalties.
2. The authorized person's refraining from or failure to meet his contractual obligations due to the employers or clients as well as his refusal to return the amount received from them or paying the compensation set forth in the contract.
3. In implementation of a final judicial decision or judgment issued against the authorized person.
4. Penalties imposed on the authorized person by the Ministry.
5. Any other amount decided by the Ministry to be deducted from the bank guarantee as a result of applying the provisions of these rules.
6. The authorized person's perpetration of any violation of law.
7. Violation to any Article of these rules.

#### **Article (54)**

The authorized person shall, in case of any deduction from the bank guarantee, return the deducted amount within (30) days as of notifying him of the said deduction; otherwise, the Ministry may suspend its services or the services submitted by the related parties.

#### **Article (55)**

In the event the complaints filed against the authorized person exceed the percentage defined by the Ministry or their value exceed (50% of the value of the bank guarantee submitted by him), the Ministry may suspend its services or the services submitted by the related parties to him as well as the non-renewal of his license if expired.

#### **Article (56)**

The authorized person may dispose of the license by transferring its ownership to another person, provided that such person shall have the same specifications stipulated for the authorized person, in accordance with these rules and as per the same procedures followed for obtaining the preliminary approval and the license defined in these rules. If the Ministry approves the transfer of ownership, the person to whom the license is transferred shall receive a new license for the remaining period.

#### **Article (57)**

The authorized person may not directly or indirectly lease the license to a third party for practicing the activity or grant a third party the right of usufruct of the license by whatever means, even if for free.



## Part 8: Consideration of Violations

### Article (58)

Labor inspectors are competent for detecting the violations of these rules. All agencies related to the authorized person and workers' accommodations are subject to the provisions of labor inspection procedures stipulated under the Labor Law. The Ministry may appoint inspectors and supervisors to detect any violations of these rules or evaluating the authorized persons.

### Article (59)

Labor office considers the complaints related to the practice of activities set forth in these rules. To this end, it is entitled to take any of the following procedures:

1. Amicable settlement between both parties and reconciliation offer.
2. Recommendation to both parties to recourse to the competent judicial authority, in accordance with the procedural schedule of each authority, if not amicably settled, where the jurisdiction is decided as follows:
  - a. In lawsuits where the parties are the authorized person and the employer or the client, the competent court shall have jurisdiction thereover.
  - b. In lawsuits where both parties are the authorized person and his domestic workers, the Commission for Settlement of domestic workers Disputes shall have jurisdiction thereover.
  - c. In lawsuits where both parties are the authorized person and his hourly ordinary workers or domestic workers, the Commission for the Settlement of Labor Disputes or Labor Courts, upon assumption of its responsibilities, shall have jurisdiction thereover.
3. Referral of any violations to the provisions of these rules to the labor inspectors to be detected as well as following the procedures for applying the penalties stipulated under the List of Violations and Respective Penalties adopted by the Ministry.
4. Recommendation for suspending the authorized person's services or deducting from the bank guarantee, if the agency violates one or some of these rules.

### Article (60)

The competent agency shall form a committee consisting of five members, including a legitimate or legal advisor to consider the authorized person's violations of the provisions of these rules, against which it may take the following procedures:

- ⇐ Temporary suspension of one or all of the activities or services of the authorized person.
- ⇐ Suspension of the services provided by the Ministry and the related parties to the authorized person.
- ⇐ Deduction from the bank guarantee.

- ⇐ Withdrawal of the license.
- ⇐ Suspension of the license.
- ⇐ Cancellation of the license at the request of the authorized person.
- ⇐ Any other jurisdictions given by the Ministry to the committee.

The Competent Deputy Minister or his representative approves its decisions.

### **Part 9: Generals**

#### **Article (61)**

The competent agency shall form a committee consisting of five members, including a legitimate or legal advisor. This committee shall have jurisdiction over considering all or some of the following applications:

- ⇐ Preliminary approvals of license obtainment.
- ⇐ Final approval of license issuance.
- ⇐ Amendment of the license from one activity to another, as set forth under these rules.
- ⇐ Non-renewal of the license.
- ⇐ Transfer of the license ownership.
- ⇐ Any other jurisdictions given by the Ministry to the committee.

The Competent Deputy Minister or his representative approves its decisions.

#### **Article (62)**

The Ministry may take the following procedures:

- ⇐ Nomination of one or more external auditors to check the authorized person's revenue streams and its freedom of any type of human trafficking, sale of visas or the workers' payment of recruitment fees prior to their recruitment.
- ⇐ Nomination of an external entity for qualifying the license applicants before giving them the preliminary or final approval.
- ⇐ Nomination of an external entity for training the authorized persons and recruiters.

#### **Article (63)**

The Competent Department automatically renews the license upon completion of the required documents, unless no decision is issued by committees competent for supervising the application of these rules against the agency.

#### **Article (64)**

The activities stipulated under these rules may only be carried out through companies or agencies established for this purpose. These activities may be carried out after obtaining a license from the

Ministry in accordance with the terms and procedures set forth in these rules. In the event of a violation thereof, the penalties mentioned in both Lists of Violations and Respective Penalties shall be applied.

**Article (65)**

The authorized person may not start a recruitment agency if he is an employee or an administrative officer in an existing recruitment company.

**Article (66)**

The Ministry may develop special rules regulating the work of agencies registered in female names.

**Article (67)**

Labor service transfer shall be subject to the laws and instructions of the Ministry and related parties.

**Article (68)**

These rules shall supersede all instructions and provisions to the contrary hereof. The existing companies and agencies authorized to carry out any of the activities defined under these rules, shall regularize their status upon issuance thereof.



**Annex No. (5)**  
**Unified Employment Contract Template**

## Employment Contract

On this day of .../.../..., corresponding to .../.../..., this contract is made by and between:

**I.** Company/ Institution ..... – CR. No. .... – having its registered office at ..... P.O. Box..... - postal code ..... - telephone No. .... Fax. No. .... E-mail .....@.....com – represented herein by ..... in his capacity as ....., **hereinafter referred to as the (First Party)**

**II.** ..... - national of ..... – holding ID No. .... - (passport) No. .... issued from ..... Dated .../.../... – located in ..... – telephone No. .... P.O. Box..... Postal code ..... E-mail .....@.....com

**hereinafter referred to as the (Second Party)**

Both parties hereto declare that they are legally competent to enter into this contract and agree to the following:

| Ser. No.                          | Clause Classification   | Clause text  |
|-----------------------------------|---|--|
| <b>I. Contract Subject</b>        |   |  |
| 1                                 | Mandatory   | Both parties hereto agree that the second party shall work for the first party, under its administration or supervision in the occupation of (.....). He shall carry out the assigned works in a manner consistent with his practical, scientific and technical competencies, according to the work needs and without prejudice to the controls stipulated under Articles (58, 59, 60) of the Labor Law. |
| 2                                 | Mandatory in fixed-term contract  | Duration of this contract shall be (.....), starting as of the date of work commencement by the second party, dated .../.../.... And ends in .../.../....  |
|                                   | Optional in the fixed-term contract   | It may be renewed for a similar period/s, unless either party give a (30) day written notice of its non-intention of the renewal to the other party.   |
|                                   | Optional in indefinite term contract (exclusive for Saudi worker)   | Both parties agree that this contract is of an indefinite term, starting as of .../.../....  |
| 3                                 | Optional, so that the probationary period does not exceed (90) days. Either or both parties thereto may terminate the contract. | The second party shall undergo a probationary period for (...) days, starting as of his commencement of work. Such probationary period is exclusive of Eid al-Fitr and Eid al-Adha holidays and sick leaves. Each party is entitled to terminate the contract during this period.  |
| <b>II. Working Hours and Days</b> |   |  |
|                                   | Mandatory, so that the working days does not exceed (6) days or (48) hours a week   | Ordinary working days shall be (.....) days a week, where the working hours are (...) per day or (...) hours per week. The first party shall pay the second party for overtime working hours an additional amount equivalent to the hourly wage plus 50% of his basic wage.  |
|                                   | Mandatory in case of monthly or weekly wage   | The first party shall pay the second party a basic wage of only (SAR.....), payable at the end of each....   |
|                                   | Mandatory in case of piece-rate pay   | Both parties agree that the first party shall pay the second party the wage based on the work produced, so that an amount of (SAR....) for each piece  |



|  |   |  |
|--|---|--|
|  |   | of work done shall be paid. Relatedly, the total piecework pay shall be payable at the end of each week.   |
| 1                                      | Optional in case of an agreement on allowances or benefits  | The first party shall provide the second party with the following:<br>1. ....<br>2. ....<br>3. ....  |
| 2                                      | Mandatory, so that the annual leave shall be (21) days at least if the worker's period of service is less than (5) years. It shall be increased to a period of not less than (30) days if the worker's period of service exceeds five years | The second party is entitled to a paid annual leave of (...) days per annum, to be determined by the first party during the year of entitlement, according to the work conditions, paid in advance of commencement thereof. The first party may postpone, for a maximum period of ninety days, this leave after the end of the year it is due. In addition, the first party may postpone, upon the second party's written consent, it to the end of the year following the year of entitlement.                  |
| 3                                      | Mandatory   | The first party shall provide health insurance to the second party, in accordance with the Cooperative Health Insurance Law.   |
| 4                                      | Mandatory   | The first party shall register the second party in the General Organization for Social Insurance (GOSI) and pay the contributions per its adopted laws.  |
| 5                                      | Mandatory (exclusive for Non-Saudi worker)  | The first party shall incur the fees pertaining to (recruitment of the second party)/(transfer of second party's services to him), the residence permit (Iqama) and work permit together with their renewal and the fines resulting from their delay, as well as the fees pertaining to change of occupation, exit and re-entry visas and return tickets to the second party's home country- by the same means of transportation by which he has arrived- at the end of the relationship between the two parties |
| 6                                      | Mandatory (exclusive for Non-Saudi worker)  | The first party shall incur the expenses for preparing and returning the corpse of the second party to the destination where the contract is concluded or he is recruited, unless buried in the Kingdom under the consent of his relatives. Otherwise, the General Organization for Social Insurance (GOSI) shall incur such expenses.   |
| 7                                      | Mandatory (exclusive for women)   | A female worker shall be entitled to maternity leave with full pay for a period of ten weeks, distributed as she wishes; up to a maximum of four weeks before the likely date of delivery, which date of delivery shall be determined by the establishment's physician or under a health certificate certified by a health authority.  |
| 8                                      | Mandatory (exclusive for women)   | When a female worker returns to work following a maternity leave, she is entitled to take a period or periods of rest not exceeding one hour per day for nursing her infant. Such period or periods shall be calculated as part of the actual working hours.   |
| 9                                      | Mandatory (exclusive for Muslim female workers)   | A Muslim female worker woman whose husband dies shall be entitled to full pay leave at least for four months and ten days from the date of death. She is also entitled to extend this leave without pay if she is pregnant- during this period- until she gives birth. She may not benefit from the rest of the leave granted to her after giving birth.   |
|  | Mandatory (exclusive for Non-Muslim female workers)   | A female worker whose husband dies shall be entitled to full-pay leave for a period of fifteen days, in accordance with paragraph (2) of Article (160) of Labor Law.   |
| <b>IV. Obligations of Second Party</b> |   |  |



|   |  |  |
|---|--|--|
| 1   | Mandatory  | Performance of the work in accordance with the professional fundamentals and the first party's instructions, provided that such instructions do not conflict with the contract, law or public morality and that they do not expose him to any risks.   |
| 2   | Mandatory  | Taking due care of the first party's machinery, assigned tasks and raw materials placed at his disposal or in his custody and return to the first party the unused materials.  |
| 3   | Mandatory  | Extension of all assistance and help without making it contingent on additional pay in cases of risks threatening the safety of workplace or persons working therein.  |
| 4   | Mandatory  | Undergoing, upon the first party's request, the medical examinations required prior to or during employment to ensure that he is free of occupational or communicable diseases.  |
| 5   | Optional, provided that the period may not exceed (2) years  | Upon expiration of the contract, the second party may not compete with the first party for (...) years in any place of (...) in relation to the work of (...).   |
| 6   | Optional   | Upon expiration of the employment contract, the second party may not disclose the first party's secrets within (...) years in any place of (...) in relation to the work of (...).   |
| 7   |  | The second party shall abide by ethical behavior and work ethics and comply with, at all times, laws, norms, customs and morals applicable in the Kingdom of Saudi Arabia as well as rules, regulations and instructions established by the first party. Relatedly, he shall bear all fines resulting out of violating these laws. |
| 8   | Optional   | Approval of withholding form the second party's monthly wage the percentage prescribed for contribution of the General Organization for Social Insurance (GOSI).   |
| <b>V: Expiration or Termination of Contract</b> |  |  |
| 1   | Mandatory in the fixed-term contract   | This contract expires upon expiration of the validity period of the fixed-term contract or if both parties agree to terminate it, subject to the second party's written consent.   |
| 2   | Mandatory in the indefinite-term contract (for the Saudi worker), so that a (60)-day notice shall be served in case of monthly wage, or a (30)-day notice in case of weekly wage | Upon termination of this contract by either party, it shall notify the other party in writing thereof at least (...) days before the termination thereof.  |
| 3   | Mandatory  | The first party may terminate the contract without a reward, notice or compensation to the second party, provided to give the second party a chance to state his reasons for objection to this termination, in the cases stipulated under Article (80) of the Labor Law.   |
| 4   | Mandatory  | The second party may leave his job and terminate the contract without a notice to the first party and reserves his right to receive all his dues, in the cases stipulated under Article (81) of the Labor Law.   |
| 5   | Optional, where one of both clauses may be agreed upon   | In case of termination of the contract by either party prior to expiration of its validity period without a legitimate reason; the other party is entitled to compensation of (SAR.....).  |



|  |   |   |
|--|---|---|
|  |   | In case of terminating the contract prior to expiration of its validity period without a legitimate reason, both parties agree on the following:<br>a. If the termination is done by the first party, it shall pay compensation of (SAR....) to the second party.<br>b. If the termination is done by the second party, he shall pay compensation of (SAR....) to the first party.  |
| <b>VI. End of Service Benefits</b>                   |   |   |
| 1  | Mandatory                                 | Upon termination of the contractual relationship either by the first party, agreement of both parties, expiration of contract's term or as a result of force majeure, the second party shall be entitled to a reward equivalent to a (15)-day wage per each year of the first five years and a month wage per each year of the following years. In addition, the worker is entitled to a reward for the parts of the year in proportion to the period spent on the job and the reward shall be calculated on the basis of the last received wage. |
| 2  | Mandatory in the indefinite-term contract | If the work relation is terminated due to the second party's resignation, he shall, in this case, be entitled to one third of the reward after a service of not less than two consecutive years and not more than five years, to two thirds if his service is in excess of five consecutive years but less than ten years and to the full reward if his service amounts to ten or more years.   |
| 3  | Mandatory (exclusive for female workers)  | The female worker is entitled to the full reward if she terminates her contract within six months from the date of her marriage or three months from the date of giving birth.  |
| <b>VII: Applicable Law and Jurisdiction</b>          |   |   |
| 1  | Mandatory                                 | This contract is governed by the Labor Law, Implementing Regulations thereof and decisions issued in implementation thereof, in whatsoever matters not provided for herein. This contract shall supersede all prior agreements and contracts, either verbal or written- if any.   |
| 2  | Mandatory                                 | In the event of a dispute between both parties with regard to this contract, the jurisdiction shall be given to the authority competent for considering labor disputes in the Kingdom of Saudi Arabia.  |
| <b>VIII. Notifications, Notices and Counterparts</b> |   |   |
| 1  | Mandatory                                 | Notifications and notices shall be exchanged between both parties in the address described at the beginning of this contract through the registered mail, express mail or the E-mail of both parties. Either party shall serve a written notice to the other in case of a change of his personal address or E-mail; otherwise, the above address or E-mail shall be legally adopted.  |
| 2  | Mandatory                                 | This contract has been executed in duplicate, one for each party to act accordingly.  |

God bless,,

**First Party**

Name: .....

Signature: .....

Seal: .....

**Second Party**

Name: .....

Signature: .....

Seal: .....



### **Instruction for usage of this template**

1. The clause classified as (mandatory) shall be established as one of the clauses of employment contract.
2. The clause classified as (optional) shall be established as one of the clauses of employment contract, according to the agreement of both parties.
3. The clause classified as (fixed-term) or (indefinite term) shall be established as one of the clauses of the contract, according to its type.
4. The clause classified as (reserved for women) shall be established as one of the clauses of the contract, if the second party is a woman.
5. The clause classified as (reserved for Saudis) shall be established as one of the clauses of the contract, if the second party is a Saudi worker.
6. The clause classified as (reserved for Non-Saudis) shall be established as one of the clauses of the contract, if the second party is Non-Saudi.
7. Both parties to the contract may agree to add any clauses, terms or other obligations to the contract in a manner consistent with the Labor Law, Implementing Regulations thereof and decisions issued in implementation thereof and any other related Laws.
8. Numeration of the clauses of this template is optional. They may be put in order or in any other way.