



**Global Employment  
Compass  
Saudi Arabia**

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This document provides brief answers and recommendations to readers for information purposes. The information contained in this document is general and may differ according to the circumstances. Thus, this document does not constitute legal advice. We decline in advance any responsibility should you decide to act upon any information contained in this document.





# 1. Summary of applicable rights for different categories of workers

	Employees (part-time or full-time)	Independent contractors/ service providers	Volunteers
<b>Employment laws and regulations</b>	YES	NO	NO
<b>Employees' compensation/ remuneration requirements</b>	YES	NO	NO
<b>Minimum wage requirements</b>	NO	NO	NO
<b>Mandatory provident fund/retirement benefit fund contributions</b>	YES (depending on nationality)	NO	NO
<b>Immigration requirements including the right to work in your country</b>	YES (depending on nationality)	YES (depending on nationality)	YES (depending on nationality)
<b>Personal Data (Privacy) laws and regulations</b>	YES	YES	YES
<b>Anti-discrimination laws and regulations</b>	YES	NO	NO



## 2. Legal requirements/rights/ practices for different categories of workers

### a. Employees

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*Under the Labour Law issued by Saudi Arabia Royal Decree No. M51/1426 dated 1426 H the KSA Labour Law, an employee is defined as "every physical person, either male or female, working for an employer and under the management or supervision of the latter for a wage, even if away from his surveillance."*

*Employer is defined as "every physical or juristic person who employs one worker or more against a wage".*

### 1 Contracts of Employment

**What types of employment contracts are available? E.g. fixed term, part time, zero hour contracts, other? Are there any specific employment contracts available for non-profit organizations?**

In KSA, the Labour Law provides for both unlimited and limited (or fixed) term contracts. However, all expatriate employees must be employed by way of fixed term contract only. It is not possible to employ an expatriate employee under an unlimited term contract. In the case of a Saudi national employee, they can be employed under either unlimited or limited term contracts.

Limited term contracts are commonly concluded for one year, renewable unless either party gives notice of an intention not to renew. There is no specific type of employment contract for non-profit organizations.

Part-time contracts also exist in KSA.





### **What are the key terms of employment contracts?**

In KSA, the Ministry of Human Resources and Social Development (MHRSD) issues mandatory standard form contracts (often described as “Qiwa Contracts”) which must be concluded with every employee. It is common for companies to issue their own additional employment contract that sits alongside the Qiwa contract. Whilst it is possible that this practice may be discouraged in the future, at present, most employees will hold both a Qiwa contract and a company contract. In the event of a discrepancy between the two contracts, the term which is more favourable to the employee will be enforced (in the event of a dispute).

In accordance with the KSA Labour Law, the Qiwa contract must contain the following:

1. Name and address of the employer;
2. Name and nationality of the employee;
3. Proof of identity of the employee (eg. Passport number);
4. Place of residence of the employee;
5. Salary;
6. Start date of the employment; and
7. Duration of the contract if it is a fixed term contract.

### **Is it acceptable to have a probation period for employees? If yes, for how long?**

Yes, a probation period is acceptable. Where a probation period applies, it must be set out in the employment contract. The probation period must not exceed 90 calendar days (excluding sick leave, Eid Al-Fitr and Eid Al-Adha), but can be extended for a further 90 calendar days upon the agreement of the parties.

### **Are fixed term employment contracts permissible? Are there any limitations on fixed term contracts? Are there any requirements to have a fixed term contract?**

All non-KSA nationals need to be employed by way of fixed term contracts which are commonly concluded for one year and can then be renewed repeatedly. The employment will never convert to an unlimited term contract.

KSA nationals can also be employed under fixed term contracts, however, if the contract is renewed three times, or the total of the employment period under fixed term contract or series of contracts reaches four years, the employment will become unlimited.

### **Do employment contracts have to be in writing? Are there any signatory requirements for employment contracts? For example, could they be signed in-person or electronically, etc.)?**

All Qiwa contracts are in writing and must be signed electronically through the Qiwa portal.





**Do employees have to be issued with a written employment contract before they start work?**

It is common to issue employees with a written employment contract ahead of the start date of employment. To legally work in the KSA, every employee needs to obtain a work permit for the KSA. The work permit needs to be renewed in certain intervals and every employment will require a separate work permit. The work permit should be obtained ahead of the first day of employment. To receive a work permit, the parties need to show that they have entered an employment contract (specifically, the Qiwa Contract). It is common that any internal employment contract is issued even earlier, often at the time the employee accepts the offer to work with the KSA employer.

**Can you provide a simple template of the contracts mentioned above?**

The MHRSD unfortunately does not provide a sample QIWA Contract for parties to see. However, KSA-based companies can access their account on the QIWA portal and see the contract there.

**Is there an obligation for an employer to run a criminal record check to the extent that any individual they hire will be working with children or vulnerable people?**

Although there is no express reference in the KSA Labour Law for a criminal check, it is very common to do so where individuals work in certain sectors (such as education).

**Can employers request references from former employers for new hires?**

Yes.

**Is an employer required to set up any form of employee representative body? If so, what is the trigger for this?**

No, there are no employee representative bodies in the KSA.

**Is it common to have collective agreements in your jurisdiction that apply to all employers in a particular region or sector?**

No, there are no collective agreements in the KSA.

## 2 Conditions of employment

**What is the minimum age requirement for employment?**

The minimum age for employment is 15 years. In certain cases, the Minister may allow juveniles between the age of 13 and 15 years to undertake light work, provided that such work is not harmful to the health and body and does not interrupt attendance at school.





**What type of work may a child undertake? For example, are there any specific restrictions?**

There are certain restrictions for juvenile employees between the age of 15 and 18 years. These are:

1. Juveniles shall not be employed in harmful industries or in professions that endanger health, safety, morals.
2. Juveniles shall not be employed during the night and shall have a rest of at least 12 hours.
3. Juveniles shall not be employed for more than six hours per day. During Ramadan, the working hours shall not be less than four hours per day.
4. Juveniles shall enjoy a break of not less than half an hour after every four hours worked.
5. Juveniles shall not be employed during weekends, holidays and annual leaves.
6. The employer must obtain the approval of the juvenile's guardian and a health and fitness certificate.

**Wages**

**What is the minimum wage requirement for employees? Are there any exceptions in minimum wages for young persons or people with disabilities?**

There is no statutory minimum wage in the KSA.

**Are there any conditions which warrant a pay raise or extra pay? If yes, what are they?**

There are no statutory regulations regarding a pay rise or any extra pay in the KSA.

**When are wages due? For example, is there any obligation to pay wages weekly, or monthly?**

Wages are due on such dates as agreed between the parties. Commonly, wages are paid once per month. Wage transfers will be monitored via the Wages Protection System which monitors that salaries are paid in full and on time.

**Are employers obliged to provide employees with paid leave on public holidays?**

Yes, employees are entitled to enjoy paid time off on national holidays as announced by the KSA authorities falling on a working day.





**Are employers obliged to provide employees with annual leave?**

Yes, the statutory entitlement to annual leave is:

1. Not less than 21 days per year during the first five years of employment; and
2. Not less than 30 days thereafter.

**Are employees entitled to receive their usual salary during their annual leave?**

Yes.

**Is there a requirement to pay overtime? How is overtime compensated?**

Where an employee who is not exempt from overtime works more than their contractually agreed working hours, they are entitled to receive compensation for overtime. Compensation for overtime under the KSA Labour Law amounts to the normal wage plus an uplift of 50% calculated on the basis of the basic wage.

The following categories of employees are exempt from the maximum working hours or subject to different maximum working hours as stipulated under the KSA Labour Law (and therefore also subject to a different overtime threshold):

1. Persons who hold high positions and assume responsibility in management and direction provided that the holders of such positions have the same authorities as those of the employer on the workers;
2. Preparatory or complementary work that shall be achieved before commencement or after completion of the work;
3. Work that is necessarily intermittent.
4. Guards and cleaning workers, except the civil security guard.

**Are there any extraordinary circumstances that could be relied on to temporarily cease paying employees for the hours worked?**

No.

**Are employees entitled to an end-of-year payment?**

There is no statutory entitlement to an end-of-year payment.

**Are employees entitled to payments when their employment contract is terminated, such as notice or notice pay, accrued or untaken holiday and/or statutory severance?**

Yes, employees are generally entitled to the following statutory payments and entitlements when their contract is terminated:







1. Salary during the agreed notice period – the minimum notice for an unlimited term contract is 60 calendar days;
2. Compensation for accrued but untaken annual leave;
3. End of service gratuity, which is calculated on the basis of the last remuneration received (basic salary plus allowances). The entitlement amounts to 15 calendar days' basic salary for the first five years of employment and 30 calendar days' basic salary for every year thereafter. The employee does not need any qualifying service in order to receive a payment for end of service gratuity;
4. Potentially a compensation payment for the termination of the contract depending on the type of the contract and the circumstances regarding termination, of a minimum of two months' remuneration; and
5. Repatriation ticket to the employee's home country or any other destination agreed between the parties, unless the employee obtains alternative sponsorship.

## Working hours

### **What is considered a full time working week? If the employee is contractually required to work less than this amount are they considered a part time employee?**

Full-time work is considered as working for one employer for the full daily working hours throughout the applicable working days. This can, for example, be 8 hours per day from Sunday to Thursday, or eight hours per day from Saturday to Thursday. Friday is the mandatory rest day in the KSA. For many employers, it is nevertheless common to offer a five-day working week with Friday and Saturday being the weekend.

Part-time work under the KSA Labour Law is defined as work performed for an employer by a part-time worker, where working hours are less than half the usual daily working hours at the establishment, whether the worker performs his work daily or for a few days per week.

### **Are there fixed public/statutory holidays each year? Can employees be required to work on public/statutory holidays? Are employees entitled to any other type of leave besides public/statutory holidays?**

There are some fixed public holidays in the KSA and others that will depend on the moonsighting and will then be announced. The national holidays in KSA are:

1. Eid Al Fitr (four days);
2. Eid Al-Adha (four days); and
3. KSA national day (one day).

The employee can be asked to work on a public holiday, subject to being compensated in line with the overtime requirements.

Employees are also entitled to other types of leave in KSA which include:

1. Sick leave;





2. Maternity leave;
3. Hajj leave;
4. Marriage leave;
5. Paternity leave;
6. Bereavement leave; and
7. Study leave.

There are certain requirements that need to be fulfilled for the leave to apply.

**Do part time employees receive any particular protection on the basis of their part-time status?**

No.

**Do part-time employees receive the same pro-rated terms to full time employees, e.g. in relation to pay and benefits?**

This depends on the part time arrangement. Where an employee works less hours in a day but the same number of days per week than a full-time employee, the expectation would be that the statutory entitlements are not being pro-rated. However, where a part-time employee works less days a week, the employment entitlements would be pro-rated.

**Social security**

**What social security contributions are employers obliged to pay? Presumably, pro-rated contributions are required for part time employees?**

Contributions for social security are calculated based on an employee's salary and the rates will be the same for part-time employees. Contributions to the social security system are different for KSA and non-KSA nationals. The following is an indication at the time of writing this summary of the likely contributions:

**For KSA Nationals:**

1. Employer's Contribution
  - a. Unemployment Contribution = 0.75%
  - b. Retirement Contribution = 9%
  - c. Compensation and Disability Plan = 2%
2. Employee's Contribution
  - a. Unemployment Contribution = 0.75%
  - b. Retirement Contribution = 9%





### **For non-KSA nationals**

1. 2% contributions paid by the employer.

### **Are employers obliged to provide health insurance to their employees?**

Yes, employers need to provide health insurance for their employees.

### **Are employees entitled to unemployment insurance/benefits following the end of employment?**

KSA nationals will be entitled to unemployment benefit upon termination, depending on the reasons for termination of the employment.

### **Are employers obliged to provide sick leave? If yes, for how long? How many days have to be paid by employers? Is it possible to have unpaid sick leave?**

The employee is entitled to a total of 120 calendar days of sick leave in a year which is paid as follows:

1. Full pay for the first 30 calendar days;
2. 75% pay for the following 60 calendar days; and
3. No pay for the following 30 calendar days.

There is no other entitlement to unpaid sick leave than the 30 calendar days mentioned above.

### **Are employers obliged to provide maternity leave for employees? If yes, for how long? How many days/months have to be paid by employers? Is it possible to have unpaid maternity leave?**

Yes, an employer is obligated to provide maternity leave to employees as follows:

1. 10 weeks on full pay;
2. One month without pay.

If an employee has given birth to a sick child or a child with special needs that requires a constant companion, the employee is entitled to a fully paid additional leave of one month. This leave can be extended for another month without pay.

### **Is paternity leave available to employees? If yes, for how long? How many days/months have to be paid by employers? Is it possible to have unpaid paternity leave?**

An employee is entitled to three days of paid paternity leave. There is no unpaid paternity leave entitlement.





### **Are employers liable for absence due to work-place injuries?**

Yes. An employer is liable for the following in case of a workplace injury:

1. Medical expenses relating to the treatment of the injury.
2. Where the employee is temporarily unable to work as a result of the injury, maintain the employee's pay in full for 30 days and at 75% for the remaining duration of the treatment, until (i) it is medically determined that the prospects of recovery are improbable; or (ii) it is medically determined that the employee is not physically fit to work; or (iii) until a period of one year lapses.
3. Where the workplace injury results in death or permanent disability, the employee (or the employee's beneficiaries) would be entitled to compensation.

### **Are employees entitled to retirement benefits from the employer? If yes, what benefits?**

GCC-national employees are entitled to participate in a state pension where retirement benefits will be paid out to them once they retire. During employment, the employee is required to make monthly contributions into the pension, which are collected by the employer and paid into the pension scheme, along with employer contributions into the scheme. The percentages of the employer- and employee-contributions will vary depending on the employee's (GCC) nationality.

Other nationalities are not entitled to receive retirement benefits but will receive a lump-sum payment (so-called end of service gratuity) once their employment terminates. The payment on termination of employment is based on length of service and is 15 calendar days' remuneration (basic pay plus allowances) for each year of service for the first five years, increasing to 30 calendar remuneration for each year thereafter. Incomplete years are calculated on a pro-rated basis. The entitlement to end of service gratuity also applies to KSA and other GCC nationals in addition to their pension entitlement.

Where the employee resigns, the gratuity shall be reduced to:

1. 0 where the employee has less than two years' service; or
2. 1/3 where the employee has at least two years' service but less than five years' service; or
3. 2/3 if the employee has at least five years' service but less than ten years' service.

Where the employee has at least ten years' service, the gratuity entitlement will not be reduced.

### **Are employers obliged to introduce reporting channels and legal safeguards for whistleblowers?**

No.





### 3 Safe and supportive work environment

#### **Broadly what measures have to be in place to ensure employers uphold health and safety? (such as fire or earthquake drills)**

The KSA Labour Law stipulates certain conditions regarding a safe workplace:

1. The employer shall maintain the cleanliness, health conditions and good lightning of the workplace.
2. Every employer shall take the necessary precautions to protect workers from risks, diseases and machines used and shall provide work protection.
3. Instructions relating to health and safety must be posted at work, in Arabic and another language that the employees understand.
4. The employer shall take necessary precautions and provide technical means to fight fire, including the provision of safety exists that shall be accessible at any time.

#### **Is there a requirement for an employer to issue any form of non-discrimination policies? (such as gender equality policies, equal employment opportunities, diversity, and inclusion policies, etc.)**

Whilst there is prohibition on discrimination against “citizens” in the KSA Labour Law and a separate prohibition on discrimination in a 2023 Cabinet Resolution based on a range of protected characteristics, there is no express legal requirement to issue any form of non-discrimination policies.

However, Saudi also has an Anti-Harassment Law, which contains obligations on employers to put in place necessary measures to prevent and combat harassment within the work environment, including putting in place a mechanism for receiving and investigating complaints, and ensuring that the workforce is aware of these measures. Accordingly, non-discrimination and anti-harassment policies are strongly recommended.

#### **Is there a requirement to provide employees with training designed to combat discrimination and harassment?**

Whilst there is no legal requirement to provide training designed to combat discrimination and harassment, nevertheless due to the Anti-Harassment Law requirements discussed above, awareness about appropriate behaviour and measures available to support employees is recommended.

#### **Is there a requirement to have a data protection policy?**

Yes.





**Is it mandatory for employers to have a Child Protection Policy (CPP)? Are employees obliged to provide training on CPP to its employees?**

No.

## 4 Tax

**Which taxes are mandatory for employers to pay and deduct on behalf of their employees?**

There are currently no taxes that are being deducted from an employee's remuneration in the KSA.

**Are all employee taxes deducted from the salary that the employer pays or is there a requirement for employees to pay certain taxes directly?**

There are currently no taxes that are being deducted from an employee's remuneration in the KSA.

## 5 Remote work

**Are employers required to have a registered legal entity in the jurisdiction in order to employ employees in the jurisdiction?**

Yes, employers in the KSA will require a KSA-licensed entity to employ employees in KSA.

**Are employers required to provide any form of physical working space for employees working in your country?**

To receive their commercial license, a company will have to lease office space.

**Please provide general instructions for employers on what to check if the employer has remote employees, including concerning employee tax liabilities.**

Where a KSA-based employer employs personnel from outside the KSA, the main points to consider will largely depend on the country where the employee is based. However, a few risks to note are:

1. **Permanent establishment risk:** Depending on the country where the employee is based, there might be a risk that by virtue of an employee being based, the employer creates a permanent establishment in that jurisdiction and might consequently violate licensing requirements.
2. **Tax risk:** The KSA employer might be required to withhold any kind of taxes from the employee's pay depending on the employee's location.
3. **Social security risk:** The KSA employer might be required to enrol the employee in a social security system or pay social security contributions on the employee's behalf.





## 6 What to do when things go wrong

### Dispute resolution

#### **Do employees (including volunteers) need to go through any form of dispute resolution before bringing a claim to a court or tribunal?**

Before being able to file a claim with the relevant Labour Court, employees will be required to go through a mediation process first. The authority responsible for this process will be the Ministry of Human Resources and Social Development.

Once the mediation process has been completed and the parties have been unable to reach settlement, the matter will be referred to the Labour Court.

### Resignation

#### **What grounds do employees have for resignation?**

There is no stipulated list of grounds for resignation. Employees can resign for any reason by adhering to the contractual terms.

### Termination

#### **What grounds do employers have for the termination of employment contracts?**

To answer this question, one needs to distinguish between the termination of a limited and an unlimited term contract.

#### **Termination of limited term contract**

A limited term contract can only be terminated ahead of its expiry date for gross misconduct. Where the termination is not for reasons set out in Art. 80 of the KSA Labour Law, the terminating party will be required to pay compensation for early termination to the other party. The compensation can be up to the salary for the remaining period of the limited term contract, although the parties can contractually agree to alternative compensation, subject to a minimum of two months' remuneration.

#### **Termination of unlimited term contract**

Notice under an unlimited term contract can be given at any time for a valid reason. Under an unlimited term contract, a valid reason is likely going to be poor performance or misconduct. Where an unlimited term contract is terminated without a valid reason, compensation will be payable which amounts to 15 days' pay for each year of service, although the parties can contractually agree to alternative compensation, subject to a minimum of two months' remuneration.





**How do employers have to document the termination of an employment contract?**

To terminate an employment contract, an employer must issue a written notice of termination to the employee.

**What is the responsibility of employers for damages incurred by an employee's actions within his/her work?**

There is no principle of vicarious liability under the KSA Labour Law.







## b. Independent contractors/consultants\*

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*The KSA Labour Law does not contain a definition of a consultant or an independent contractor. In general, a consultant or an independent contractor is established via a company providing certain services to another company. This is because it is necessary to be licensed to provide consultancy services. In contrast, individuals who work for a company are in almost all cases employees of that company, as they require a work permit (and in the case of an expatriate, a visa) in order to work (and live) in the KSA, which is obtained via the sponsorship of the employer.*

\* The term consultant will be used to also refer to independent contractors, or any other term that would mean a person that provides goods or services under a written contract or a verbal agreement but does not work to meet the definition of employee.

### 1 Contracts

#### **What types of independent contractor/consultant agreements are available? Are there any specific agreements available to NGOs?**

There is no prescribed form contract for independent contractors / consultants. There are no specific agreements or templates for NGOs.

#### **What are the main elements of consultant agreements?**

In a consultancy agreement, it will be key to make clear that the consultant is an independent contractor and not an employee. Key points to consider include:

1. The consultant sends invoices to receive their fee and is not being paid a salary;
2. The consultant is not entitled to annual leave or any other employment benefits as described in the KSA Labour Law;
3. The consultant is not sponsored by the end user for residence visa and work permit purposes;
4. The consultant must have obtained their own license to be able to carry out consultancy services in the KSA.





**Is it possible to have probation periods for independent contractors/consultants? If yes, for how long?**

It would be possible to add a probationary period to a consultancy agreement; however, this is not very common in practice.

**Is it possible to have a fixed term consultation/independent contractor agreement? Are there any restrictions around fixed term consultant/independent contractor agreements?**

Yes, it is possible to enter a fixed-term contract with a consultant. There are no restrictions regarding the fixed term.

**Do independent contractor/consultant agreements have to be in writing? Are there any signatory requirements? For example, could they be signed in-person or electronically, etc.)?**

There is no statutory requirement that stipulates that a consultancy agreement must be in writing. However, it is common practice in the KSA to enter into written contracts, particularly because the Courts, in case of a dispute, will usually only consider written evidence. In terms of the signatory, it would be expected that the individuals signing on behalf of each party have the authority to do so. It is possible to use an electronic signature. However, wet ink signatures are still more common in the KSA.

**Do all types of independent contractors/consultants have to be under contract in order to be able to work?**

The end user and the independent contractor / consultant will usually enter into a written contract. Any employees of the independent contractor / consultant company will have entered into employment contracts with such independent contractor / consultant company.

**Can you provide a simple template of the agreements mentioned above?**

As these are commercial agreements, these should be drafted on a case-by-case basis and as such, there is no standard template that can be used.

**Is there an obligation to run a criminal record check to the extent that any independent contractor will be working with children or vulnerable people?**

There is no statutory obligation to run any criminal record checks for consultants. However, it would be common to do so where a consultant is expected to work with children or other vulnerable people.





## 2 Conditions of work for consultants

### **Are there any minimum age requirements for an individual to work under a consultant/independent contractor agreement?**

In order to legally work in the KSA, a consultant needs to be at least 15 years old.

### **Does a consultant/independent contractor need to obtain a license or any other permission in order to work?**

Yes, an independent contractor will have to have their own commercial license to operate in the KSA. Furthermore, any independent contractor needs to have a KSA residence visa (in the case of an expatriate) and work permit.

### **Payment**

#### **Are there any minimum pay requirements for consultants/independent contractors?**

No.

#### **Are there any exceptions in minimum wages for young persons or people with disabilities?**

No.

#### **Is there any requirement to provide statutory/paid leave to consultants for statutory holidays?**

No.

#### **Is there any requirement to pay annual leave to consultant/independent contractors? If so, how is this compensated, if at all?**

No.

#### **Is there an obligation to provide consultant/independent contractors with overtime? How is this compensated if required?**

No.

#### **Are consultants entitled to an end-of-year payment?**

No.





**Are consultants entitled to a final payment when the contract is terminated?**

No.

### **Working hours**

**Are consultants entitled to any type of leave, whether paid or unpaid?**

No.

### **Social security**

**Does the end user engager need to make any social security contributions on behalf of a consultant/independent contractor? Are independent contractors entitled to health insurance from the end user engager?**

No.

**Are independent contractors/consultants entitled to unemployment insurance/benefits after termination of their independent contractor/consultancy agreement from the end user engager?**

No.

**Are independent contractors/consultants entitled to sick leave from the end user engager? If yes, for how long? How many days have to be paid?**

No.

**Are independent contractors/consultants entitled to maternity leave from the end user engager? If yes, for how long? How many days/months have to be paid?**

No.

**Are independent contractors/consultants entitled to paternity leave from the end user engager? If yes, for how long? How many days/months should be paid?**

No.

**Are employers obliged to cover work-place injuries for independent contractors/consultants?**

No.





**Are independent contractors/consultants entitled to retirement benefits from the end user? If yes, what benefits?**

No.

### **3 Safe and supportive work environment**

**Are there any differences in terms of the regime that applies to employees?**

The regime set out for employees does not apply to consultancy companies.

### **4 Remote work**

**Are end user engagers required to have a registered legal entity in the jurisdiction in order to hire independent contractors/consultants there?**

In order to hire a consultant based in the KSA, the end user is not required to have registered legal entity in the KSA. However, the consultant will be required to be properly registered to provide the services, which will usually include having set up their own consultancy company in the KSA and having obtained a residence visa and work permit from the responsible authorities in the KSA.

### **5 What to do when things go wrong**

#### **Resignation**

**Do consultants/independent contractors need a reason to terminate the contract or can they terminate it for any reason in accordance with the terms of the contract?**

This will depend on the contractual agreement between the consultant and the end user. Depending on the contract, termination of the contract by the consultant without any reasons might be possible.

#### **Termination of agreement**

**What grounds do end user engagers have for the termination of consultant agreements?**

This will depend on the contractual agreement between the consultant and the end user. Depending on the contract, termination of the contract by the end user without any reasons might be possible.





**What is the responsibility of the end user engagers for damages incurred by a consultant's actions within his/her work?**

This will be a matter of contract. It is common for a consultancy agreement to contain clauses dealing with suitable insurance cover to be taken out by the consultant.





## c. Volunteers

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*There is no definition of volunteer in the KSA Labour Law. In general, a volunteer is understood as someone who works for a charitable cause without receiving any remuneration.*

### 1 Contracts

**Are organizations required to sign any form of agreement with volunteers?**

No.

### 2 Conditions of employment

**Is there a minimum age requirement for volunteers?**

There is no separate age requirement published for volunteers. Organizations should act in light of the age requirements under the KSA Labour Law, please refer to the question, [“What is the minimum age requirement for employment?”](#).

**What type of volunteering work may a child undertake? Are there any restrictions around this?**

Please refer to the question, [“What type of work may a child undertake? For example, are there any specific restrictions?”](#)

**Payments and reimbursement**

**Are organizations allowed to pay stipends to volunteers?**

Yes.





**Are organizations allowed to reimburse volunteers? If yes, for what expenses (such as transportation, food, etc.).**

Yes, organizations are allowed to reimburse volunteers for expenses, such as for transportation, food, etc.

**Working hours**

**Are there any obligations around how many hours volunteers can work?**

No, given that volunteers are not considered employees, there are no restrictions that apply to work of volunteers.

**Are volunteers entitled to any type of leave?**

No.

**Social security**

**Are organizations obliged to pay any social security contributions on behalf of their volunteers?**

No.

**Are organizations obliged to provide health insurance to volunteers?**

No.

**Are organizations liable for absences of volunteers due to work-place injuries?**

No.

## **3 Safe and supportive work environment**

**Are there any differences in terms of the regime that applies to employees?**

Volunteers are not considered employees and hence any regulations that apply to employees do not apply to volunteers.







## 4 Tax

**Are organizations obliged to pay taxes if they pay their volunteers stipends? If yes, what types of taxes are mandatory to pay?**

No, there are currently no income / withholding taxes that would need to be deducted from a volunteer's stipend in the KSA.

## 5 What to do when things go wrong

**What grounds do organizations have for the termination of volunteer agreements/arrangements?**

There is no set list of grounds to terminate a volunteer arrangement.

**What is the responsibility of organizations for damages incurred by a volunteer's actions within his/her work?**

This will depend on the contractual agreement between the volunteer and the organization as well as the organization and the end beneficiary.





## d. Non-citizen employees and consultants, including refugees and others forcibly displaced

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### 1 Status and the right to work

#### **Are employers obliged to secure legal status for their employees or consultants if they are non-citizens? (such as refugee status, humanitarian visas, visas for trafficking survivors, other recognized protection statuses, etc.)**

In order to legally work in the KSA, an employee must have a KSA residence visa (or be a KSA national) and a KSA work permit. A consultant will never require a residence visa or a work permit from the end user, but from their employer. If they don't provide services physically inside KSA, and the consultancy company (as the employer) is not based in KSA, then a residence visa and a work permit would not be required. However, where the employer is based in KSA, even where an employee provides services fully remotely from outside KSA, the expectation would still be that KSA residence visa and a KSA work permit have been obtained, so that the Ministry of Human Resources and Social Development has a record of all employees working for KSA-based employers.

#### **Are employers obliged to secure work permits for their employees or consultants?**

End users are not obliged (nor should they) secure work permits for consultants. Consultants are independent contractors which should have their own work permit before commencing an engagement with an end user.

#### **Is it always necessary to obtain a work permit?**

For employees, employers are always required to obtain a work permit.





### **Can asylum-seekers and other persons forcibly displaced access the right to work if they do not have refugee status or other recognized protection statuses?**

In order to legally work in the KSA, individuals will also require a residence visa for the KSA. Therefore, without having first obtained a residence visa, an individual will not be able to work in the KSA.

## **2 Contracts**

### **Are employment contracts or consultant agreements for non-citizens different to those for citizens?**

Consultant agreements are not different. In terms of employment contracts, these are generally also not different for non-KSA and KSA nationals. However, KSA nationals can also be employed by way of an unlimited term contract whereas non-KSA nationals can only be employed under fixed term contracts.

## **3 Conditions of employment**

### **Does national law regulate the quotas for the number of non-citizens within one organization? Are employers obliged to report about employed non-citizens?**

There is no law that regulates the number of non-citizens within a company. However, there are several laws and Ministerial Resolutions that set out the required number of citizens within a company. These initiatives are generally referred to as Saudization. In KSA, a number of professions are saudized, meaning that they can only be occupied by KSA nationals. The KSA Government is amending the policies on a constant basis. Depending on the size of the KSA company, further Saudization quotas might need to be fulfilled.

### **Are there any other differences in conditions of employment for non-citizens and citizens? Are there any specific employment terms that apply to citizens but not apply to non-citizens?**

The conditions of employment are the same for non-citizens and citizens with the exception of state pension and the fact that, as discussed above, only Saudi nationals may be employed under unlimited term contracts.

KSA Nationals are entitled to be enrolled into the State Pension Scheme and receive employer contributions into the Scheme. Through a GCC-wide arrangement, GCC nationals who also participate in their state pension schemes are also entitled to continue to receive employer contributions into their own pension scheme whilst working in KSA Expatriates (other than GCC nationals) are not entitled to participate in the GCC/KSA state pension schemes.





## 4 Safe and supportive work environment

**Are there any differences in a safe and supportive work environment approach for non-citizens? If yes, please elaborate here.**

No.

**Does the employer have additional obligations for non-citizens?**

No.

## 5 What to do when things go wrong

**Is the process of termination of an employment contract for non-citizens different than for citizens? If yes, please explain here.**

Generally, no. However, KSA citizens may also be furnished with an unlimited term employment contract (as opposed to non-KSA nationals who can only be employed under a fixed term contract). The process of terminating an unlimited term contract as compared to a limited term contract will be different.

**Is the process of resignation for non-citizens different than for citizens? If yes, please explain here.**

No, the process for resignation is the same for citizens and non-citizens of the KSA.

**Are non-citizens entitled to the equal protection of employment laws in the event of employment-related disputes?**

Yes.





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