

## Ministerial Decision

The Minister of Labor and Social Development,

- Based upon the powers legally granted to him,
- Having reviewed article (11) bis of labor law issued with Royal Decree No. (R/51) dated 23/8/1426 H., amended with Royal Decree No. (R/64) dated 5/6/1436 H., which require that the Minister shall take the following actions that would ensure the improvement of labor market performance and governing the relocation movement of employment.
- Having reviewed the Ministerial Decision no. (4040) dated 12/10/1432 H., which includes the approval on the program of incentivizing the enterprises to localize jobs "Nitaqat" and direction of Royal Order No. (1274) dated 10/1/1436 H., which includes the formation of a work team from the Ministry of Labor and Social Affairs and Ministry of Interior and Human Resources Development Fund to study the Saudization of jobs in charitable associations and organization under the name of "Saudization program through social investment" and out of desire to incentivize the enterprises of private sector in regard of social participation, in addition to contributing in supporting the cooperative national associations and organization, public benefit associations, social development committees and non-profit sector in general – which do not aim at achieving material gain –with national staffs.
- And out of our keen on developing the work and improving performance and serving the best interest of work, decides as follows:

**1:** allowing private sector enterprises (shall be referred here in as the Entities) to provide services of some of its Saudi workers to cooperative

national associations and organizations, public benefit associations, social development committees and entities operating in non-profit sector in general (shall be referred herein as the entity) in accordance with the following conditions:

- Cooperative national associations and organizations, public benefit associations, social development committees and entities operating in non-profit sector in general, which benefit from the services, shall be a holder of a valid license.
- The percentage of employment, which their services are provided, shall not exceed (%10) of Saudi workers in the enterprise.
- The enterprise and the entity benefiting from providing the services shall obtain a logo of wage-earner "providing Saudis services", whereas the enterprise shall comply with the payment of worker salaries for a year at least and two years at maximum in exchange for his work for the beneficiary entity.
- The relationship between the worker and the enterprise subjects to Labor Law and its regulations and it includes the enterprise obligation to train and qualify the worker.
- The worker shall be a fulltime worker of the enterprise and his work for the beneficiary entity of providing his services shall be fulltime.
- The entities benefiting from providing the services shall assume the task of management and supervision over the worker on behalf of the enterprise, whereas it shall prepare monthly performance reports about each worker and provide the enterprise with a copy thereof.

**2:** the worker whose services are provided shall be counted in the enterprise Saudization percentage in accordance with the program of incentivizing enterprises on Saudization "Nitaqat".

**3:** the priority in employment shall be granted to the following categories:

- Sons and daughters of beneficiaries of Social Security and Social Care in the Ministry.
- Those who are registered in the lists of Hafiz program.
- Graduates of General Organization for Social Insurance.

**4:** The Ministry establishes the mechanisms necessary to incentivize those who are included in financial support in Social Security and Social Care to register in the program of Saudization with social investment, in addition to the establishment of rules and mechanisms that allow reregistering them in Social Security, in case they were exposed to insolvency in the program.

**5:** Human Resources Development Fund and Ministry's Agency for Social Development within its scope of supervision on the beneficiary entities shall establish the standards, rules and mechanisms necessary to execute this decision.

**6:** The Ministry reviews this decision and amends it whenever necessary.

**7:** this decision shall come into force as of date of its issuance.

**8:** This decision supersedes all previous decisions in contrary thereto.

**9:** The Vice Minister of labor, Director of Human Resources Development Fund and Secretary of Social Development Agency shall take all actions necessary to enforce this decision, each in their respective areas.



Human Resources and  
Social Development

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Minister of Labor and Social Development

Mafarj bin Saad Al-Haqbani

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