

Procedural Guide

For the Decision to Localize Women's Beauty and Dressmaking Outlets

Ramadan 1444



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1. Introduction and Purpose of the Guide

In the interest of the Ministry of Human Resources and Social Development to provide productive and suitable job opportunities for male and female citizens in various regions of the Kingdom, and to raise the level of their participation in the labor market, on 11/09/1444 H, the Minister of Human Resources and Social Development issued Ministerial Resolution No. (141602), stipulating the localization of women's beauty and dressmaking outlets.

The ministerial decision is part of a set of Localization decisions that the Ministry has worked on, in cooperation, partnership and integration with a number of supervisory authorities and the private sector; to provide a suitable work environment for national cadres, and to increase their participation in the labor market, in line with the Localization strategy that the Ministry is working on with the aim of developing human capital and enhancing its contribution to the economic system.

This guide explains the details of the Localization decision, including the sub-activities, general conditions, and support programs offered by the human resources and social development system, in addition to frequently asked questions.

2. Definitions

| Localization Decision | It refers to the decision of the Minister of Human Resources and Social Development regarding the localization of women's beauty and dressmaking outlets. |
|-----------------------------|--|
| Localization Percentages | It means the percentage of the number of Saudi employees at the service port to the total number of employees, whether Saudis or non-Saudis, at the same service port. |
| Targeted Facilities | Women's beauty shops and dressmaking shops that employ women to serve women. |
| Women's Beauty | It is the service provided for the purpose of beautification, such as: haircuts, styling and dyeing hair, trimming, cleaning and painting nails, removing unwanted hair from the body, cleaning the skin, or using cosmetics (make-up) on the skin for the purpose of beautification. |
| Dressmaking Shop | It is an entity whose main activity is sewing, tailoring and knitting women's clothing, as it is allowed to do more activities related to tailoring work. |
| Debug Timeout | It is the period between the date of publication of the ministerial decision and the date of application of the Localization percentages for the profession. During this period, the facility may work to correct its situation. |
| Implementation Period | It is the period during which the facility is committed to implementing the decision, as the facility is subject to legal procedures and penalties in the event of non-compliance with the localization percentage referred to in this decision (refer to the mechanism for implementing penalties and legal procedures) |
| Support and Employment | It means the support and employment programs provided by the human resources system to stimulate and support the sector. |

3. General Conditions for the Localization Decision

3.1 Activities, Target Occupations and Binding Percentages:

• This decision shall apply to all service outlets for private sector facilities operating in the Saudi market in women's beauty shops and dressmaking shops in which women work to serve women according to the following activities:

| activity Code | Activity Name |
|------------------|--|
| 141060 | Sewing and tailoring women's clothing (women's dressmaking stores), including (women's ateliers) |
| 960210 | Women's salons |

• Occupational Groups and Binding Localization Percentages:

| Professional Group | Localization Percentage | Occupation |
|--|--|-----------------------------|
| Administrative Professions | All female employees in the administrative professions | Branch Manager |
| | | Deputy Branch Manager |
| | | Human Resources Supervisor |
| | | Department Supervisor |
| | | Cashier |
| | | The Receptionist |
| | | Customers Service |
| | | Warehouse Guard |
| | | Sales Professions |
| Technical Professions | One Saudi female employee in one of | Dressmaking Professions |
| | the technical professions for outlets | Make-up Professions |
| | that employ 10 or more non-Saudi | Hair Care Professions |
| | female employees in technical | Photography and Montage |
| | professions. | Professions |
| | (The percentage is applied after excluding the excluded professions) | Skin Care |
| professions excluded from localization | | Female Cleaners |
| | | Nail care |
| | | Body Care |
| | | Transportation and Delivery |

3.2 Date of Implementation of the Decision and Debug Timeout:

It is the period between the date of publication of the ministerial decision and the date of application of the Localization percentages for the profession. During this period, the facility may work to achieve Localization rates to reach its target. The penalties stipulated in this guide and the statutory penalties shall be applied after the debug timeout expires on all facilities that do not comply with the Localization percentage.

Publication



4. Mechanism of Implementing Penalties and Legal Procedures

In the event that the facility does not adhere to Localization in accordance with the provisions of the ministerial decision and the procedural guide, or assigning any of the tasks of these professions domiciliation to a non-Saudi employee - directly or indirectly - under any other job title, the Ministry may take all necessary measures to ensure that the facilities comply with the implementation of this decision, with the application of the penalties stipulated in Ministerial Resolution No. 92768 dated 5/5/1443 H, subject to any modifications thereto.

5. Support and Employment Programs:

A package of incentives and support shall be provided to support private sector facilities in employing Saudis, including the following packages:

- 1. Supporting the recruitment process and the search for suitable employees.
- 2. Supporting the necessary training and qualification processes.
- 3. Supporting the recruitment process and job stability for Saudis.
- 4. The priority to benefit from all Localization support programs available at the system.

6. FAQ

Does the localization decision apply to dressmaking shops where men work to serve women?

No, the decision shall apply to dressmaking shops in which women work to serve women.

Does the localization decision apply to dressmaking shops that employ men to serve men?

No, the decision shall apply to dressmaking shops in which women work to serve women.

Does the decision to localize professions apply in parallel with Nitaqat?

Yes, the Localization decision shall apply to the professions targeted by the decision within the facility, as well as the penalties stipulated in the law, regardless of the scope of the facility in Nitaqat, meaning that the scope of the facility in Nitaqat does not affect the calculation of the Localization percentage.

Does this decision conflict with any of the previous naturalization or feminization decisions?

No, and not conflict with what was stated in the executive regulations of the labor law regarding jobs restricted to Saudis.

Should the decision be implemented in all regions of the Kingdom, or only in the big cities?

Yes, it includes all regions, according to the ministerial decision.

When will monitoring of the activities mentioned in the decision begin?

On the date specified for the application and implementation of the decision.

How is Localization applied to technical professions?

The application of the Percentage shall begin after the presence of 10 non-Saudi female employees in technical professions in one working period (after excluding female employees in the excluded professions), and the facility shall not claim the percentage of localization if the number of female employees in professions is less than 10 female employees in one work period.

Does the localization decision apply to independent photographic shops?

No, the decision shall be applied to the photography profession inside women's beauty and dressmaking shops that employ women to serve women.

Is it possible to benefit from the services of the Ministry of Human Resources and Social Development during the grace period?

Yes, it is.

Does the decision apply to the name of the International Standard Industrial Classification (ISIC4) only or on the actual activity of the facility?

Yes, it is.

Shall the contracts of employees in the nationalized occupations be full-time?

Saudi employees who are required to be present at the outlet and who have a contractual relationship with the employer to perform work mainly in exchange for wages, as their contracts may be in any type of work (full - part - flexible "hourly work") according to the specified terms. Is it possible for the employee required to be present at the outlet with a flexible contract of "hourly work"?

Yes, the employee present at the outlet may be on a flexible work contract "hourly work", provided that the contract shall be valid and documented through the flexible work platform mrn.sa.

Will the Localization percentage be modified in the future?

The Ministry of Human Resources and Social Development works to reduce the unemployment rate and contribute to providing suitable jobs for Saudis, through several initiatives that are launched, to achieve this, the Ministry periodically reviews the required localization percentages by counting the number of graduates and job seekers and the ability and capacity to absorb the labor market to ensure the participation of graduates in the labor market automatically.

