



Human Resources and
Social Development

Procedural Guideline

Nitaqat Mutawar Program

Version 2.0

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Introduction and Purpose of the Guideline

The Ministerial decision No. 182495 was published on 11/10/1442 AH (23/05/2021 AD) and introduces three main amendments to the Nitaqat Program:

1. Simplifying Nitaqat by consolidating sectors.
2. Publishing a Saudization plan for the next three years to provide regulatory stability.
3. Removing fixed size bands and moving to a smooth relationship between worker count and required Saudization.

The amendments to the Nitaqat Program represent one of the essential initiatives of the Ministry of Human Resources and Social Development's strategic development and improvement of the labor market to provide appropriate job opportunities to the national labor force in a safe and attractive work environment. This guideline was developed to clarify details related to the amendments to the Nitaqat Program. It is important for businesses operating in the Kingdom of Saudi Arabia to understand the amendments and adjust their businesses as necessary to ensure they remain in compliance with Nitaqat.

Terms

Firm:

Means every enterprise managed by a natural or legal person employing one or more employees in return for a salary of whatever kind.

Entity:

Means the capacity with which the Ministry will deal for the purposes of calculating the Saudization, recruitment of expatriate employees and transfer of services and it represents all branches of the same economic activity owned by one firm.

Economic Activity:

Means the economic activity in the Nitaqat Program in which an entity is engaged.

Expatriate Employee:

Means the employee who is not a GCC citizen and works for an employer in the Kingdom.

Saudization Rate:

Means the rate calculated by dividing the total averages of Saudi Employees in the entity's branches by (the total of averages of Saudi employees in the entity's branches + total averages of expatriate employees in the entity's branches) x 100.

Range:

Means the classification of an entity in the Nitaqat Program based on its Saudization Rate.

Technical Details

This section covers the following:

- Overview of the updates to the Nitaqat Program
- The method for calculating an entity's range in the Nitaqat Program.

An entity can identify its range electronically using the following link:

[Click Here](#)

A. Overview of the updates to the Nitaqat Program

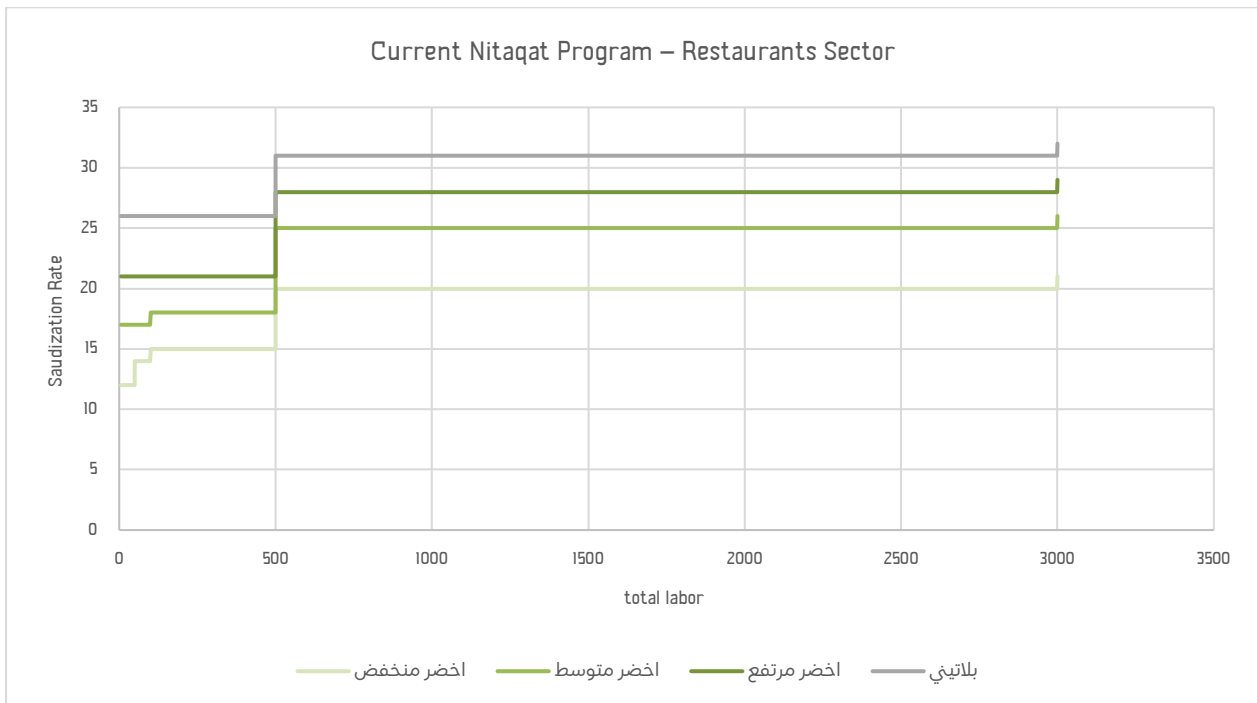
The Program will gradually increase the Saudization Rate over three years and provide the expected Saudization Rates upfront to give firms enough time to organize their human resource plans. The main updates to the Program:

1. Continue using five ranges: Red, Low Green, Medium Green, High Green, and Platinum.
2. Use the consolidated economic activities provided in Annex No. (I)
3. Cancel the use of Saudization Rates according to fixed size bands and apply a calculation based on the number of employees in the entity using fixed values for its economic activity.
4. Adopt the fixed values for each economic activity provided in Annex No. (I)

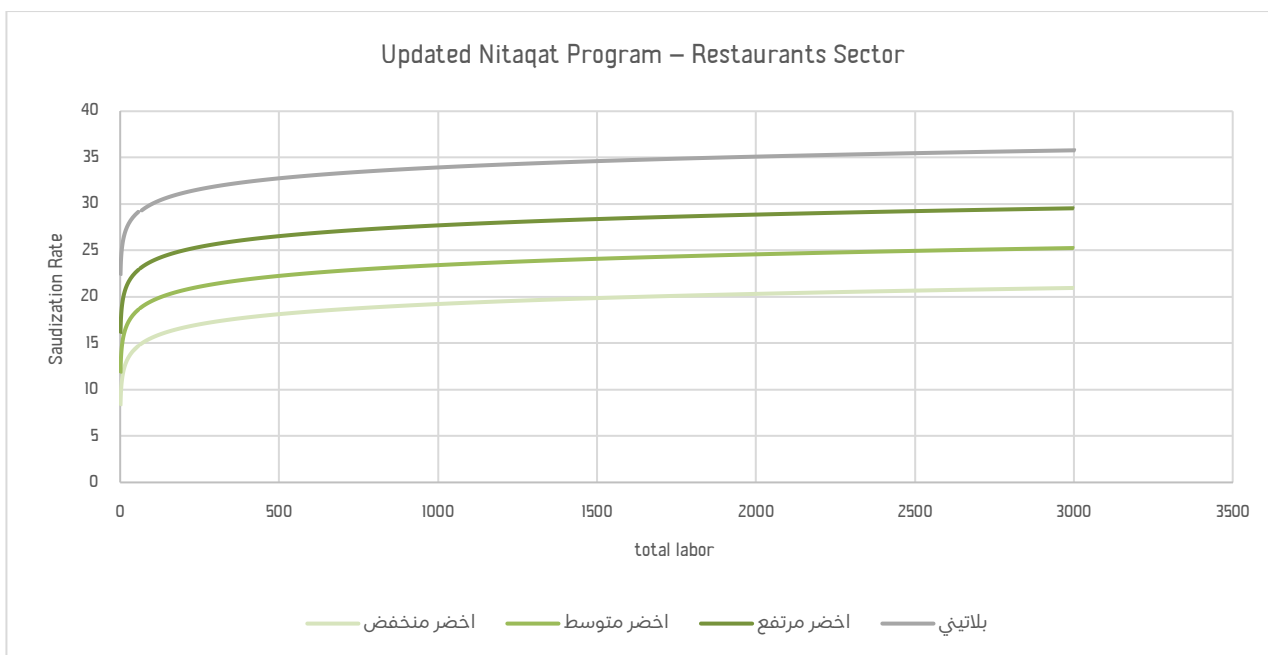
B. Method for calculating an entity's range in the Nitaqat Program

The updated Nitaqat Program is designed to simplify firms' compliance with the applicable Saudization Rates, particularly those firms that are growing.

Taking the Restaurants Sector as an example, the chart below shows Saudization required in the current/old Program based on firm size. The chart shows that the Saudization required increases dramatically as an entity grows from 499 workers to 500 workers, and this hampers growth.



This challenge to growth can be removed if the required Saudization increases smoothly with the size of the firm. The chart below shows how the updated/new Nitaqat Program adopts such a smooth relationship between the size of a firm and its required Saudization.



The Saudization rate for each range in the updated Nitaqat Program is calculated as follows:

- Use the following equation to calculate the minimum Saudization for each range: (Red, Low Green, Medium Green, Platinum)

$$y = m * \ln(x) + c$$

- “y” is the minimum Saudization of the range.
- “m” is the gradient of the curve and differs by economic activity (Annex No. 1)
- “c” is the y-axis intercept of the curve and differs by economic activity and year (Annex. No. 1). The third-year value will be used in the third year and beyond.
- “x” is the total workforce in the entity
- “ln(x)” calculates the natural logarithmic value of the total labor

- The equation should be used to calculate the start of each range:

Range color	Minimum Saudization Calculation
Low Green	$Y_{\text{Low Green}} = m * \ln(x) + c_{\text{Low Green}}$
Medium Green	$Y_{\text{Medium Green}} = m * \ln(x) + c_{\text{Medium Green}}$
High Green	$Y_{\text{High Green}} = m * \ln(x) + c_{\text{High Green}}$
Platinum	$Y_{\text{Platinum}} = m * \ln(x) + c_{\text{Platinum}}$

3. Each range is bounded by the values shown in the table below:

An entity's range is classified by comparing its current Saudization rate and determining in which range it falls as shown in the table below where "n" is assumed to be the entity's Saudization rate.

Range color	Saudization Range
Red	$n < Y_{\text{Low Green}}$
Low Green	$Y_{\text{Low Green}} \leq n < y_{\text{Medium Green}}$
Medium Green	$Y_{\text{Medium Green}} \leq n < y_{\text{High Green}}$
High Green	$Y_{\text{High Green}} \leq n < y_{\text{Platinum}}$
Platinum	$Y_{\text{Platinum}} \leq n$

Example

Entities can determine their range for the next three years using the information provided in this document. An example is provided below

Example

Abdullah for Plastics Company is a fictitious entity in the Manufacturing Sector with 400 employees and its Saudization rate is (35.00%).

1. Locate the **entity's economic activity** in Annex No. (I) (Manufacturing, in this example).
2. Determine the values of "m" (curve gradient) from Annex No. (I).
3. Determine the values of "c" (curve intercept for each year) from Annex No. (I)

<div style="display: flex; justify-content: space-around; margin-bottom: 10px;"> 1. Entity's activity 2. m 3. c, for each year </div>				
Activity	Range	M (Curve gradient)	C-2023 (Jan 2023 to Dec 2023)	C-2024 (Jan 2024 onwards)
Manufacturing	Low Green	1.68	12.08	17.08
	Medium Green	1.87	18.87	23.87
	High Green	2.08	22.47	25.47
	Platinum	2.08	28.37	32.87

4. Calculate the minimum Saudization for each range:

$$y = m * \ln(x) + c$$

- a. Obtain the fixed value of the curve for each range, m
- b. Calculate the natural log of total employees, ln (400)
- c. Obtain the fixed value of each range, c
- d. Compute the equation for each range

5. The results for each range in the year starting Jan 2023 are shown below.

Range color	Second Year Calculation	Result
Low Green	$1.68 * \ln(400) + 12.08$	22.15
Medium Green	$1.87 * \ln(400) + 18.87$	30.07
High Green	$2.08 * \ln(400) + 22.47$	34.93
Platinum	$2.08 * \ln(400) + 28.37$	40.83

As the entity's Saudization is 35.00% it will be in the High Green range starting Jan 2023 as shown in the table below.

Range color	Saudization Range
Red	$n < 22.15$
Low Green	$22.15 \leq n < 30.07$
Medium Green	$30.07 \leq n < 34.93$
High Green	$34.93 \leq n < 40.83$
Platinum	$40.83 = n$

6. The results for each range starting Jan 2024 are shown below.

Range color	Third Year Calculation	Result
Low Green	$1.68 * \ln(400) + 17.08$	27.15
Medium Green	$1.87 * \ln(400) + 23.87$	35.07
High Green	$2.08 * \ln(400) + 25.47$	37.93
Platinum	$2.08 * \ln(400) + 32.87$	45.33

As the entity's Saudization is 35.00% it will be in the Low Green range starting Jan 2024 as shown in the table below.

Range color	Saudization Range
Red	$n < 27.15$
Low Green	$27.15 \leq n < 35.07$
Medium Green	$35.07 \leq n < 37.93$
High Green	$37.93 \leq n < 45.33$
Platinum	$45.33 \leq n$

Services of the Ministry of Human Resources and Social Development by Range

The enabled services for an entity are determined based on its range in Nitaqat. The following is a list of key services for each range and note that use of each service is subject to its own regulations.

Platinum Range

- Apply for new expatriate worker visas.
- Change expatriate workers' occupations.
- Renew work permit of existing expatriate workers.
- Transfer expatriate workers' sponsorship to the entity from any other entity.
- Immediate counting in Nitaqat program.

High Green Range

- Apply for new expatriate worker visas.
- Change expatriate workers' occupations.
- Renew work permit of existing expatriate workers.
- Transfer expatriate workers' sponsorship to the entity from any other entity.
- Immediate counting in Nitaqat program.

Medium Green Range

- Apply for new expatriate worker visas.
- Change expatriate workers' occupations.
- Renew work permit of existing expatriate workers.
- Transfer expatriate workers' sponsorship to the entity from any other entity.
- Immediate counting in Nitaqat program.

Low Green Range

- Cannot apply for new expatriate worker visas.
- Cannot change expatriate workers' occupations.
- Renew work permit of existing expatriate workers.
- Immediate counting in Nitaqat program.

Red Range:

- Cannot change expatriate workers' occupations.
- Cannot transfer expatriate workers' sponsorship to the entity.
- Cannot apply for new expatriate worker visas.
- Cannot issue work permit for new expatriate workers.
- Cannot renew work permit of existing expatriate workers.

Annex No. (1)

Activity	Range	M (Curve gradient)	C-2023 (Jan 2023 to Dec 2023)	C-2024 (Jan 2024 onwards)
Agriculture & Animal Production	Low Green	0.19	4.38	4.38
	Medium Green	0.58	5.13	5.13
	High Green	0.58	9.38	9.38
	Platinum	0.58	14.38	14.38
Hydrocarbons and their Processing	Low Green	4.98	3.62	3.62
	Medium Green	6.00	18.00	18.00
	High Green	6.00	21.00	21.00
	Platinum	6.00	23.00	23.00
Manufacturing	Low Green	1.68	12.08	17.08
	Medium Green	1.87	18.87	23.87
	High Green	2.08	22.47	25.47
	Platinum	2.08	28.37	32.87
Construction & Cleaning	Low Green	-0.37	12.17	12.17
	Medium Green	-0.37	14.17	14.17
	High Green	0.00	17.00	17.00
	Platinum	0.00	22.00	22.00

Activity	Range	M (Curve gradient)	C-2023 (Jan 2023 to Dec 2023)	C-2024 (Jan 2024 onwards)
Operations & Maintenance	Low Green	0.14	16.12	17.62
	Medium Green	0.14	20.12	21.12
	High Green	0.48	24.96	26.96
	Platinum	0.76	29.09	31.09
Retail & Wholesale	Low Green	2.47	20.25	24.25
	Medium Green	2.47	24.72	28.72
	High Green	2.67	28.91	32.91
	Platinum	2.84	36.91	40.91
Restaurants (excluding Fast Food)	Low Green	1.58	12.47	13.87
	Medium Green	1.67	15.98	17.38
	High Green	1.67	20.26	21.66
	Platinum	1.67	25.71	26.81
Fast Food and Ice Cream	Low Green	1.58	14.08	16.58
	Medium Green	1.67	19.04	21.54
	High Green	1.67	23.27	25.77
	Platinum	1.67	28.26	30.76

Activity	Range	M (Curve gradient)	C-2023 (Jan 2023 to Dec 2023)	C-2024 (Jan 2024 onwards)
Coffee and Drinks	Low Green	1.58	15.98	20.98
	Medium Green	1.67	19.49	24.49
	High Green	1.67	31.42	39.07
	Platinum	1.67	34.52	40.60
Catering	Low Green	1.58	13.46	15.46
	Medium Green	1.67	16.97	18.97
	High Green	1.67	21.25	23.25
	Platinum	1.67	26.93	28.93
Ladies Goods, Sales, and Repair of Mobiles	Low Green	0.00	82.00	82.00
	Medium Green	0.00	85.00	85.00
	High Green	0.00	89.00	89.00
	Platinum	0.27	93.42	93.42
Land Transportation and Storage	Low Green	1.15	11.09	11.09
	Medium Green	1.15	15.20	15.20
	High Green	1.50	17.82	17.82
	Platinum	1.71	26.74	26.74

Activity	Range	M (Curve gradient)	C-2023 (Jan 2023 to Dec 2023)	C-2024 (Jan 2024 onwards)
Air and Sea Transportation	Low Green	1.45	24.57	27.57
	Medium Green	1.45	37.98	40.98
	High Green	1.86	47.38	50.38
	Platinum	2.67	54.29	57.29
Finance	Low Green	2.60	50.00	50.00
	Medium Green	2.60	57.00	57.00
	High Green	2.60	62.00	62.00
	Platinum	2.60	65.00	65.00
Business Services	Low Green	1.03	30.78	33.28
	Medium Green	1.03	39.62	42.12
	High Green	2.19	42.12	47.12
	Platinum	2.19	52.82	57.82
Social Services	Low Green	1.83	12.82	15.82
	Medium Green	2.38	24.90	27.90
	High Green	3.50	31.74	34.74
	Platinum	3.50	54.52	54.52

Activity	Range	M (Curve gradient)	C-2023 (Jan 2023 to Dec 2023)	C-2024 (Jan 2024 onwards)
Personal Services	Low Green	1.46	13.07	15.57
	Medium Green	1.92	19.36	21.36
	High Green	4.40	23.63	25.63
	Platinum	5.00	25.13	26.63
Higher Education Providers	Low Green	0.00	34.00	34.00
	Medium Green	0.00	48.00	48.00
	High Green	0.43	75.37	75.37
	Platinum	0.43	82.00	82.00
Girls Schools, Kindergartens, Babysitting	Low Green	0.00	51.00	51.00
	Medium Green	0.00	66.00	66.00
	High Green	0.00	89.56	89.56
	Platinum	0.00	95.00	95.00
International Schools	Low Green	2.30	4.95	4.95
	Medium Green	2.30	14.19	14.19
	High Green	2.30	19.99	19.99
	Platinum	2.30	28.77	28.77

Activity	Range	M (Curve gradient)	C-2023 (Jan 2023 to Dec 2023)	C-2024 (Jan 2024 onwards)
Medical Labs and Health Services	Low Green	0.35	23.74	25.24
	Medium Green	0.35	28.74	29.74
	High Green	0.35	33.24	33.24
	Platinum	0.35	34.24	34.24
Accommodation, Leisure, Tourism	Low Green	2.42	22.60	26.10
	Medium Green	2.42	29.02	32.52
	High Green	2.59	34.40	37.90
	Platinum	2.59	40.52	44.02
Basic commodities and fuel	Low Green	0.17	8.86	8.86
	Medium Green	0.56	11.22	11.22
	High Green	0.56	21.59	21.59
	Platinum	1.19	26.09	26.09
Boys Schools, Boys and Girls School Complexes	Low Green	1.31	29.30	29.30
	Medium Green	1.31	39.15	39.15
	High Green	1.31	50.27	50.27
	Platinum	1.31	61.00	61.00

Activity	Range	M (Curve gradient)	C-2023 (Jan 2023 to Dec 2023)	C-2024 (Jan 2024 onwards)
Employment, Recruitment and Security Services	Low Green	0.34	74.50	74.50
	Medium Green	0.34	77.50	77.50
	High Green	0.34	80.50	80.50
	Platinum	0.34	84.50	84.50
Communication Solutions	Low Green	2.19	25.76	27.76
	Medium Green	2.52	34.76	36.76
	High Green	2.91	40.02	42.02
	Platinum	3.22	47.15	49.15
Post Sector	Low Green	0.81	17.10	18.10
	Medium Green	0.81	22.10	23.10
	High Green	1.01	32.50	34.50
	Platinum	1.01	42.50	44.50
IT Infrastructure	Low Green	3.61	15.77	15.77
	Medium Green	3.61	22.64	22.64
	High Green	3.61	38.00	38.00
	Platinum	3.61	48.00	48.00

Activity	Range	M (Curve gradient)	C-2023 (Jan 2023 to Dec 2023)	C-2024 (Jan 2024 onwards)
Communication Infrastructure	Low Green	0.00	15.00	18.00
	Medium Green	0.00	19.00	22.00
	High Green	0.00	23.00	26.00
	Platinum	0.00	28.00	31.00
Operations & Maintenance in Communications	Low Green	0.00	15.00	18.00
	Medium Green	0.39	18.98	21.98
	High Green	0.39	23.33	26.33
	Platinum	0.39	28.00	31.00
Operations & Maintenance in IT	Low Green	4.85	13.96	16.96
	Medium Green	4.85	22.42	25.42
	High Green	4.85	25.42	28.42
	Platinum	4.85	32.36	35.36
IT Solutions	Low Green	2.19	24.76	26.76
	Medium Green	2.34	30.54	32.54
	High Green	2.91	39.02	41.02
	Platinum	3.22	46.15	48.15

Activity	Range	M (Curve gradient)	C-2023 (Jan 2023 to Dec 2023)	C-2024 (Jan 2024 onwards)
Mining of Metallic Minerals and Precious Stones	Low Green	1.68	16.00	18.00
	Medium Green	1.87	19.00	19.00
	High Green	2.08	28.00	28.00
	Platinum	6.00	23.00	23.00
Mining of Non-metallic and Industrial Minerals	Low Green	1.68	16.00	18.00
	Medium Green	1.87	17.00	19.00
	High Green	2.08	19.00	20.00
	Platinum	6.00	23.00	23.00
Building Materials Mining	Low Green	0.00	7.00	7.00
	Medium Green	0.00	10.00	11.00
	High Green	0.00	13.00	13.00
	Platinum	6.00	23.00	23.00
Electricity and Water Services	Low Green	1.68	16.00	18.00
	Medium Green	1.87	19.00	19.00
	High Green	2.08	28.00	28.00
	Platinum	6.00	23.00	23.00

Activity	Range	M (Curve gradient)	C-2023 (Jan 2023 to Dec 2023)	C-2024 (Jan 2024 onwards)
Combined Entities	Low Green	2.23	10.99	12.99
	Medium Green	2.23	22.40	24.40
	High Green	2.23	33.81	35.81
	Platinum	2.23	44	46



For more information, please visit the following website:
www.hrsd.gov.sa