

## UNIFIED GUIDELINES OF NITAQAT PROGRAM



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## **MINISTER'S MESSAGE**



# Minister's Message

Praise be to God alone! May Allah's Peace and Blessings be upon the Last Prophet!

Work is a right enshrined for every citizen, and the Government of Saudi Arabia strives to help provide it.

In order to bring down unemployment and to create suitable job opportunities for the sons and daughters of this nation, the Ministry of Labor and Social Development (MLSD) is obliged not to approve applications for recruitment of expatriates and employment of the non-Saudi Employees unless it is assured that the qualified national labor is not available or not sufficient.

MLSD has conducted a number of studies and surveys on a large part of the labor market to measure the rates of Saudization in various activities so that it can determine the Saudization Rate that suits each activity.

Needless to say that Expatriate Employees recruitment may be necessary in the light of the lack of Saudi experienced Employees, the reluctance of the Saudi Employees to assuming certain occupations, or the inability to fill vacancies with Saudi Employees for any other reason. The shortage of the labor force on the labor market hampers economic growth and may result in economic or social disturbances.

On the other hand, there is no doubt that Expatriates over-recruitment adversely affects the Kingdom in terms of economy, society and security.

In implementation of the Royal Decrees, and in accordance with the provisions of the Labor Law and its Executive Regulations, and in line with the fact that MLSD believes that it is necessary to put in place clear mechanisms to support the Saudization of jobs and to regulate applications for Expatriate Employees recruitment, and to score balance between the Expatriate Employees recruitment and the actual market need, as not inconsistent with the decisions and programs that encourage Saudization, we have decided to issue these Guidelines on Nitaqat Program, which aims to regulate the labor market and to enable Employers to identify required Saudization Rates and the features of Nitaqat, and the standards adopted by MLSD when issuing its approval for the Expatriate Employees recruitment in order to make procedures clearer and more transparent.

Last but not least, I would like to point out that these Guidelines are the result of concerted effort. This edition has been reviewed and revised by dozens of Employers, either by participating in workshops that preceded the development of the mechanisms or in reviewing the wording of what was agreed upon in these Guidelines. We thank them for their much appreciated efforts. The Ministry also needs this communication to continue. These Guidelines are available to everyone and are considered a draft that can be revised and refined. We welcome the suggestions, remarks and constructive criticism of the interested parties. They can contact us via my email [alwazeer@mlsd.gov.sa](mailto:alwazeer@mlsd.gov.sa).

We hope that these Guidelines will achieve the purpose for which they are prepared.

**Minister of Labor & Social Development**

## **DEFINED TERMS IN THESE GUIDELINES**



# Terms

- **Firm:** Means the Employer, whether it is a company, corporation, office, association, etc.
- **Monthly Salary:** Means the wage subject to registration with the General Organization for Social Insurance (GOSI) (Basic Salary + Housing Allowance)
- **Registration of the Firm with with GOSI:** Means the process of opening a file of the Firm with GOSI and the registration of the Saudi and Expatriate Employees (if any) with it.
- **Entity Evaluation:** Means the process of classifying Entities in Nitaqat to determine their Range based on their Expatriate Employees recruitment criteria, size, and Economic Activity.
- **Entity Size:** Means the classification of Entities based on their total number of Employees.
- **Entity:** Means the capacity with which MLSD will deal for the purposes of calculating the Saudization, recruitment of expatriate employees and transfer of services and represents all branches of the same economic activity owned by one firm. Should the Firm be engaged in two economic activities, e.g. transport and retail, MLSD will deal with such firm as two independent entities, i.e. a transport entity and a retail entity, regardless of whether the activity in which the main firm is engaged or the number of its branches.
- **Visa:** Means an official authorization attached to the passport that entitles the holder of the passport to enter the Kingdom for work purposes.
- **Occupation Change:** Means a service provided by the Ministry to enable entities to change the occupations of its expatriate employees in the records maintained by the relevant government authorities.
- **Expansion:** Means the entity's growth in space or in the volume of work.
- **Part-time (for some jobs):** Means the work of a part-time employee with an employer with working hours less than half of the normal daily working hours of the firm, whether such working hours are spent on a daily basis or on certain days of the week.

# Terms

- **Employer:** Means any person who employs one or more employees for remuneration and is given a unified number under which all of its affiliated entities, if any, fall.
- **Expatriate Employee:** Means any person who is not a GCC citizen who works for an employer in the Kingdom.
- **Telework:** Means the employee's performance of his or her duties in a place other than the normal workplace, using any means of communication and information technology.
- **Work Permit:** Means a permit granted by MLSD that entitles the authorized person to work with the entity specified in the permit for a specified period.
- **Weekly Saudization Rate:** Means the rate calculated by dividing the total Saudi Employees in the entity's firms by (total of the average Saudi employees in the entity's firms + total average of expatriate employees in the entity's firms) x 100.
- **Basic Employee:** Means the expatriate employee who is not treated as a Saudi and not a special expatriate, who has been authorized to work in the Kingdom and has been furnished with a work permit authorizing him or her to work in the Kingdom.
- **Visa Balance:** Means the number of visas that a firm can use as per the entity determined by the Ministry's regulations in Nitaqat.
- **Distance Employee:** Means any Saudi natural person who performs their work remotely for an employer, away from the physical supervision and management of such employer, for a remuneration.
- **Special Expatriate:** Means the sons and daughters of female citizens, the non-Saudi wives of male citizens, and the non-Saudi husbands of female citizens.
- **Labor Office:** The administrative body of the Ministry entrusted with labor affairs in the spatial area determined by MLSD.



# Terms

- **Establishment of a New Firm:**  
Means the firm that applies for the first time to the Ministry for enjoying the services it provides.
- **Economic Activity:** Means a classification of the firms based on the business sector in which the entity is engaged, based on the details provided by the Ministry of Commerce and Investment.
- **Person with Disability (PwD):**  
Means a male or female Saudi employee with disability, but they are able to work in accordance with the classification of the Ministry of Labor and Social Development.
- **Occupations Reserved for Saudis Only:** Means a range of occupations which may only be assumed by Saudis and those treated as Saudis, such as GCC citizens under Royal Decrees and the decisions of the Council of Ministers.
- **Range:** Means a classification of Nitaqat based on the Saudization Rate of the economic activity according to its size. There are six ranges or bands (Platinum, High Green, Medium Green, Low Green, Yellow, and Red).
- **Special Categories:**
  1. Means Saudi students residing in the Kingdom who work as part-timers on a regular basis. (This definition does not include literacy students, external students, distance learners, summer training students, practical training students, field training students, or students engaged in work programs that are part of students' graduation requirements.)
  2. Released prisoners
  3. Permanently part-time employees
  4. People with disabilities who are able to work.

1

# INTRODUCTION



# 1. Introduction

All ministries and sectors of the State act in concert towards the objectives that the Kingdom aspires to achieve, whether those related to the National Transformation Program 2020, or to the Saudi Vision 2030.

Through the study of the Saudi labor market, the Ministry of Labor and Social Development develops initiatives and programs in order to achieve all that is in the interest of the homeland and citizens and improve the performance of the labor market. Nitaqat is one of the programs of the Ministry seeking to empower the national workforce and provide an attractive and safe working environment for the sons and daughters of the homeland, and seek to reduce non-productive employment.

In the pursuit of the Ministry of Labor and Social Development to develop programs and initiatives, it provides a complete guide to explain to all parties concerned their roles. Following the announcement by the Ministry of the decision to update the Saudization Rates which the labor market firms are required to achieve in Nitaqat, these Guidelines are issued so as to provide the method of classification of entities by their activity and size, and the method of calculating the range of the entities and the Saudization rates which entities are required to achieve.

These guidelines aim to:

- Clarify the mechanisms for calculating the level of Saudization in firms; and
- Increase the level of transparency in dealing with the entities with regard to calculating the Saudization Rates through explaining the controls and standards followed by the Ministry when making decisions in this regard.

2

## ABOUT NITAQAT

SAUDIZATION MOTIVATION PROGRAM



## **2. About Nitaqat**

Nitaqat Program is a standard for incentivizing firms to Saudize jobs. Its main idea is to classify the entities with 6+ employees into six ranges, namely (Red, Yellow, Low Green, Medium Green, High Green, and Platinum) as per their job Saudization rates.

Nitaqat is designed in a fair manner where firms which are similar in size and activity are evaluated so that the top five percent of those similar firms in terms of Saudization are placed in the Platinum Range. On the other, the lowest five percent of them are placed in the Red Range. The remaining firms are distributed according to their Saudization Rates between the Green and Yellow Ranges. The facilities and services provided by the Ministry of Labor and Social Development will help the Green and Platinum entities grow, and expand and, as a result, employ more Saudis. In contrast, the entities in the Red and Yellow Ranges which fail to cooperate in Saudization and comply with the provisions of the Labor Law and its Executive Regulations will not enjoy such facilities. That may weaken their ability to retain their current workforce, and, as a result, they will have to comply with the Labor Law by employing Saudis in order to move from the Red and Yellow Ranges if they desire to continue and compete as other entities do.

Therefore, Nitaqat is in line with the Saudi Vision 2030 and the objectives of the National Transformation Program 2020. It represents one of the most important pillars of the strategic transformation program and initiatives of the Ministry of Labor and Social Development aimed at improving the performance of the labor market, providing proper jobs, and a safe and attractive work environment for the sons and daughters of the Kingdom, reduction of non-productive employment, effective targeting of full employment of the Saudi Employees, reduction of dependence on expatriate employees, and reduction of unemployment rates.

## **2. About Nitaqat**

Nitaqat Program serves the common interests of job seekers and employers in the private sector. The benefits for both parties include:

### **A: Job Seekers:**

1. Motivating entities to invest more in human resources to find decent, ambition-quenching jobs that are acceptable to citizens.
2. Ensuring that the rights of Saudi employees are safeguarded by registering them with the General Organization for Social Insurance because taking any employee into account while calculating the average Saudization Rate will be based on the information maintained by the General Organization for Social Insurance which is electronically linked to the Ministry.
3. Helping expatriate employees to move to work for employers who are more caring and more able to provide a regulation-compliant working environment.

### **B: Employers:**

1. Nitaqat Program uses logical and market-based valuation criteria. It relies on actual market performance over the past period through surveys and the views of a number of private sector firms. It also takes into account the entity's size and activity.
2. It facilitates the employment of expatriate employees in firms within secure Ranges (Low Green and above) and gives firms the advantage of selecting the best locally experienced expatriates working in entities that have not renewed their work permits while those expatriate employees wish to work in a better environment.
3. It is an equitable program. The entities are evaluated based on the performance of other benchmark entities with similar activity and size, thereby ensuring fair treatment for all.
4. Easy-to-complete transactions. The rights and benefits of the entity will be clear and specific. They will be obtained mainly electronically and easily.

## Important Notes!

These Guidelines shall be effective as of 12 Dhu al-Hijjah of 1438H, corresponding to 3 September 2017G:

- Changes to these Guidelines may be made from time to time, depending on the labor market variables to ensure that these Guidelines accurately achieve the objectives for which they were prepared. The Ministry will seek to schedule updates to cushion any negative impact on the labor market.
- The Ministry retains the right, at any time and without prior notice, in cases that the Ministry deems appropriate to protect the labor market, to take such measures as it deems necessary to limit employment, adjust the required Saudization Rates and protect the labor market, including rejecting the applications for recruitment of expatriate employees and for the transfer of services as a whole or within certain geographical boundaries, for specific entities or firms, or for any other reason, even if such applications meet the requirements of these Guidelines.
- The Ministry will publish any changes to these Guidelines on its website. Therefore, the Ministry recommends interested parties to rely on the copy of the Guidelines published on the Nitaqat Portal which can be accessed through the Ministry's website to keep abreast of the ongoing development and updating ([nitaqat.mlsd.gov.sa](http://nitaqat.mlsd.gov.sa)).

# 3

## ENTITY CLASSIFICATION





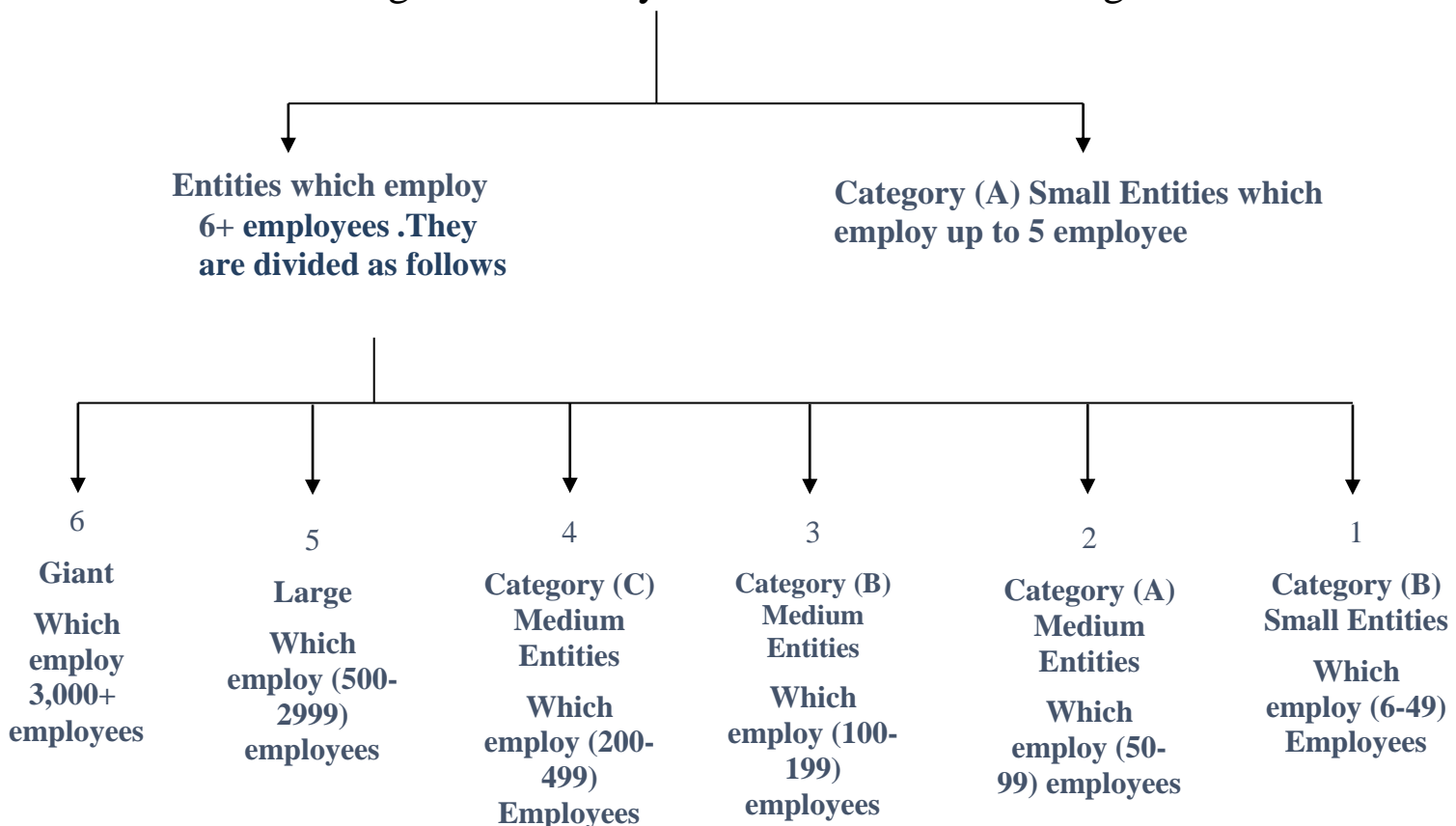
### 3. Classification of Ranges

All entities are classified by their activities and sizes.

1. **Existing Entities:** Means the total number of branches with the same economic activity of the same firm. **Category (A) Combined Small Entities:** Means the classification of entities whose combined number of employees does not exceed 5 employees and are owned by the same employer, regardless of the activity of such Entities.
2. **Combined Existing Entities:** Means the classification of the combined entities whose number of employees does not exceed 5 employees, but their total number of employees exceeds 5 employees and they are owned by the same employer, regardless of the activities of such Entities.

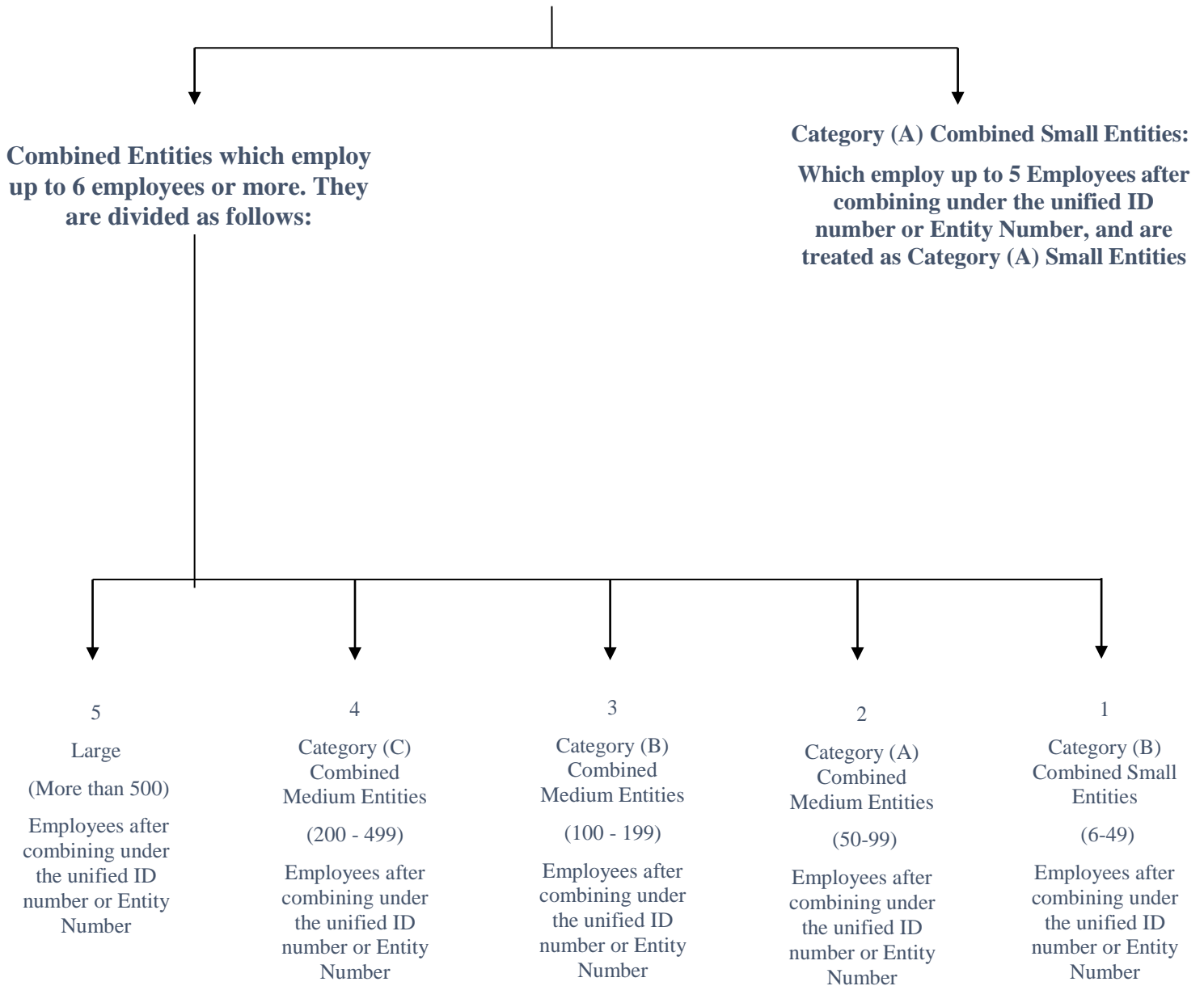
#### a) Entity Size:

A: Existing entities. They are divided into two categories



### **3. Classification of Entities**

B: Combined Existing Entities. They are divided into two categories



### 3. Classification of Entities

#### b) Entity's economic activity:

ACTIVITY	DESCRIPTION
<b>Agricultural services, fishing, bird hunting, livestock, sheep, and equestrian clubs</b>	This category includes private farms, herders and fishermen with more than four employees. This category includes agricultural activities with the exception of agricultural, animal and poultry production mentioned below.
<b>Agricultural, animal and poultry production</b>	This category includes all activities related to agricultural production such as fruit trees, citrus fruits, field crops, vegetables, flowers, and plants, including ornamental plants and seedlings. It also includes animal production for breeding purposes such as pets, livestock, sheep, cattle, poultry and birds such as ostriches, hawks, ducks and rabbits for the purpose of propagation and trade or to benefit from the sale of their products such as eggs.
<b>Petroleum and Natural Gas</b>	This category includes the excavation and extraction of raw materials from the ground, including petroleum and natural gas, as well as the drilling, maintenance and restoration of wells.
<b>Mines and Quarries</b>	This category includes all activities related to the extraction of mining materials, e.g. iron, copper, gold and phosphate underground or above the ground, as well as stone and sand quarries.
<b>Petrochemical Industries, Coal and Rubber</b>	This category includes all the activities and operations carried out by firms with a view to producing chemicals extracted from oil and gas (petrochemicals) and petroleum refining

### **3. Classification of Entities**

<b>ACTIVITY</b>	<b>DESCRIPTION</b>
<b>Cement Industry</b>	This category includes all activities and operations carried out by firms for the production and manufacture of cement
<b>Electricity, Gas and Water</b>	This category includes all activities related to the generation, transmission/piping and distribution of electricity from various sources of energy for domestic consumption or for commercial and industrial purposes. It also includes the production, packaging, sale and distribution of domestic gas to third parties and water operations that include potable water from its sources in nature or from seawater by desalination in desalination plants, purification, piping and distribution for domestic, commercial or industrial consumption.
<b>Construction</b>	This category includes general contracting works, which are firms that prepare construction sites such as landfill, leveling, excavation of foundations, demolition, etc., and the construction, alteration and repair of buildings of different uses, as well as other civil constructions such as roads, bridges, ports, airports, dams and other constructions. Also covered by this category are the installation of different equipment, devices, and systems of buildings, as well as sanitary installations, electrical installations, carpentry, painting, painting, decoration and building restoration.
<b>Maintenance and Operation Contracting</b>	This category includes the maintenance and operation activities in all sectors.
<b>Gold and Jewelry Trading</b>	This category includes the sale of gold and Jewelry.
<b>Pharmacies</b>	This category includes pharmacies of all kinds.

### **3. Classification of Entities**

ACTIVITY	DESCRIPTION
<b>Nutrition Services</b>	This category includes ordinary or fast food restaurants, and coffee shops, snack shops, juice shops, and ice cream shops, as well as custom cooking shops (kitchens)
<b>Entertainment and Tourism</b>	This category includes travel and tourism offices, antiquities museums, science museums, and libraries, and facilities providing entertainment services such as entertainment spots and resorts.
<b>Inter-City and Inter-Country Land Transport of Passengers</b>	This category includes land transport operations for inter-city and inter-country transport of passengers.
<b>Intra-City Land Transport of Passengers</b>	This category includes intra-city land transport of passengers.
<b>Intra-City Land Transport of Goods</b>	This category includes intra-city land transport of goods.
<b>Inter-City and International Land Transport of Goods</b>	This category includes inter-city and international land transport of goods.
<b>Storage</b>	This category includes all types of storage and lease of warehouses, such as silos, public warehouses and fertilizer stores.
<b>Air Transport</b>	This category includes all types of air transport.
<b>Sea Transport</b>	This category includes all operations related to sea transport, such as passenger transport and freight forwarding.

### **3. Classification of Entities**

ACTIVITY	DESCRIPTION
<b>Communications</b>	This category includes telecommunications services for public networks and postal services that include the exchange, transmission, and recording of messages.
<b>Insurance and Business Services</b>	This category includes insurance of all kinds, as well as insurance intermediaries and agents and supply and export intermediaries.
<b>Financial Institutions</b>	This category includes financial institutions operating in banking activities such as banks, credit and savings firms, and firms providing financial services associated with banking and investment operations such as exchange of currency and the persons licensed by the Capital Market Authority.
<b>Collection Offices and Real Estate Services</b>	Collection offices are offices that track the repayment of debts owed by individuals and companies. Real estate services are services related to everything fixed in place and cannot be moved without damage, i.e. land, buildings and trees that are connected to the ground.
<b>Consulting and Business Services</b>	This category includes consultancy and business services.
<b>Collective and Social Services</b>	This category includes the provision of social or collective services to the public and sports clubs.
<b>Private Expatriate Recruitment Agents</b>	This category includes the private recruitment activity licensed by the Ministry to mediate the recruitment of expatriate employees.
<b>Public Relations Offices</b>	This category includes public relations services for individuals and firms with government agencies.

### **3. Classification of Entities**

<b>ACTIVITY</b>	<b>DESCRIPTION</b>
<b>Personal Services</b>	This category includes the activity of personal services of individuals.
<b>Service Workshops and Shops</b>	This category includes maintenance, repair of appliances or cars, and services related to decoration, upholstery, and curtains.
<b>Printing, Publishing and Media</b>	This category includes activities falling within the framework of publishing, distribution and media.
<b>Laboratories</b>	This category includes firms that perform examination and analysis, whether using the equipment or manually.
<b>Health Services</b>	This category includes health facilities licensed by the competent authorities to provide therapeutic, medical and preventive services, such as medical clinics, public and specialized hospitals, health centers, rehabilitation homes, medical rehabilitation centers, diagnostic and radiological centers, and other Firms offering supportive medical services and alternative medicine centers. It also includes veterinary clinics and specialized hospitals for the treatment of animals.
<b>Institutes</b>	This category includes institutes providing education services, as well as training and vocational training institutes.
<b>Health Colleges</b>	This category includes health colleges.
<b>Foreign Schools</b>	This category includes schools that apply international curricula. Schools belonging to foreign embassies are excluded.
<b>Private Schools for Boys</b>	This includes primary, intermediate and secondary schools for boys.
<b>Private Schools for Girls</b>	This includes primary, intermediate and secondary schools for girls.

### **3. Classification of Entities**

<b>ACTIVITY</b>	<b>DESCRIPTION</b>
<b>Private Schools for Boys and Girls</b>	This category includes primary, intermediate and secondary schools for boys, and primary, intermediate and secondary schools for girls under the same firm.
<b>Kindergarten</b>	This category includes kindergartens.
<b>University Colleges</b>	This category includes colleges providing higher and university education services.
<b>Private Employment Offices</b>	This category includes the process of mediating the employment of national manpower in all specialties and levels in the private sector.
<b>Ready-Mix Concrete</b>	This category includes all the activities and operations carried out by the firms for the production and manufacture of ready-mix concrete.
<b>Information Technology</b>	This category includes IT facilities.
<b>Stone, Granite and Bricks</b>	This includes firms that engage in manufacturing, processing and cutting of stone, granite and bricks.
<b>Petrol Stations</b>	This includes petrol stations firms.
<b>Accommodation and Hotels</b>	This category includes firms that manage facilities for short stays, such as hotels, furnished apartments, youth hostels and other firms that provide accommodation for third parties for a consideration or for a rent.
<b>Centers for People with Disabilities</b>	This category includes centers for people with disabilities.
<b>Children Day-Care Centers</b>	This category includes children day-care centers.
<b>Women's Goods and Services</b>	This category includes women's activities in wholesale and retail trade such as women's textile trade, women's ready-made clothes and accessories trade, footwear, bags and leather goods trade, perfumery and cosmetics trade. It also includes women's activities in collective, social and personal services such as restaurants, women's cafes, diet centers, women's photography centers, wedding palaces, wedding and event centers.



### **3. Classification of Entities**

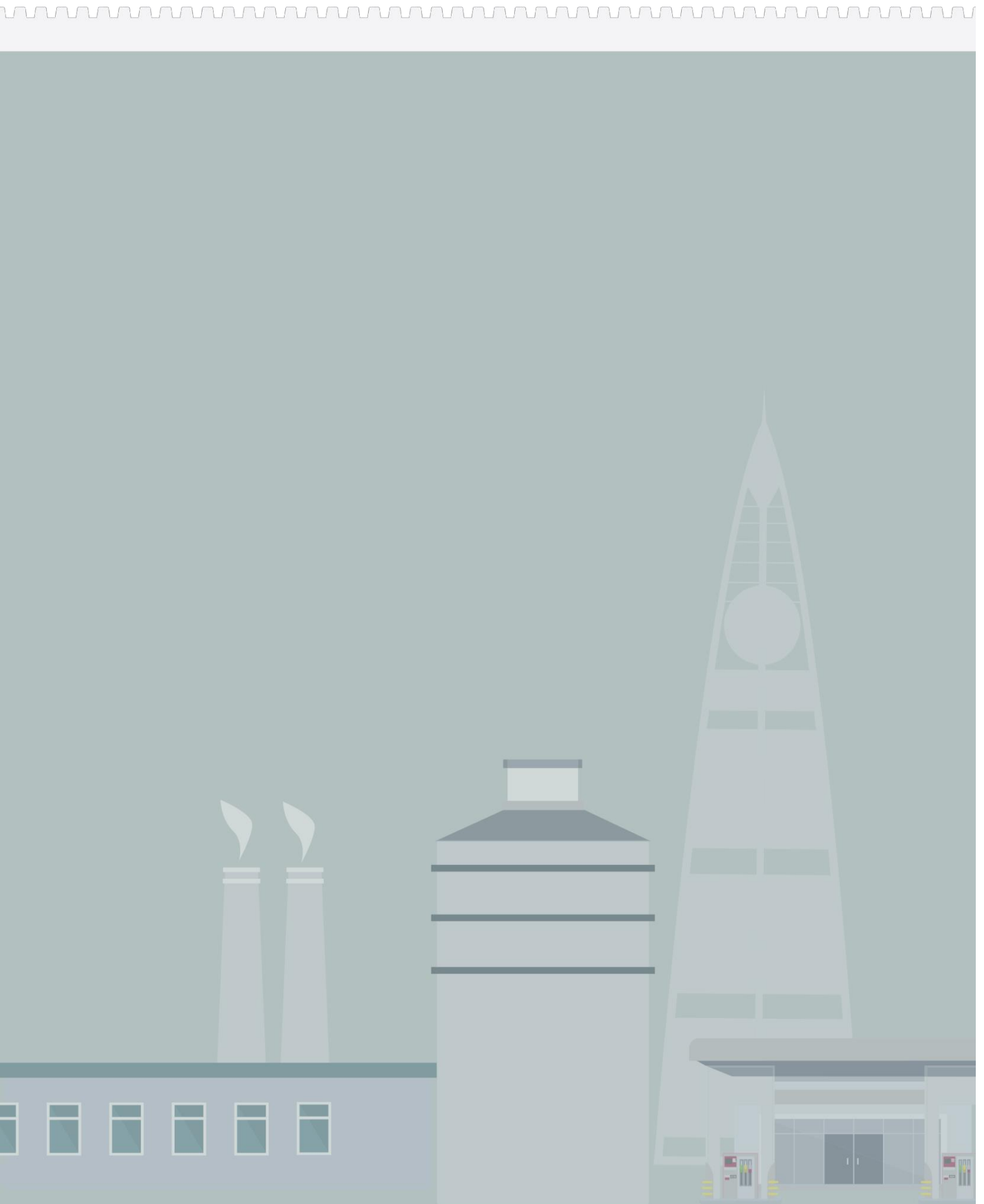
<b>ACTIVITY</b>	<b>DESCRIPTION</b>
<b>Beauty Centers and Women Tailoring Workshop</b>	This activity includes women's hair cutting centers, beauty centers, women's clothes tailoring centers.
<b>Gas Retail Stores</b>	This category includes the stores that sell gas to the public.
<b>Strategic Partnership Institutes</b>	This category includes training areas that are drawn from different developed countries.
<b>Security Guards</b>	This category includes security guard services.
<b>Transportation of Pilgrims and Umrah Performers</b>	This category includes firms engaged in transportation of pilgrims and Umrah performers.
<b>Manufacture of Jewelry and Coins</b>	This category includes the manufacture of gold jewelry, precious stones, precious metals, jewelry and minting.
<b>Cleaning and Sustenance Contracting</b>	This category includes cleaning and sustenance works in all sectors.
<b>Bakeries and Bread Trade</b>	This category includes bakeries and wholesale and retail trade of bread of all kinds.
<b>Dairy Factories</b>	This category includes the dairy and dairy derivatives industry.
<b>Laundries</b>	This category includes manual and automatic laundries.

### **3. Classification of Entities**

<b>ACTIVITY</b>	<b>DESCRIPTION</b>
<b>Manufacturing Industries</b>	This category includes all activities and operations carried out by firms with a view to transforming raw materials and half-finished or semi-finished products in terms of composition, substance or appearance into finished or half-finished products. This includes mixing, purifying, assembling, forming, refilling or re-packaging of products, provided that this is done using motor power and by a certain number of employees. This category also includes manufacturing industry activities aimed at changing, renewing or reproducing manufactured materials.
<b>Manufacturing - Metal Manufacturing, Chemical Industries Transport Sector, Public Manufacturing of Consumer Goods etc.</b>	This category includes firms engaged in manufacturing and maintenance of metal manufacturing (such as steel and sheet metal industry), the chemical industry (such as fertilizers and paints), the transport sector and the transport industry (such as vehicles and railways) and in general manufacturing of electronic consumer goods (such as radios and televisions) and others (such as lifts and air conditioners).
<b>Manufacturing - Industries of food, plastic, textile, building materials, and carpentry and carpentry machinery, and household appliances and accessories thereof</b>	This category includes the firms engaged in manufacturing all materials related to food stuffs (such as oil and sugar), plastic and rubber (such as car tires, and packaging materials), textile industries (such as leather clothes and footwear), building materials (such as cement and ceramics), carpentry and woodworking tools (such furniture), household appliances (such as household electrical appliances (white goods), and electrical appliances) and accessories thereof (such screws, pots and pans)
<b>Wholesale and Retail Trade - clothes and accessories thereof, cleaning equipment, household goods and appliances, vehicles, machinery and building materials</b>	This category includes distributors and retailers whose activities are generally related to consumer goods in the field of clothing (such as footwear and clothes) and their accessories (such as bags and watches), personal hygiene items (such as cosmetics and perfumes), household goods (such as cleaning equipment), games and devices (such as white goods and electric appliances), vehicles s (such as vehicles, and spare parts), machinery (such as medical machinery and batteries) and construction (such as contractors and construction electrical tools)

### **3. Classification of Entities**

<b>ACTIVITY</b>	<b>DESCRIPTION</b>
<b>Wholesale and Retail Trade - Chemicals, Mineral Oils, Foodstuffs, Agriculture, Textiles, Construction Materials, Metals, Furniture and Office Supplies</b>	This category includes distributors and retailers whose activities are generally related to chemicals (such as paints and fertilizers), mineral oils (such as petroleum and other fuels), foodstuffs (such as canned food and sweets), agriculture (such as animal feeds and cattle), textiles (such as leather and cotton), construction materials (such as limestone and cement), metals (such as iron and copper/brass), furniture (such as carpets and wooden furniture), office supplies (such as paper and cardboard)
<b>Sale and Maintenance of Mobile Phones</b>	This category includes firms that sell and maintain mobile phones and accessories thereof.
<b>Pharmaceutical Agents</b>	This category includes firms with any of the pharmaceutical agencies approved by the Saudi Food & Drug Authority (SFDA).
<b>Sports Halls and Centers</b>	This category includes sports halls and centers licensed by the General Authority for Sports.
<b>Combined Entities</b>	Classification of Category (A) Small Combined Entities into Ranges (Red, Yellow, Green of all Kinds, Platinum), employing more than 5 employees in various economic activities.



# 4

## NITAQAT “RANGES”



## a) Definition of the Ranges

The Ministry classifies the entities within each band ((similar activity and size)) as per varying degrees according to the Saudization Rates determined for each category. The following is a classification of the colors of the Ranges and what they stand for.



## Important Notes!

A note on Category (A) Small Entities:

**Red Small (A):** They are entities employing at least one Saudi employee registered in the firm and the Saudi Employer or partner has not been registered in favor of the entity with the General Organization for Social Insurance.

**Green Small (A):** They are entities employing at least one Saudi employee registered in the firm and the Saudi employer or partner has been registered in favor of the entity with the General Organization for Social Insurance.

## **b) Services provided by MLSD for each Range**

Based on the service delivery controls set out below, the Ministry provides a number of facilities to firms based on the firm's Range. The following is a list of the key services provided to the firms in accordance with their Ranges:

### **Platinum Range:**

- Receiving applications for Visa Balance for any occupation required by the Employer, taking into account occupations exempted by virtue of decisions of the Council of Ministers or Royal Decrees, provided that the Entity maintains the same position in the same Platinum Range after being granted those visas.
- The possibility of transferring services to expatriate workers from any range according to the controls of this service.
- The Entity may change the occupations of its Expatriate Employees to any other occupations other than those exempted by virtue of decisions of the Council of Ministers or Royal Decrees, taking into account the requirements of changing the occupation contained in the provisions of the Unified Guidelines of Customer Services.
- The Entity may renew the Work Permits of its Expatriate Employees, regardless of the duration of their stay, provided that the remaining Employee's stay does not exceed six months upon renewal.

### **High Green Range:**

- Receiving applications for Visa Balance for any occupation required by the Employer, taking into account occupations exempted by virtue of decisions of the Council of Ministers or Royal Decrees, provided that the Entity maintains the same position in the same Platinum Range after being granted those visas.
- The possibility of transferring services to expatriate workers from any range according to the controls of this service.
- The Entity may change the occupations of its Expatriate Employees to any other occupations other than those exempted by virtue of decisions of the Council of Ministers or Royal Decrees, taking into account the requirements of changing the occupation contained in the provisions of the Unified Guidelines of Customer Services.
- The Entity may renew the Work Permits of its Expatriate Employees, regardless of the duration of their stay, provided that the remaining Employee's stay does not exceed six months upon renewal.



## **b) Services provided by MLSD for each Range**

### **Medium Green Range:**

- Receiving applications for Visa Balance for any occupation required by the Employer, taking into account occupations exempted by virtue of decisions of the Council of Ministers or Royal Decrees, provided that the Entity maintains the same position in the same Platinum Range after being granted those visas.
- The possibility of transferring services to expatriate workers from any range according to the controls of this service.
- The Entity may change the occupations of its Expatriate Employees to any other occupations other than those exempted by virtue of decisions of the Council of Ministers or Royal Decrees, taking into account the requirements of changing the occupation contained in the provisions of the Unified Guidelines of Customer Services.
- The Entity may renew the Work Permits of its Expatriate Employees, regardless of the duration of their stay, provided that the remaining Employee's stay does not exceed six months upon renewal.

### **Low Green Range:**

- No new applications for new visas are accepted.
- The Entity may change the occupations of its expatriate Employees to any other occupations other than those exempted by virtue of decisions of the Council of Ministers or Royal Decrees, taking into account the requirements of changing the occupation contained in the provisions of the Unified Guidelines of Customer Services.
- The Entity may renew the Work Permits of its Expatriate Employees, regardless of the duration of their stay, provided that the remaining Employee's stay does not exceed six months upon renewal.
- The Expatriate Employee's services may be moved to the Low Green Range if the Employee is transferred from a Firm in the Low Green Range or below, or the transfer does not require the consent of the current Employer of the Expatriate Employee.

### **Yellow Range:**

- No new applications for new visas are accepted.
- No Expatriate Employee's services may be transferred thereto.
- The Entity may not change the occupations of its Expatriate Employees.

## **b) Services provided by the MLSD for each Range**

### **Yellow Range:**

- The Entity may not renew the Work Permits of its Expatriate Employees with (2+) two years or more within the Kingdom, regardless of the terms of office of the Expatriate Employee at the current Employer. The commencement date of the first work permit shall be the beginning of the two-year period for the expatriate who was previously resident in the Kingdom.
- No work permits may be issued for new expatriate employees.

### **Red Range:**

- The Entity may not change the occupations of its expatriate employees.
- No expatriate Employee's services may be transferred thereto.
- The entity may not apply for any new visas.
- No work permits may be issued for new expatriate employees.
- The entity may not open a file for a new firm or a new branch.
- The entity may not renew the work permits of its expatriate employees.

### **Important Notes!**

In the case of a firm or an individual that has more than one entity, each entity shall be treated separately, and the Entity falling within the High Green Range may recruit Expatriate Employees even if the Employer has got another Entity falling within the Red or Yellow Range.

# 5

## METHOD OF CALCULATION OF THE ENTITY'S RANGE



## Method of Calculation of the Entity

### **A: Existing Entities with 6+ Employees:**

Each entity shall be classified in its appropriate Range (Red, Yellow, Green, or Platinum) as per the Saudization Rate specified for each package (activity and size). Any Entity subject to this mechanism shall be treated in accordance with the Saudization Rate tables published on the Ministry of Social and Development's website <http://nitaqat.mlsd.gov.sa>.

### **B: Combined Entities with more than 6 Employees:**

Activities of Combined Entities are classified as follows:

- a) The Employees of all entities with different activities with less than 6 Employees are combined under one activity called "Combined Entities". The size of the Combined Entity is classified in accordance with the criteria mentioned in the Entities Size section.
- b) The numbers of Employees in similar activities that exceeds 6 are combined into one Independent Entity to which apply the rules governing the Existing Entities of the same size and same Economic Activity.
- c) Each Combined Entity shall be classified in its appropriate Range in accordance with the Saudization Rate specified for its activity and size. Any Entity subject to this mechanism shall be treated in accordance with the Saudization Rate tables published on the Ministry of Social and Development's website <http://nitaqat.mlsd.gov.sa>.

### **C: Existing or Combined Entities employing fewer than 5 Employees:**

These Entities are subject to the conditions contemplated in the Unified Guidelines of Customer Services. To fall within the Green Range, the Entity is required to employ at least one Saudi Employee. Otherwise, it shall fall within the Red Range. The services offered by the Ministry under the Nitaqat Program may not be enjoyed by the Entities with no Saudi Employees on its records for a period of more than six weeks during the last 26 weeks. Those services may be enjoyed by such Firms immediately upon the appointment of a Saudi Employee and the number of weeks shall be reduced to less than six weeks during the last twenty-six weeks prior to the restoration of the services. If the number of Employees is (6+) six or more, the Entity will be re-evaluated in accordance with the new number of Employees based on the previous mechanisms.

## Example (1):

How does the Ministry deal with an individual who owns the following individual corporations?

### **Employer**

- Real Estate Property Services = 3
- Personal Services = 5
- Agriculture = 3 and has got a branch of Real Estate Property Services = 2
- Contracting = 5 and has got a branch of Retail = 5
- Transportation = 5 and has got a branch of Retail = 5

Nitaqat will deal with this case as follows:

The owner's Entities are defined by the number of Employees and activity as shown in the following table:

Entity	Number of Employees
Transportation	5
Contracting	5
Retail	5+5=10
Agriculture	3
Personal Services	5
Real Estate Property Services	2+3=5

The third Entity (Retail) will be treated as a Category (B) Small Entity (10 Employees) because its number of Employees exceeds five

Entities that employ no more than 5 Employees are combined under the Identity of the Employer regardless of the activity as follows:

Transportation = 5 + Contracting = 5 + Agriculture = 3 + Personal Services = 5 + Real Estate Property Services = 5 = 23 Employees

Employer is treated as per the second mechanism Category (b) Combined Small Entities - Number of Employees

## **Example (1):**

A person who owns the following individual corporations:

### **Employer:**

- Security Guards = 322 and has got a branch of Retail = 7
- Contracting = 832 and has got a branch of Retail = 5
- Agriculture = 3

The Ministry will deal with the Employer as follows:

<b>Security Guards = 322</b>	<b>Contracting = 832</b>	<b>Retail = 12</b>	<b>Agriculture = 3</b>
Security Guards Entity Category (C) Medium Entity - 322 Employees	Contracting Entity Big Entity - 832 Employees	Retail Entity Category (B) Small Entity - 12 Employees	Agriculture Entity Category (A) Small Entity - 3 Employees
As applicable to Existing Entities with 6+ Employees	As applicable to Existing Entities with 6+ Employees	As applicable to Combined Entities with more than 6 Employees	As applicable to Independent or Combined Entities with less than 5 Employees

### **Example (3):**

How does the Ministry deal with an individual who owns the following individual corporations?

### **Employer**

- Real Estate Property Services = 1
- Personal Services = 2
- Contracting = 2

Nitaqat will deal with this case as follows:

The owner's Entities are defined by the number of Employees and activity as shown in the following table:

Entity	Number of Employees
Contracting	2
Personal Services	2
Real Estate Property Services	1

The Entity will be treated as a Category (A) Combined Small Entity (5 Employees) because its number of Employees does not exceed five.

# 6

## HOW THE MINISTRY EVALUATES FIRMS' SAUDIZATION





## How the Ministry evaluates the Firms' Saudization

In calculating the Saudization Rate, the Ministry will depend on the databases of the National Information Centre of the Ministry of the Interior and the General Organization for Social Insurance as follows:

**A: Nitaqat Program obtains the Entity's Employees' details for the purpose of calculating the Saudization Rate as follows:**

18. The number of Saudi Employees registered with the General Organization for Social Insurance, where the Employee is registered as a full Saudi Employee immediately after such Employee is registered with the General Organization for Social Insurance, taking into consideration the criteria for calculating the Special Categories (Please, see the Special Categories Calculation Section).
19. The number of foreign Employees registered with the National Information Centre at the Ministry of Interior.

**B: After obtaining Employees' information, it is used to calculate the Weekly Saudization Rate as follows:**

20. The average number of Saudi Employees and the average number of Expatriate Employees within the previous 26 weeks are calculated or the number of weeks available to the Entity this week is calculated if the Entity is under 26 weeks old.
21. Includes the calculations of the average number of Employees all those categories for each establishment.
  1. The average number of Saudi Employee
  2. The average number of Expatriate Employee
  3. The average number of Disabled Employee
  - The averages of Saudis are calculated as a whole and the averages of expatriates are also calculated as a whole for each establishment to keep it for using in procedure calculation of the limit of special cases. And also it will be explained later in the document.

• 
$$\text{Saudization Rate} = \left[ \frac{\text{The total averages of Saudis in Entity}}{\text{The total averages of Saudis} + \text{The total averages of Expatriated}} \right] \times 100$$

**C:**

22. The Range of the Entity in the Nitaqat Program is determined in accordance with the Entity's performance in Saudization in the last 26 weeks by calculating the average Weekly Saudization Rate in accordance with the previously mentioned formula so that those rates of 26 weeks are added together and then divided by the number of 26 weeks.

**D:**

23. When Category (A) Small Entities employing up to five Employees grow and their number of Employees becomes 6+, the number shall be included in the Ranges. Consequently, the average number of Saudi Employees will be calculated in the same manner as in B) above when determining the Entity's Range. The Range is determined in the light of the Saudization Rate required as per the criteria of Nitaqat at the time when the Entity's size has changed.

**E:**

24. With respect to newly established Entities, the Weekly Saudization Rates are collected for each week from the date of incorporation until the date of the calculation in questions. The resulting number is divided by the number of weeks calculated in the Saudization Rates. The result is the average Saudization Rate until the Entity is 26 weeks old.

**F:**

25. If an Entity is separated from a Combined Entity, the cumulative Saudization Rate is calculated based on the Saudization Rate of the separate Entity in the weeks in which it was separate and based on the Saudization Rate of the Combined Entity in the weeks in which it was part of a Combined Entity.

**G:**

26. If a separate Entity joins a Combined Entity, the cumulative Saudization of the Combined Entity is calculated based on the Saudization Rates of the Combined Entity only.

## How the Ministry evaluates the Firms' Saudization

### **H:**

27. The Firm may not remain without at least one Saudi Employee on its records for more than six weeks during the last 26 weeks. Otherwise, the services provided by the Ministry of Labor and Social Development under Nitaqat shall be automatically suspended. Once the number of weeks after the appointment of a Saudi has been reduced to less than six weeks during the last 26 weeks, the Ministry of Labor's services received by the Firm will be automatically resumed.

Since Nitaqat deals with entities in realistic terms, the actual number of expatriate employees is taken into account when calculating the Saudization Rate as of the arrival of such Expatriate Employees in the Kingdom rather than as of the date of issuing their visas. The Expatriate Employee shall be removed from the calculation of the Saudization Rate upon leaving the Kingdom on a final exit visa or immediately after removal thereof from the information of the Ministry of the Interior and the National Information Centre at the Ministry of the Interior in the event of such Expatriate Employee's departure on a return visa and yet he or she does not come back. The new Saudi Employee shall be taken into account when calculating the Saudization Rate as of the date on which he or she is registered with the General Organization for Social Insurance regardless of the commencement date of their employment (i.e., without retroactive effect) taking into account the conditions stipulated above.

### **Important Notes!**

The data will be updated once every weekend, and the Saudi Employee will be counted as (1) once registered with the General Organization for Social Insurance. This applies to all sizes of Entities, including Small Firms employing up to five Employees.

# 7

## NATIONAL LABOR WEIGHTS AND SPECIAL CASES IN NITAQAT



## **National Labor Weights and Special Cases in the Nitaqat**

To be taken into account when calculating the average Saudization Rate as (1 Employee), the Saudi Employee's Monthly Salary may not be less than (SAR 3,000) three thousand Riyals.

The Saudi Employee with a Monthly Salary of (SAR 1,500) one thousand and five hundred Riyals shall be taken into account in calculating the average Saudization Rate as (0.5 Employee).

### **Controls for Taking Saudis into Account in Nitaqat:**

- A Saudi Employee whose Monthly Salary is less than (SAR 1,500) one thousand and five hundred Riyals is not counted when calculating the average Saudization Rate.
- The Saudi Employee whose Monthly Salary is more than (SAR 1,500) one thousand and five hundred Riyals but less than (SAR 3,000) three thousand Riyals is taken into account in accordance with the following equation:

$$\text{Approved Percentage} = \frac{\text{Monthly Salary} - 1,500}{3000} = ? + 0.5$$

- The term 'Monthly Salary' here means the Basic Salary PLUS the housing allowance registered with the General Organization for Social Insurance.
- The provisions of the Monthly Salary terms apply to all non-Saudi Employees who are treated as Saudi nationals for the purposes of Nitaqat, as citizens of the GCC countries.

## **National Labor Weights and Special Cases in the Nitaqat**

### **Criteria for Taking Special Categories into account in calculating the Saudization Rates:**

1. The Part-time Employee shall be taken into account when calculating the Saudization Rate as (0.5 Saudi Employee) employed by the Entity in question, provided that their Monthly Salary is not less than (SAR 1,500) one thousand and five hundred Riyals. The Part-time Employee may not be taken into account when calculating the Saudization Rate in more than two Entities.
2. The Student Employee shall be taken into account when calculating the Saudization Rate as (0.5 Saudi Employee) employed by the Entity in question, provided that their Monthly Salary is not less than (SAR 1,500) one thousand and five hundred Riyals, and they are not taken into account when calculating the Saudization Rate in another Entity. Student Employees may be taken into account when calculating the Saudization Rate, provided that the number of the Entity's Student Employees does not exceed 10% of the number its Saudi Employees. Any Student Employees in excess of such percentage shall be taken into account as (zero Employee) when calculating the Saudization Rate.
3. Notwithstanding the provisions of Paragraph (2) above, the percentage shall be (40%) rather than (10%) for Entities providing nutrition services. Any Student Employees in excess of such percentage shall be taken into account as (zero Employee) when calculating the Saudization Rate.
4. The first Saudi Student Employee shall be taken into account when calculating the Saudization Rates, regardless of the percentage such Saudi Student Employee represents in the entire staff.
5. The Saudi Employee with a Disability who is able to work shall be taken into account when calculating the Saudization Rate as (4 Saudi Employees) employed by the Entity in question, provided that his Monthly Salary is not less than (SAR 3,000) three thousand Riyals and that such Saudi Employee with a Disability is not taken into account when calculating the Saudization Rate in another Entity.

6. If the number of Employees with Disabilities who are able to work employed by the Entity exceeds 10% of its number of Saudi Employees, each Employee with a Disability who is able to work is counted as (1 Saudi Employee).
7. Notwithstanding Paragraph (6), the first Saudi with a Disability who is able to work shall be taken into account when calculating the Saudization Rate as (4 Saudi Employees) if such person is in excess of 10% of the number of Saudi Employees employed by the Entity in question, in which case, the Nitaqat Program controls of taking Saudis into account when calculating the Saudization Rate shall apply.
8. The Saudi Employee, being a released prisoner, shall be taken into account when calculating the Saudization Rate as (2 Saudi Employees) employed by the Entity in question. This shall apply for a period of two years from the date of such person's release from prison, provided that their Monthly Salary is not less than (SAR 3,000) three thousand Riyals and that such person is not taken into account when calculating the Saudization Rate in another Entity. Two years after their release from prison, the Saudi Employee shall be taken into account when calculating the Saudization Rate as (1 Saudi Employee) employed by the Entity in question.
9. If the number of Employees released from prison counted as (2 Saudi Employees) in accordance with Paragraph 8 above, exceeds 10% ten per cent of the number of Saudi Employees in the Entity, each Employee, being a released prisoner, in excess of such percentage shall be taken into account when calculating the Saudization Rate as any other Saudi Employee, in which case Nitaqat controls of taking Saudis into account when calculating the Saudization Rate shall apply.
10. Notwithstanding Paragraph (9), the first Saudi Employee, being a released prisoner, shall be taken into account when calculating the Saudization Rate as (2 Saudi Employees) even if such person exceeds ten per cent of the number of Saudi Employees employed by the Entity in question.

11. For the purpose of taking into account Special Categories when calculating the Saudization Rates, any Entity may not exceed the 15% fifteen per cent of the number of Saudi Employees for the following categories: persons with disabilities who are able to work, Student Employees, or Employees who are released prisoners with two of them or the three of them combined. Otherwise, they shall be taken into account when calculating the Saudization Rate as Special Categories to the maximum extent in the interest of the Entity to achieve the highest possible Saudization Rate, in which case priority shall be given to Employees with Disabilities who are able to work. Any additional Employee with Disabilities who is able to work in excess of (10%) of the total number of Saudi Employees employed by the Entity in question shall be treated as any such other Saudi Employee. Then, the Employees who are released prisoners shall be taken into account. Any additional Employee who is a released prisoner in excess of 10% of the total number of Saudi Employees employed by the Entity in question, if any, and any such Employee, added to the Employees with Disabilities who are able to work, in such excess shall be taken into account as a (1 Saudi Employee). The said two cases shall be governed by Nitaqat Program controls of taking Saudi Employees.
12. Notwithstanding Paragraph 11 above, for the purpose of taking Special Categories into account when calculating the Saudization Rate of Entities providing nutrition services, the percentage shall be (40%) forty per cent and the increase shall be enjoyed only by Student Employees. Forty per cent of the Student Employees shall be taken into account when calculating the Saudization Rate. Any additional Student Employees shall not be taken into account when calculating the Saudization Rate.
13. Special Categories Employees shall be taken into account when calculating the Saudization Rate as (1 Saudi Employee) in all cases for the purpose of calculating the Entity's size.
14. Owner: The owner is calculated with the weight of one Saudi employee in Nitaqat:
  - A. Owner numbers are calculated on the entity of the main branch only.
  - B. The owner shall be calculated on Entity only If he or she is not registered in any another facility as employee.
  - C. If he or she is registered as an owner on more than one firm he or she shall be counted on the oldest firm.
15. The employee from citizens of the GCC Countries is calculated by multiply the total of the average X1. He or she is calculated on the total of the averages in the firm of the entity.
16. The Employee from Displaced Tribes is calculated within Saudis employees by multiply the total of the average X1.



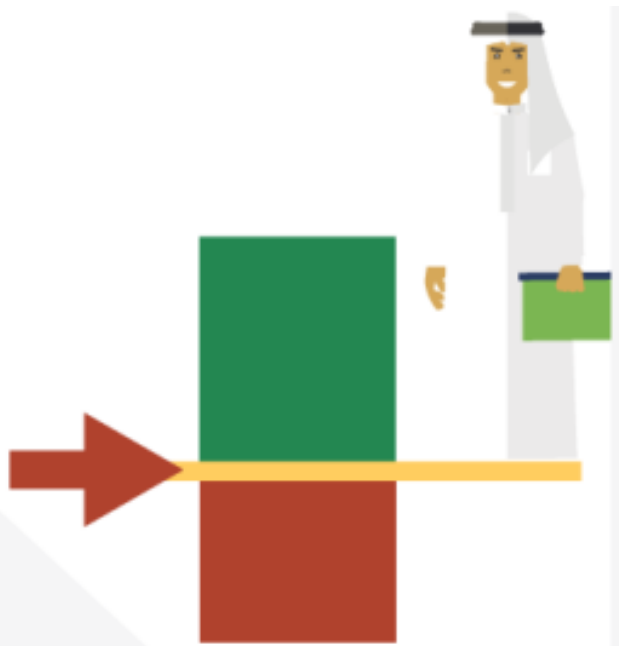
17. The special disabled employee is calculated by multiply the total of the average X1. He or she is calculated on the total of the averages of Saudi employee in the firm of the entity.
18. A Distance Employee shall be taken into account by multiply the total of the average X1. He or she is added to the total of the averages of Saudi employee in the firm of the entity.
19. A loaned employee is calculated by multiply the total of the average X1. He or she is calculated on the total of the averages of Saudi employee in the firm of the entity.
20. The employee who plays in a sport club is calculated by multiply the total of the average X1. He is calculated on the total of the averages of Saudi employee in entity.( On condition the sub activity of the entity on which the player is calculated is ( Sport clubs including Football fields)

### **Application of calculation the rules of the Nitaqat program to Special cases of expatriates:**

1. Nationalities ( Palestinian has Egyptian Passport –Turkestan – Balochistan)  
The employee is calculated from this category as a quarter of expatriate employee, as maximum 50% of the total average of the expatriate employee.
2. Nationality of Myanmar (Burma): The employee is calculated as a quarter of Saudi employee.

# 8

## MINIMUM SAUDI EMPLOYEES



## Minimum Saudi Employees

- The Firm shall have at least one Saudi Employee on a continuous basis or shall have a sufficient number of Saudi Employees that enable the Entity to reach the Green Range of Nitaqat, whichever is higher. Such Saudi Employee shall be registered with the General Organization for Social Insurance, and may not be taken into account when calculating the Saudization Rate in another Entity if the Entity in question has only one Employee. The Employer may be deemed to be an Employee of the Entity, provided that such Employer is not taken into account when calculating the Saudization Rate of another Entity. Any partner in company that owns the Entity may be deemed to be an Employee of the Entity if the Employer or such partner is a Saudi national or treated as a Saudi national for purposes of Saudization, as provided herein, provided that such person is registered with the General Organization for Social Insurance for the Entity in question and that such person is not taken into account when calculating the Saudization Rate in another Entity.
- Entities that fail to comply with the provisions of the preceding paragraph shall be in the Red Range and shall be subject to the provisions of the Red Range.
- As stated in the paragraph, Entities within the Red Range shall not receive the services of the Ministry.

9

# REGULATION OF TELEWORK



## Regulation of Telework

1. Telework employment mechanism requires that the work can be performed through means of communication and information technology.
2. The Employer may employ categories of persons who are subject to full-time Telework. A Distance Employee shall be taken into account as (1 Employee) even such Distance Employee is with a disability.
3. Under a written agreement, an Employee who performs their work in the primary workplace may become a Distance Employee working at a workplace to be agreed upon. In this case the Employee's service is deemed ongoing. This also applies to the case where the Distance Employee becomes an Employee that performs their work at the main workplace.
4. According to Nitaqat, the only Distance Employees to be taken into account when calculating the Saudization Rate are: (i) Female Saudi Employees, and (ii) Saudi persons with disabilities whose disabilities do not prevent them from performing a particular job.
5. To be taken into account when calculating the Saudization Rate in Nitaqat, the Distance Employees shall be registered with the General Organization for Social Insurance.

## Method of Calculating the Number of Saudi Employees for the Purpose of Calculating the Saudization Rate:

Saudi Employees and those treated as Saudi Employees for the purpose of calculating Saudization Rates are taken into account based on the databases of the General Organization for Social Insurance as follows:

- The Employee registered as an employee in the entity at the date of the calculation in question shall be taken into account as (1 Saudi Employer) for the purpose of calculating the Weekly Saudization Rate as soon as such Employee is registered with the General Organization for Social Insurance.
- The employee who is no longer registered as an Employee of the Entity at the date of the calculation in question shall be taken into account as a (zero Employee) for purposes of calculating the Weekly Saudization Rate as soon as such Employee is de-registered with the General Organization for Social Insurance.

## Mechanism and Conditions for Issuance of the Saudization Certificate:

The Saudization Certificate can be issued through the electronic services portal as well as the Labor Offices. The Saudization Certificate is one of the key requirements for submitting bids in government tenders and obtaining the financial abstracts for these projects. It is issued electronically and then printed on the Firm's letterhead, signed and stamped. It shall be certified by the nearest branch of the Chamber of Commerce. The issuance of a Saudization Certificate requires the following:

- The Firm shall be in the Platinum, High Green, Medium Green, or Low Green Range.
- The Firm is in the Green Range (for Micro Combined Small Entities).
- The Saudization Rate is greater than zero (for Micro Combined Entities if they do not have an Expatriate Employee).
- The Firm shall have a registered and activated Wasel account, and the registration shall be valid for the branch of the Firm requesting the service and the Head Office.
- The Saudization Certificate shall be valid for three (3) months from the date of issue.
- If the certificate is requested for other reasons not available under the options, the verification and approval of the certificate shall take a week, and then it may be printed through the electronic services portal.

## Correction of Details

The Ministry will take all procedures included in Nitaqat such as calculating the Saudization Rate and the size and classification of the Entity and the electronic and automatic provision of services. Therefore, the Firm's official shall periodically verify the data of the Firm maintained by the General Organization for Social Insurance to obtain an equitable evaluation.

## ⊠ **Key Data and Situations to be Adjusted:**

1. **Registration of the Firm and Saudi Employees with the General Organization for Social Insurance:** Due to linking the Ministry's database with the General Organization for Social Insurance, the number of Saudi Employees and the Saudization Rate will depend on the database of the General Organization for Social Insurance. Therefore, we recommend the rapid registration of Saudi Employees who are not registered with the General Organization for Social Insurance and ensure that their monthly dues are paid to ensure they are taken into account. The owner of the individual Firm shall be counted in the Saudization Rate as soon as the Firm is registered with the General Organization for Social Insurance If such owner does not work for another Firm.
2. **Verification of Details of the Expatriates in the Ministry of the Interior:** As a result of linking the Ministry's database with other government agencies, the Ministry will adopt the number of Expatriates contained in the database of the National Information Centre at the Ministry of Interior. Therefore, we recommend you to verify the accuracy of the details maintained by the Ministry of the Interior.
3. You need to ensure that the number of the Firm related to Expatriate recruitment with the Ministry of Interior, the Ministry of Interior and the General Organization for Social Insurance is the same. The calculation of the Saudization Rate and identification of the Range of the Entity are carried out electronically by linking the Ministry's data with the data of the National Information Centre at the Ministry of Interior and the data of the General Organization for Social Insurance. Therefore, you need to ensure that the Firm number kept by all the above-mentioned bodies is the same. The Ministry also advises the owners of individual corporations to ensure that they use the same national ID number of the Employer as a unified number for all their corporations and all their branches.

HOW ENTITIES CAN BENEFIT FROM NITAQAT, AND THEREFORE INCREASE THEIR COMPETITIVENESS

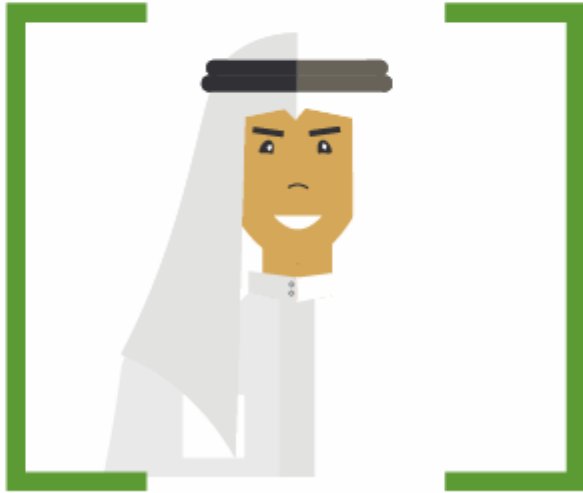




## How Entities can benefit from Nitaqat, and therefore increase their competitiveness

- Correction of the data kept by the General Organization for Social Insurance and the Ministry of Interior.
- Identification of the Entity that the Ministry will deal with.
- Identification of the category the Entity belongs to (in terms of activity and size).
- Identification of the current Entity's Range (Red, Yellow, Green or Platinum) and thus identification of the current facilities and incentives provided thereto.
- Ensuring to pay the contributions of the General Organization for Social Insurance to obtain the services provided by the Ministry.
- In the event of poor performance in Saudization, if the Entity desires to move to a higher Range in order to obtain better services, it shall define the target (the desired Range) and check such services provision controls to know the additional facilities and incentives that can be enjoyed by the Entity after upgrading (such as moving from the Yellow Range to the Green Range).

**OCCUPATIONS RESERVED  
FOR SAUDIS ONLY**



## Occupations Reserved for Saudis Only

Non-Saudi nationals may not assume the following occupations. No permanent, temporary or seasonal work visas may be issued for such occupations. No work permits may be issued for such occupations for expatriate labor. No Work Permit may be renewed for a registered expatriate employee assuming any of such occupations. No services of an Expatriate Employee may not be transferred to any of such 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. Complaints Clerk;
14. Treasurer;
15. Private Security Guard;
16. Government Relations Officer;
17. Key Smith;
18. Customs Broker;
19. Female Employees in Women's Supplies Stores.

## UNIFIED GUIDELINES OF NITAQAT PROGRAM

For more information, please, visit our website.

[nitaqat.mlsd.gov.sa](http://nitaqat.mlsd.gov.sa)

