

The New Amendments to the Labor Law

Art. No.	Type of Change	Text (The new version)	Impact/Change
(5)	Partial Deletion	This law is applicable on the following: 1. An employment contract binding an employer and an employee against of specific wage/salary. 2. Governmental and public organization employees including those workers in pastures and farming. 3. Charities' employees 4. Training contracts executed with individuals who are not part of the employer's workforce. 5. Part-time workers who are involved in safety and occupational health, job-related injury and any other individuals approved by the Minister.	Workers who work in agriculture and operating of agricultural machinery have been deleted from the Article.
(7)	Partial Deletion	The following are exempted from the enforcement of this law: a. The employer's family members: spouse, sons, daughters; parents, brothers, sisters ... etc., who are employed by such firm and they are they only staff in such firm. b. Sports clubs: Athletics and coaches. c. Domestic works and alike. d. Shepherds and farms' works and alike. e. Seamen working on ships (less than 500 tonnage) f. Expatriates having assignments in Saudi Arabia for not more than 2 months.	Workers who work in agriculture and operating of agricultural machinery have been deleted from the Article.
(11)	Partial Deletion	If an employer subcontracted part or all of its original activities to a natural or artificial person, the later shall give its workers the same rights extended by the employer to its workforce.	Second sub-article was deleted which states that employers are jointly liable for the employees' rights.
Double Article (11)	Addition	Without prejudice to the labor law and other laws related, the Minister may take necessary actions aiming to improve the labor-market and to regulate the movements of workforce among the firms.	This Article didn't exist in the previous version of the Labor Law which grants the Minister the ability to take any necessary action to improve the labor market.
(12)	Partial Deletion	1. The ministry shall set up a unified form or more for regulating of labor market, including job benefits, violations, fines and disciplinary actions related to the workers. 2. The ministry shall, also, establish controls and mechanisms of the approval of such bylaws	Previous version stated that the Employer shall set the bylaws of the organization and obtain the Ministry's approval. However, the new version indicates that a standard internal policy and procedures.

		(internal procedures).	
(13)	Deletion and Amendment	<ol style="list-style-type: none"> Employers shall create and adopt such internal policy and procedures approved for their firms. However, the minister may consent to exempt any firm from such requirement. Employers may add whatever terms or controls to such bylaws provided such terms and conditions shall not contradict with the labor law stipulations. Employer shall display such approved bylaws at visible place in order to be read by all workers and employees or disseminate the same in condition that all workers and employees becomes aware of the contents of such bylaws. 	Previous version stated that if the Ministry did not approve or object the internal policy and procedures within 60 days then it should be considered approved.
(14)	Deletion	Deleted	The previous version indicates that the Minister shall issue a standard internal policy and procedures for the sake of guidance to Employers.
(35)	Deletion and Amendment	The ministry shall not renew the work permits of its workers if such employer violated or failed to fulfill the Saudization requirements.	The previous version stated that work permits shall only be renewed after making sure that there are no qualified Saudis to fill the same jobs. The new version leave the fulfillment of Saudization requirement open to the estimation of the Minister. This may impact "Nitaqat" in the future.
(39)	Addition	<ol style="list-style-type: none"> Unless he has followed the stipulated legal rules and procedures, an employer may not allow his worker to work for others, and a worker may not work for other employers. Similarly, an employer may not employ workers of other employers. <u>The Ministry of Labour shall inspect the facilities and investigate the violations that are tuned by the inspectors and then forward the violations to the Ministry of the Interior to apply the prescribed penalties on them.</u> An employer may not allow a worker to work for his own account and a worker may not work for his own account. <u>The Ministry of the Interior shall handle the seizure, deportation and application of penalties on violating employees working for their own account on streets, and absent from work (the fugitives) as well as Employer who employ such worker, and any individual contributes to help such workers.</u> 	The underlined are addition to the original Article. This Article defines and clarifies the role of the Ministry of Interior.
(43)	Addition and Amendment	The employers, who have 50 or more workers, are required to train annually Saudi works, at least 12% of its work force. <u>Those Saudis perusing education at the employer's cost, are included in such ratio.</u> However, the minister may increase such ratio, if deemed appropriate.	Percentage is increased from 6% to 12%. The underlined is an addition to the original Article and it includes Saudis pursuing their education from the percentage of trainees designated to the employer.
(48)	Deletion and Addition	<ol style="list-style-type: none"> An employer may terminate the training contract if it becomes evident that the trainee is incapable or incompetent for such training; 	The previous version stated that the trainee shall work the same length of training period or one year; whichever is longer. However, the new version indicates that the trainee is

		<p>moreover, the trainee shall have the same right, .e.g., to terminate training for the same reason. However, both parties are required to serve a 7-days' notice which reflect the intention to terminate training.</p> <p>2. The employer has the right to order the trainee, after completion of training, to work with the same employer for the same period spent for training. <u>If the trainee refused to serve such period or part of it, the trainee shall be obligated to pay the employer the cost incurred for such training or part of it.</u></p>	<p>obliged only to work a similar period to the training period, and in the event they refused they shall pay back the training costs to the employer.</p> <p>The underlined is an addition to the original Article.</p>
(52)	Addition	<p>1. Without prejudice to Article 37, <u>the ministry shall establish a unified employment contract that depicts such terms and conditions as per the labor law.</u> The work contract shall primarily include the name of the employer, venue, the name of the worker, nationality, identification, wage agreed upon, type and location of work, date of employment, duration of the contract if fixed.</p> <p>2. <u>The employer and the employee may add whatever terms and conditions to the unified employment contract indicated hereinabove, provided such shall NOT contradict with the labor law stipulations.</u></p>	<p>The Ministry shall established a standard employment contract to be used by employers.</p> <p>The underlined is an addition to the original Article.</p>
(53)	Addition	<p>The employment contract must indicate clearly the probationary period, which shall not exceed 90 days; <u>however, both parties may agree to extend such period for not more than 180 days.</u> Official holidays and sick-leaves shall not be calculated among such probationary period. Both parties may terminate the relationship during such period unless the contract indicates one of the parties has the right to terminate the service unilaterally.</p>	<p>The previous version only allowed the probationary period to be extended in a different job, however, the new version indicates that it can be extended with the same job.</p> <p>The underlined is an addition to the original Article.</p>
(54)	Addition	<p>The worker shall NOT be put under probationary period more than once. And if such period extended by mutual agreement, the worker must be assigned to different position <u>or both parties already terminated previous relationship 6 months before re-employment.</u> If a party terminate the service during probationary, neither party shall be entitled for compensation nor the employ shall be eligible for end-of-service pay.</p>	<p>The underlined is an addition to the original Article.</p>
(55)	Amendment	<p>1. The employment contract expires on its end of term, and if the parties continued relationship, Article 37 shall be taken into consideration for expatriates only.</p> <p>2. If the employment contract contains a clause for renewal for similar period(s), or specific period, such contract shall be renewed accordingly.</p>	<p>Previous version stated that the renewal should be (2) times, or for (4) years.</p>

		After <u>three renewals</u> or the service reached <u>4 years</u> in total, such contract shall become a contract without definite term.	
(58)	Addition and Amendment	<ol style="list-style-type: none"> The employer shall <u>NOT</u> relocate a worker from such designated place upon hiring to any other location <u>without a written consent from the worker.</u> <u>The employer, if the job demands, assign the worker to any other places for NOT more than 30 days a year without consent from the worker; however, the employer shall bear all expenses related to relocation, travel, bed and board.</u> 	The previous version states that The employer may not transfer the worker from his original workplace if such transfer is likely to cause serious harm to the worker and is not justified by the nature of work. However, now the written consent is required of the employee. The underlined is an addition to the original Article.
(64)	Amendment	<ol style="list-style-type: none"> The employer shall give End-of-Service certificate to the employee, upon his/her request, free of charge. Such certificate shall reflect the employee's name, period of service and last wage/salary. <u>Such certificate shall NOT contain any statement that may defame or insult the employee's dignity.</u> The employer shall return to the employee all such references, educational certificates or other documents obtained upon hiring. 	The previous version states that If the certificate contains any remarks that are prejudicial to the worker's reputation or likely to limit his employment chances, the reasons shall be given. However, now it is prohibited to contain any such remarks.
(73)	Addition	The employer shall document such penalties or fines imposed on the employee, as per the labor law, and shall utilize the accumulative penalties or fines imposed on such employees for the benefit of the entire workforce or as directed by <u>the labor committee (if any)</u> or as directed by the ministry of labor.	The underlined is an addition as the new Law urges the employer to create a labor committee.
(74)	Addition	The employment contract expires in one of the following events: <ol style="list-style-type: none"> If both parties agreed in writing to terminate the service. On the expiry date of contract. If one of the parties wishes to end of the contract (a contract without term), <u>as per Article 75 of the labor law.</u> The age of retirement (60 years for men / 55 years for working women), unless both parties agreed in writing to continue the service beyond such age. Force majeure. <u>Liquidation of the firm.</u> <u>Closure of the business where the employee assigned in.</u> <u>Any other event stipulated in any other law.</u> 	New causes of employment contract termination were added to the new version. cross reference in 3 rd sub-clause to Article (75) which also was amended to increase the notice period to (60) days and (30) in accordance to the employment status. The underlined is an addition to the previous version
(75)	Amendment	If the employment contract is without definite term, either party may terminate the contract by serving a <u>60 days'</u> notice to the other party (for salaried employee) or <u>30 days'</u> notice (for wage employee).	The previous version stated that if the employment contract is without definite term, either party may terminate the contract by serving a <u>30 days'</u> notice to the other party (for salaried employee) or <u>15 days'</u> notice (for wage employee).

(76)	Deletion and Amendment	If the party terminating the service did not serve such notice required to the other party, such terminating party shall pay the other party the salary equals to the length of the period, unless both parties agreed to a greater amount.	The previous version states that such party shall be required to pay the other party compensation equal to the worker's wage for the duration of the notice or the balance thereof. The new version indicates that the full compensation shall be paid and the balance of the remaining period.
(77)	Deletion and Amendment	If the employment contract does not contain a compensation clause for termination by either party, for just cause, the damaged party shall be entitled for compensation as follows: 1. 15 days' pay for every 6 years of service, if the contract without limited term, 2. The salary of the remaining period of the contract terminated, if such contract is with definite term. 3. However, both compensations indicated hereinabove (1 & 2) shall NOT be less than 2 months' salary.	The new version set the base to calculate the compensation whereas the previous version left such compensation to the estimation by the Labor Office.
(78)	Deletion and Amendment	If a termination notice given by the employer to an employee, such employee shall be entitled for (paid 1 full day or various 8 hours per week) during the entire notice period in order to search for another job with another employer. The employee may set the day or inform the employer the day before of their absence. The employer may pardon the employee from working during the notice period, however, it shall be considered as a continuous service to the last date of the notice period including the payment of the employee's salary.	The previous version allowed the employee file a case in the labor office to allow him to work again for the employer.
(80)	Amendment	The employer shall NOT terminate an employee without severance pay, notice or compensation (and the employee's right to protest), except in one of the following events: If the worker/employee: 1. Assaulted the employer, a supervisor or a subordinate, 2. Failed to perform its obligations as per the contract, ignored published safety instructions or orders and the employer already dispatched a notice to such worker of such disobedience. 3. Behaved improperly or proofed to commit an act of dishonesty or dignity. 4. Committed intentional act or omission intended to cause loss or damage to the employer, and the employer already notified competent authorities within 24 hours of such act and/or omission. 5. Fraud or forgery to be accepted for employment. 6. Under probationary period. 7. Absent for invalid reason for <u>30 days</u> during 1	The period of absence is increased to 30 days (previously 20 days) during 1 contractual year or 15 consecutive days (previously 10 days). The notice dispatched after 20 (previously 10 days) days for the first event or 10 days (previously 5 days) for the second event.

		<p>contractual year or <u>15 consecutive days</u>, provided the employer already dispatched a notice after <u>20 days</u> for the first event or <u>10 days</u> for the second event.</p> <p>8. Committed a conflict of interest act or to secure personal gain using his/her position.</p> <p>9. Released industrial or commercial confidential data/information/documents.</p>	
(83)	Amendment	<p>1. If the employee's position requires the employee to be in contact with the employer's clients/customers, the employer shall have the right (to protect its interests) to impose a condition in the employment contract which forbids the employee from joining another competitive employer for two years as of the date of leaving the service of such employer.</p> <p>2. If the employee's position requires the employee to access the employer's confidential information, the employer shall have the right (to protect its interests) to impose a condition in the employment contract which requires the employee NOT to divulge/release such confidential information to any other third party.</p> <p>3. The employer shall have the right to prosecute the employee within 1 year as of the date of finding out that the employee/worker violated the stipulations of this Article.</p>	<p>The new version differentiates between joining the employee to a competitor and the release confidential information. In the previous version both of events are limited to 2 years; however; the new version forbids the release of confidential information for good.</p>
(90)	Amendment	<p>1. The employer shall pay the employee/worker (salary and any other entitlements) in Saudi currency, as follows:</p> <p>a. Daily workers, to be paid once every week.</p> <p>b. Monthly employees, to be paid once every month.</p> <p>c. Lump sum worker on 2 weeks agreement, to be paid a portion of the agreed amount once every week.</p> <p>2. The employer is obligated to pay such wages/salaries/lump sums on such times agreed upon to <u>employees' bank accounts</u>.</p>	<p>The previous version indicates that paying via bank accounts is optional and it requires the employee's approval, however, the new version force the employer to pay through bank accounts.</p>
(101)	Amendment	<p>The employer shall establish working hours so the workers works only 5 hours continuously without food break/prayer time (not less than 30 minutes in 8 hours shift) and shall NOT ask the worker to work more than <u>12 hours a day</u>.</p>	<p>The number of maximum working hours increased from (11) to (12) hours per day.</p>
(113)	Amendment	<p>Without prejudice to the working woman's leaves under the labor law, the wife/husband is entitled for <u>5 days</u> leave in the event of one of the partners/parents/sons/daughters/immediate relative died, or in the event of the employee's marriage; and <u>3 days</u> for a newborn baby. However,</p>	<p>The number of leave days increased from (3) to (5); and from (1) to (3).</p>

		the employer may demand documentary evidence.	
(115)	Addition and Amendment	<ol style="list-style-type: none"> 1. The employee is entitled for paid leave – <u>subject to employer's approval</u> – to attend school examination (the number of days required for such exam). If the employee is required for re-examination, such employee shall be entitled for non-paid leave for the number of days required for re-examination. 2. <u>If the employer did not approve such leave; the employee is entitled to a leave equals to the actual number of days for exams from their leave. In the event the annual leave's balance does not cover the required period; the employee is entitled for unpaid leave.</u> 3. The employee must notify the employer 15 days before the exam or re-exam date. 4. The employer may demand documentary proof of such exam or re-exam. 	The new version indicates the leave for school examination is subject to employer's approval unlike the previous version. However, the new version covers the cases of the employer's refusal of such leave (sub-clause 2).
(137)	Addition and Amendment	An employee/worker with a partial job-related injury is entitled for financial aid (<u>60 days'</u> pay of last salary) to be paid once, plus 75% of his/her salary for the entire period required for medical treatment. If after 1 year of medically treating such employee NOT cured, such disability shall be considered (permanent disability), <u>and his/her condition does not allow them to work</u> ; hence, the contract is terminated and such employee shall be compensated and the employer shall NOT be entitled to retrieve whatever spent already for medical treatment or financial aid.	<ol style="list-style-type: none"> 1- The period was increased from (30) to (60) days. 2- The new law indicates that only if the employee is not capable to work at all. Therefore, if the employee can proceed with a different suitable job then the contract should not be terminated.
(149)	Deletion	Employers shall NOT assign working women to such hazardous or dangerous jobs or positions. The Minister shall determine such jobs.	Jobs (suitable to women nature) was removed from the new version.
(151)	Addition and Amendment	<ol style="list-style-type: none"> 1. A working woman is entitled for maternity leave (10 weeks) <u>and she can locate those weeks as she wishes; maximum of 4 weeks prior to the anticipated delivery date</u>, as per medical reference is given by acceptable clinic. 2. The working woman shall NOT resume work until 6 weeks elapsed after delivery; moreover, <u>she is eligible to extend the maternity leave for additional 1 month without pay.</u> 3. <u>The working woman, if she delivered an ailed or disabled child, is eligible for one month leave with full pay; furthermore, she may ask for one additional month leave without pay.</u> 	<ol style="list-style-type: none"> 1- 1st Sub clause was amended in a way that gives the female employee the choice to locate the weeks of the maternity leave. 2- The underlined are additions to the previous version.
(152)	Deletion	Deleted in its entirety	The previous version indicated several conditions in accordance to different events for the payment of the maternity leave.

(160)	Amendment and Addition	<ol style="list-style-type: none"> 1. A Muslim working woman who her husband died is entitled for at least 4 months and 10 days leave with full pay (Eddah Leave) as of the date of her husband's death; moreover, she is eligible to extend such leave if she is pregnant during such period until she delivers the baby, thus shall NOT be eligible to avail the remaining period of such leave after delivery. 2. A Non-Muslim working woman who her husband died is entitled for 15 days. In both cases, e.g. Muslim and non-Muslim working women shall NOT work for any other employer during such leave(s). however, the employer may demand documentary evidence of such claims. 	<ol style="list-style-type: none"> 1- The new version of the Law differentiates between the Muslim and non-Muslim female employee in respect of (Eddah Leave) 2- The new version of the Law gives the Muslim female employee with a deceased husband a compatible leave to Sharia. 3- The new version of the Law retain the (15) days leave for the non-Muslim female employee.
(194)	Addition	A field inspection(s) shall be conducted by the Ministry's employees inspectors delegated by the Ministry of Labor or <u>Saudi citizens who are appointed by the Minister</u> , with such authorities and powers.	The new version of the Labor Law allows Saudis not of the Ministry's employees to become inspectors as well.
(196)	Addition	The labor inspectors shall: <ol style="list-style-type: none"> 1. Ensure the firm(s) are operating in line with the Saudi Labor law and related resolutions, 2. Provide such information and data to employers, 3. Report violations or breaches and propose solutions, 4. Documentation of such violations and/or breaches, 5. <u>Investigate other breaches reported by other competent governmental organizations.</u> 6. <u>Propose appropriate penalty/fine in accordance to violations/breaches schedule.</u> 	The new version of the Labor Law allows the inspectors – further to their original duties – to investigate other breaches reported by other competent governmental organizations and to propose appropriate penalty/fine in accordance to violations/breaches' schedule.
(197)	Amendment	The labor inspectors shall affix their <u>signatures on the field inspection Form</u> which reflects also their commitment to confidentiality of such documents and/or information revealed during their field inspection to such firm(s), and each inspector shall have a badge that reflect his identity for transparency purposes.	Instead of the oath taken in the presence of the Minister, inspectors now are to sign undertaking prepared by the Ministry.
(203)	Amendment	Upon detection of a violation or breach during the inspectors' field visit(s), <u>such violations/breaches shall be documented and reported for the Minister's decision.</u>	The previous version of the Labor Law indicates that the inspector shall provide advice and guidance in the event of any breach, or to document it. The new version obliged the inspectors to document and report all violations.
(229)	Replacement	1. Without prejudice to any other law(s) stipulations, employers who violates the stipulations of the labor law or its executive regulation, shall be penalized – one or more of	The previous version of Labor Law indicates that the punishments provided shall apply in the absence of harsher punishments provided for in any other laws. However, the new version pair the

		<p>the following penalties:</p> <ol style="list-style-type: none">Cash penalty – not more than SR 100,000/-Closure of the firm for 30 days,Total closure of the firm, <ol style="list-style-type: none">Duplication of the penalty if the violation repeated by the employer,The penalty is multiplied by the number of persons involved in the violation(s).	<p>punishments of Labor Law and any other punishments of other laws. The new version also set the types of penalties and further guidance.</p>
(230)	Replacement	<ol style="list-style-type: none">The Minister may decide to impose one or more penalty (a & b) above,The minister shall establish the Penalties Schedule which shall be adopted for penalizing firms found in violation.The ultimate penalty is the closure of the firm as per paragraph 3 of this Article. However, the ministry of labor shall file a case before a competent court to decide which of the penalty(s) stated in Article 229 of this law is appropriate.The employer and the ministry may enter into a reconciliation by which the employer shall pay such amount decided by the ministry as a penalty.	<p>The previous version of the Labor Law sets the ceiling and the floor of the penalties. However, it was replaced with more detailed expected operational actions by the Minister in respect of violations and their penalties.</p> <p>Note: Penalties designated to previous version are now re-published in a separate schedule and can be found on the Ministry website.</p>
(230)	Replacement	<p>An employer in violation of the law shall comply with such period given by the ministry in order to rectify such violation. If such employer failed, it shall be considered as a new violation to be reported and documented.</p>	<p>The previous version of the Labor Law sets the ceiling and the floor of the penalties. However, it was replaced with the mentioned Article.</p> <p>Note: Penalties designated to previous version are now re-published in a separate schedule and can be found on the Ministry website.</p>
(232)	Replacement	<p>Amounts related to penalties imposed on employers in violation of this law shall be collected as per the procedures approved and shall be remitted to the Human Resources Development Fund.</p>	<p>The previous version of the Labor Law sets the ceiling and the floor of the penalties. However, it was replaced with the mentioned Article.</p> <p>Note: Penalties designated to previous version are now re-published in a separate schedule and can be found on the Ministry website.</p> <p>Further, the new Article existed in the previous version of Labor Law as Article (442) and it was relocated in the new version as Article (232).</p>
(233)	Replacement	<p>The ministry is authorized to extend a cash intensive not more than 25% of the penalty imposed on a</p>	<p>The previous version of the Labor Law sets the ceiling and the floor of the penalties.</p>

		given employer for any inspector or any other person assisting in revealing/reporting a violation or a breach by such employer(s).	However, it was replaced with the this Article that allows inspector to gain up to 25% of the penalties. Note: Penalties designated to previous version are now re-published in a separate schedule and can be found on the Ministry website.
(234), (235), (236), (237), (238), (239), (240), (241) and (242)	Deletion	Deleted in its entirety.	The previous version of the Labor Law sets the ceiling and the floor of the penalties. However, it was deleted from the new version and re-published in a separate schedule and can be found on the Ministry website.