

**Minister's Office**

**Ministerial Decision No. (1407) dated 12/04/1436 H.**

Minister of Labor,

Based on authorities duly granted to him.

Having reviewed the Labor Law issued under Royal Decree No. (M/51), dated 23/08/1426 H.; reviewed His Royal Highness telegram No. (38100), dated 15/08/1432 H., regarding approval of the program for incentivizing establishments to localize jobs (Nitaqat); reviewed the Ministerial Decision No. (260), dated 05/08/1430 H., regarding the adoption of the Saudi Employment Strategy; reviewed the Ministerial Decision No. (4040), dated 12/10/1432 H.; reviewed the results achieved in the localization of labor market and database of job applicants as well as the objectives of the Saudi Employment Strategy for employing Saudi men and women; reviewed the results of the studies conducted by the Ministry on all procedures taken for enhancement of localization process over the past three years, encompassing those related to the micro-sized establishments employing 9 workers or less; based on the necessity for amending the method of calculation of the establishments and their respective localization rates in a manner consistent with the relevant developments; and reviewed the Ministerial Decision No. (4040), dated (12/10/1432 H.) and the Ministerial Decision No. (3183), dated (02/07/1435 H.);

Based on authorities duly granted to him.

decides as follows:

**First:** Localization rate shall be calculated based on the 26-week moving average for all sizes and entities in the labor market, including the micro-sized establishments employing 9 workers or less.

**Second:** This decision shall enter into force as of 03/05/1436 H. and be published in the Official Gazette.

**Third:** This decision shall supersede all contradicting previous decisions.

**Fourth:** the vice Minister informs the concerned authorities of this decision to work accordingly.

Minister of Labor

Adel bin Mohammed Faqih