

Ministerial Decision

The Minister of Human Resources and Social Development

Pursuant to the powers duly entrusted to him.

Having reviewed provisions of Article No. (120) of Labor Law issued under the Royal Decree No. M/51 dated 23/8/1426 H, amended by the Royal Decree No. (M/24) dated 12/5/1434 H, amended by the Royal Decree No. (M/1) dated 22/1/1435 H, amended by the Royal Decree No. (M/46) dated 5/6/1436 H, amended by the Royal Decree No. (M/14) dated 22/2/1440 H, amended by the Royal Decree No. (M/134) dated 27/11/1440 H.

Having reviewed provisions of Article No. (27) of the Implementing Regulation of Labor Law issued under the Ministerial Decision No. 70273 dated 11/4/1440 H, amended by the Ministerial Decision No. 142906 dated 13/8/1441 H.

Based on the Royal Order No. 7805 dated 12/2/1440 H, concerning the approval to findings of the minutes prepared by the Bureau of Experts stating the Ministry of Human Resources & Social Development and the General Organization for Social Insurance will establish Flexible Work Regulation as permitted by the Labor Law and Social Insurance Law, decides as follows:

1: Amend Article No. (27) of the Implementing Regulation of Labor Law issued under the Ministerial Decision No. 70273 dated 11/4/1440 H, amended by the Ministerial Decision No. 142906 dated 13/8/1441 H, as per the formula attached herewith.

2: This Decision shall be published in the Official Gazette and the Ministry's website. This Decision shall be effective after ninety days from the date of its publication.

3: The Vice Minister shall take the necessary action to implement this Decision.

Allah is the Arbiter of Success

Minister of Human Resources and Social Development
Eng. Ahmed bin Sulaiman Al-Rajhi
//signed//

With regard to implement the provisions of Article No. (120) of the Labor Law:

1: The rules and controls for part-time working are defined according to the following:

- The part-time employment contract shall be in writing and with a fixed term and shall provide for the number of working hours that are less than half the usual daily working hours, whether the work is performed daily or on some days of the week.
- The part-time employment contract may be renewed for a similar period, or for a period agreed upon by the two parties.
- If the part-time employment contract was terminated by one party without a legitimate reason, the affected party may claim wages for the remainder of the contract term as compensation, unless the parties agree otherwise.

- Part-time workers are subject to the provisions of the Labor Law regarding leave, weekends, official holidays, and overtime.
- The Saudi worker who works for the employer under a part-time employment contract is counted in the Localization rates according to the rates approved in the program incentivizing firms to Localize jobs (Nitaqat Program), provided to be registered with the General Organization for Social Insurance as a part-time worker.

2: The rules and controls for flexible working are defined according to the following:

- Flexible working means: the work performed by a part-time worker for one or more employers and the wages are calculated on an hourly basis, provided that the working hours of the worker for one employer are less than half of the working hours for the firm.
- Flexible Employment Contracts are limited to the Saudis only.
- The percentage of workers for the employer under Flexible Employment Contract is defined according to the sectors and professions determined by the Ministry in the portal.
- The employer is not obligated to compensate the worker under Flexible Employment Contract for all types of paid leaves, including (annual leave, holiday leave, and sick leave).
- The employer is not obligated to compensate the worker under Flexible Employment Contract with the end of service benefit.
- A worker under Flexible Employment Contract is not subject to probation period.
- The Flexible Employment Contract is subject to the pension section of the Social Insurance Law in accordance with the rules

and controls determined by the General Organization for Social Insurance.

- A worker under Flexible Employment Contract shall be counted by one third (1/3) of a worker in the Localization rates in Nitaqat Program, provided to complete a total of (168) working hours, taking into account the laws and decisions issued for Nitqat Program.
- The wage of a worker under Flexible Employment Contract is calculated on an hourly basis and is paid on a monthly basis or by mutual agreement of the parties.
- A worker under Flexible Employment Contract shall not work for more than (95) hours per month for one employer.
- A worker under Flexible Employment Contract is entitled to consent or reject when he is called for work at any time, without taking any action against him.
- The provisions of Article No. (83) of the Labor Law relating to the requirement that the worker shall not compete the employer after the end of work relationship, shall be applied to the worker under Flexible Employment Contract.
- The employment contract shall be electronic and for a specified period, and the wages therein shall be calculated on an hourly basis. It may also specify and amend the time and attendance of the workers, upon the mutual agreement of the parties.
- As a condition for employment of workers under Flexible Employment Contract, the contract shall be documented in the portal determined by the Ministry. Anyone who works as a worker without a documented Flexible Employment Contract

shall be subjected to the penalties mentioned in the Ministerial Decision No. 178743 dated 27/9/1440 H, as amended.

- Service providers are approved for flexible working based on the standards published in the portal determined by the Ministry.
- 3:** The Labor Courts shall have jurisdiction to consider the disputes that may arise from the Part-time Employment Contract and Flexible Employment Contract.