

## Ministerial Decision

**The Minister of Human Resources and Social Development,**  
Based on the powers legally delegated to him,  
And after reviewing the labor law issued by Royal Decree No. (M / 51) dated 23/8/1426 H, amended by Royal Decree No. (M / 24) and dated 12/5/1434 H, amended by Royal Decree No. (M / 46) dated 5/6/1436 H, amended by Royal Decree No. (M / 14) dated 22/2/1440 H, amended by Royal Decree No. (M / 134) dated 27/11/1440 H.  
And, after reviewing the implementing regulations for the labor law and its annexes issued by Ministerial Decision No. (70273) dated 11/4/1440 H, as well as the Ministerial Decision No. (142906) dated 13/8/1441 H, regarding organizing the contractual relation between the worker and the employer. Moreover, after reviewing the Ministerial Decision No. (146377) dated 7/9/1441 H, regarding penalties on the violation of article (41) of the implementing regulations.

**First:** Approval of the explanatory memorandum attached to Ministerial Decision No. (142906) dated 13/8/1441 H, and Ministerial Decision No. (146377) dated 7/9/1441 H, attached to this decision.

**Second:** This decision shall be published in the Official Gazette and on the Ministry's website, and it shall be effective from the date of its publication in the Official Gazette or on the Ministry's website

**Third:** The Vice Minister for labor shall take the necessary measures to inform and implement this decision.

Greetings,

**Minister of Human Resources and Social Development**

//Signed//



Human Resources and  
Social Development

Eng. Ahmed bin Sulaiman Al-Rajhi

Ministry of Human Resources and Social Development

Vision 2030

Kingdom of Saudi Arabia

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Minister's Office

### The explanatory memorandum

For Article No. (41) of the implementing regulations of the labor law  
Regarding the organization of the contractual relationship between  
workers and employers  
And for paragraph (1/63) of violations and penalties

Ministerial Decision No. (142906) dated 13/8/1441 H, approved the addition of Article (41) to the regulation, and Ministerial Decision No. (142) dated 7/3/1440 H, to add paragraph (63/1) to Ministerial Decision No. (178743) based on Article (243) of the labor law, which stipulates that the minister shall issue the decisions and regulations necessary to implement the provisions of this law within one hundred and eighty days from the date on which the law entry into force. The implementing regulations shall be published in the Official Gazette, and based on Article eleven (bis) of the Labor Law, which states that "Without prejudice to the provisions of this law and the relevant regulations, the Minister may take measures that would improve the performance of the labor market and regulate labor mobility".

The aforementioned decision was issued, including Article (41), with the aim of organizing the contractual relationship between employers and workers in the face of exceptional circumstances and force majeure, mentioned in paragraph (5) of Article (74) of the Labor Law, so it is a text of the implementing regulations of the law. The statutory texts and executive decisions governing the contractual relationship between the worker and the employer were considered in it. It also came in line with the events that the Kingdom and the whole world is going through, and the preventive measures and precautionary measures related thereto to confront any exceptional event described as force majeure. The implementation of the provisions of Article (41) of the implementing regulations of the labor law is linked to the continuation of the situation or circumstance that can be said to be force majeure. All in light of what is established in the fundamentals and rules of Sharia, that the ruling adheres to its cause, where there is a cause there is a judgment, then when the cause ceases, the implementation of the article will be ineffective.



Moreover, the two parties to the contract will return to what they were before the implementation of the regulation.

As well, since it is decided, based on the general rules in the contracts binding on the two parties, that if the obligation of one of the parties lapses due to the impossibility of implementing it, the corresponding obligations shall lapse with it. In addition, since force majeure is every event that a person cannot anticipate nor respond to, and since for force majeure to lead to terminate the contract, it must lead to an absolute and permanent impossibility until the end of the contract, and not just difficulty to implement.

Paragraph (1) of Article (41) of the implementing regulations of the Labor Law stated the description of force majeure that if the country took – according to what it saw or on the basis of what was recommended by a competent international organization – measures regarding a situation or circumstance that required reducing working hours or precautionary measures that may limit the aggravation of that condition or circumstance. It also mentioned a number of measures that must be taken by the employer or worker during the six months following the procedures that were taken in the matter of the circumstance or the situation before resorting to the concept of achieving force majeure and considering its occurrence until after six months have passed and the case or circumstance continues. In addition, a proof of damage to the firm from those circumstances. These procedures consisted of steps that the worker and the employer must implement and adhere to:

**First:** Regarding Wages:

Since fulfilling the worker's wage is one of the most important obligations stipulated in the labor law, as it is an essential component of the work contract that the two parties must agree upon. And, since the wage is in exchange for work, and since there is an exceptional circumstance or case that calls for reducing the working hours that must be taken into account by the parties to the contract in this case based on what is decided by the principles and rules of Islamic Sharia, which states that (no harm, no foul.)

Paragraph (A / 1) of Article (41) of the Implementing regulations of the Labor Law stated that the wage is reduced during the six-month period following the measures taken regarding the circumstance or situation or some of the period, in proportion to the actual daily or weekly working hours. Taking into account in applying this provision that the reduction does not exceed (40%) of the total actual wage. As well, it is only during the six months following the measures taken regarding the situation or circumstance or some of them, according to what is agreed upon. Then, the employer must resume paying in full the wage previously agreed upon before the reduction, and the worker has no right to refuse to reduce the wage if it does not exceed the aforementioned limit.

**Second:** Regarding annual leave

Since it is legally prescribed according to Article (109) of the Labor Law, that the employer has the right to regulate the time when the worker obtains his annual leave, so that the employer can determine the dates of the annual leave for the worker according to the work circumstances and requirements .

And,

Whereas, the employer has the right to grant annual leave to all workers within a single period of time or to be on rotation between them.

Paragraph (B / 1) of Article (41) of the Implementing regulations of the Labor Law stated that the employer may grant an annual leave to the worker – during the six-month period following the measures taken regarding the circumstance or situation or some of the period – due to his powers and authority to determine the time of annual leave, according to what he estimates in light of what is required by the interest of work.

In applying this provision, it must be taken into account that the wages for this annual leave must be paid in accordance with the provisions of Article (109) of the Labor Law. The worker shall not be entitled to refrain from consuming the balance of his due leave whenever the employer decides to grant him the annual leave. The leave wage shall be calculated on the actual wage before the reduction applied in accordance with exceptional circumstances in implementation of the



**Third:** Exceptional Leave:

Since it is legally established under Article (116) of the Labor Law that the worker has the right to request a leave without pay, provided that the employer agrees to this leave, as the worker's exhaustion of his annual leave does not rob him of the right to obtain a leave without pay.

Paragraph (C / 1) of Article (41) of the Implementing regulations of the Labor Law stated that the employer grants exceptional leave to the worker – during the six-month period following the measures taken regarding the circumstance, or part of the period – whenever the worker requests it.

The application of this provision must take into account what is stipulated in Article (116) of the labor law with regard to considering the work contract suspended during the period of the exceptional leave, if it exceeds twenty days, unless the two parties agree to consider the contract not suspended for more than this period.

Accordingly, the provisions of Paragraph (1) of Article (41) of the Implementing regulations of the Labor Law came with regulated procedures that must be followed and adopted, all or some of them, by the employer and the worker during the six-month period following the procedures that are taken regarding any situation or circumstance that may arise from force majeure.

Taking into account that for every an invalid termination during this period, the harmed party shall have the right to obtain his dues according to the law, contract, or internal work regulation. Provided that these rights are not calculated on the basis of the reduced wage during the circumstance or exceptional case, but on the basis of the



last wage that he has been received before the circumstance or exceptional case.

Paragraph (2) of Article (41) of the Implementing regulations of the Labor Law stated that the application of the provisions of this regulation does not prevent the employer from benefiting from the subsidy provided by the country to support the private sector, whatever the type of subsidy provided, such as helping him pay the wages of his workers, or exempt from government fees and the like, as decided by the country as part of the procedures for facing the situation or circumstance.

Hence, the employer shall not resort to terminating the employment contract, considering that this circumstance or this situation as a part of the description of force majeure, except after three basic conditions are met, which are:

1. The passage of the six-month period following the measures taken in relation to a circumstance or situation that entails precautionary or preventive measures that require reducing working hours or suspending it for a certain period and the continuation of the circumstance or situation.
2. The application of all measures related to the reduction of wages, annual leave, and exceptional leave totally or partially, and the adherence thereto.
3. It is proved that the employer has not benefited from any aid by the state, regardless of the type of aid that is used to face this circumstance or this situation.

Paragraph (3) of Article (41) of the Implementing regulations of the Labor Law indicated that the worker should not terminate the employment contract, given that this circumstance or this situation is included in the description of (force majeure) except after two basic conditions are met:



1. The passage of the six-month period following the measures taken in relation to a circumstance or situation that entails precautionary or preventive measures that require reducing working hours or suspending it for a certain period and the continuation of the circumstance or situation.
2. The application of all measures related to the reduction of wages, annual leave, and exceptional leave totally or partially, and the adherence thereto.

Paragraph (1/63) of Ministerial Decision No. (178743) regarding violations and penalties stated that for every breach or non-commitment in the application of the provisions governing the exceptional circumstances, the competent authority shall have the right to impose a financial penalty for this violation estimated at ten thousand riyals, and this penalty may vary according to the number of cases and workers. The Ministry may settle these violations as soon as the violation is corrected and the settlement conditions are fulfilled as determined by the Ministry.

Allah is the arbiter of success