

Minister's Office

Ministerial Decision No. (50945), dated 01/05/1438 H.

Minister of Labor and Social Development,
Based on authorities duly granted to him.

Having reviewed the Labor Law issued under Royal Decree No. (M/51) dated 23/08/ 1426 H, amended under Royal Decree No. (M/46) dated 05/06/ 1436 H., particularly Article (3) of Labor Law, providing to the effect that "work is the right of every citizen. No one else may exercise such right unless the conditions provided for in this law are fulfilled. All citizens are equal in the right to work...;" reviewed Article (11bis) of Labor Law, providing to the effect that "... the Minister may take necessary actions aiming to improve the labor-market and to regulate the movements of workforce;" and reviewed Article (35) thereof; providing to the effect that " The ministry shall not renew the work permits of its workers if such employer violated or failed to fulfill the localization requirements;" based on the requirements of public interest; and **decides as follows:**

First: (Macro, large and medium) establishments may not – in cases other than bankruptcy or close down of the establishment – collectively dismiss Saudi workers for whatsoever reason without sending a prior notification to the competent labor office, at least (60) days prior to enforcement of the dismissal decision.

second: Collective dismissal: means the termination of a group of Saudi workers' services- without committing any fault and for causes related to the employer- where the percentage of dismissed workers exceeds (1%) of the establishment's workers or equals a number of (10) workers; whichever is bigger, within one year as of the latest dismissal.

Third The notification shall include the following:

- a. A financial study about the establishment's position, indicating justification of the collective dismissal.

- b. b. A list of the number and names of the Saudi workers to be dismissed, description of nature of their jobs; as well as the justifications for dismissal of each worker.
- c. c. A list of the number and names of the Non-Saudi workers with the same job grades of the dismissed workers as well as a description of their jobs.
- d. d. The procedures taken by the establishment to avoid such dismissal.

Fourth: The competent labor office shall- within (45) days- review the notification and express its opinion thereon, based on the following criteria:

- a. The establishment's current financial position.
- b. Possibility of finding alternative solutions for the collective dismissal by substituting Saudi workers for Non-Saudi workers of the same job grade or that does not substantially differ from the jobs occupied by the Saudi workers decided to be dismissed.
- c. Possibility of providing them with alternative jobs, either inside the establishment or outside
- d. Possibility of submitting settlement offers to the Saudi workers to be dismissed.

Fifth: Without prejudice to the jurisdiction of Labor Commissions, a permanent committee shall be established at all labor offices within KSA, consisting of:

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| a. Manager of labor office | Chairperson |
| b. A representative of the branch of Human Recourses Fund | Member |
| c. Legal advisor | Member |

This Committee shall be formed in order to consider the causes and justifications by the establishments involved in the notification of collective dismissal. To this end, it shall:

- a. Summon the establishment's representative to discuss the causes and justifications of the collective dismissal of Saudi workers.
- b. Find alternative solutions and proposals with the establishment; in order to avoid the dismissal process.
- c. Consider the notification or assign a labor expert or a consulting house to consider it and give an opinion thereon; in accordance with the Labor Law and Implementing Regulations thereof, that decision as well as other effective rules and instructions.
- d. Reject the notification and the establishment's causes and justifications for dismissing the Saudi workers.
- e. Accept the notification and convince the establishment's causes and justifications.
- f. Set a plan to address the impacts of the collective dismissal of Saudi workers in case the Committee is convinced of the causes and justifications of the said dismissal.

Sixth: The committee may set its working mechanism in a manner ensuring the completion of its works on due time. Its recommendations are made by consensus or majority. In case of equal votes, the Chairperson shall have the casting vote. The member objecting to the decision shall justify his objection. If the establishment rejects the committee's decision, it shall submit its decision to the Minister for approval.

Seventh: The establishment violating the provisions of this decision shall be deprived of the Ministry's services, as follows:

Ser. No.	Violation Type	Service Type	Suspension Period
1	Non-compliance with the period of notification	<ul style="list-style-type: none"> • Issuance of recruitment visas. 	(30) days
2	Exceeding the established percentage or number by (5%) of Saudi workers or less.	<ul style="list-style-type: none"> • Issuance of recruitment visas. • Transfer of services to the establishment. 	(90) days
3	Exceeding the established percentage or number by more than (5%) up to (10%) of Saudi workers.	<ul style="list-style-type: none"> • Issuance of recruitment visas. • Transfer of services to the establishment. 	(180) days
4	Exceeding the established percentage or number by more than (10%) up to (15%) of Saudi workers.	<ul style="list-style-type: none"> • Issuance of recruitment visas. • Transfer of services to the establishment. 	(360) days
5	Exceeding the established percentage or number by more	<ul style="list-style-type: none"> • Issuance of recruitment visas. 	(540) days

	than (15%) up to (20%) of Saudi workers.	<ul style="list-style-type: none"> • Transfer of services to the establishment. • Allowance of transferring the services of workers from the establishment without its approval and without considering the work permit or residence permit during the suspension period. 	
6	Exceeding the established percentage or number by more than (20%) of Saudi workers.	<ul style="list-style-type: none"> • Issuance of recruitment visas. • Transfer of services to the establishment. • Renewal of work permits. • Allowance of transferring the services of workers from the establishment without its approval and 	(720) days



		without considering the work permit or residence permit during the suspension period.	
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Eighth: If the suspension periods are overlapped, the longer period shall be applicable.

Ninth: Decision of suspension of services shall be canceled and considered null and void in the event of canceling the decision of the dismissal of Saudi workers and returning them to their jobs or finding a solution acceptable to the committee.

Tenth: Periods of suspension and their respective services stipulated under clause (VII) shall be amended in case the establishment cancels the decisions of dismissing some Saudi workers, in a manner consistent with the extent of violation and in accordance with the criteria stipulated under clause (VII).

Eleventh: This decision shall enter into force as of issuance thereof.

Twelfth: Vice Minister informs the concerned authorities of this decision to work accordingly.

Minister of Labor and Social Development,
Ali bin Nasser Al-Ghafis
(Signed)