

# TRANSLATION

## Labor Law

### Part I

#### Definitions and general provisions

#### Chapter I

##### Definitions:

##### Article 1

This law shall be called “labor law”.

##### Article 2

The following words and expressions shall, [whenever they occur in this law], have the meanings shown against each except when the text requires otherwise:

**Ministry:** Ministry of Labor.

**Minister:** Minister of Labor.

**Labor Office:** The administrative agency tasked with the labor affairs within the geographical zone to be specified by a decision of the Minister.

**Employer:** Each natural or legal person who employs one or more workmen for a pay.

**Workman:** Any natural person who works in favor of the employer and under his management or supervision for a wage, even if far from his eyes [?].

**Minor:** A person who has completed 15 years of age but has not reached 18 years of age.

**Work:** The effort exerted in all human activities in implementation of a work contract (written or not written), irrespective of the nature or type of such activities, be they industrial, commercial, agricultural, technical or otherwise, physical or mental.

**Original work:** For individuals, the subject of their normal activity and for establishments the works that the establishment has been formed to perform as provided for in its articles of association, in the concession agreement, if it is a concessionaire, or in its commercial register.

## TRANSLATION

**Temporary work:** The work that is by its own nature forms part of the activities exercised by the employer and its completion requires by nature a limited period of time or is directed to a specific activity and is ended with its completion and in both cases does not exceed 90 days.

**Accidental work:** The work which does not by its nature form part of the usual activity of the employer and that does not take more than 90 days to complete.

**Seasonal work:** The work done in recognized cyclical seasons.

**Part-time work:** The work done by a workman who is not a full time workman with the employer and for working hours that are less than half of the regular working hours of the establishment, whether such workman performs his business hours daily or on certain days of the week.

**Continuous service:** The uninterrupted service of the workman with the same employer or his statutory successor from the date of service commencement. The service shall be deemed continuous in the following cases:

- 1- Statutory designated leaves and holidays.
- 2- Period of absence to sit for examinations in accordance with the provisions of this law.
- 3- Absence of the workman without pay for a period of not more than twenty intermittent days during the year.

**Basic wage:** All amounts paid to the workman in consideration of his work under an employment contract, written or not written, irrespective of the type of pay or method of work performance, plus the periodic allowances.

**Actual wage:** The basic wage plus all other accrued increases given to the workman in consideration of the effort exerted in the work or risks to which he is exposed while performing his work, or the increases given to the workman for working under the work contract or work bylaws, including the following:

- 1- The commission or a percentage point of the sales or a percentage point of the profits paid in recognition of the workman's marketing, production or collection efforts or the production increases or enhancements realized by the workman.
- 2- The allowances that the workman is entitled to against the energy exerted or risks he is exposed to in the performance of his job.

## TRANSLATION

3- The increases that may be granted in accordance with the cost of living or to accommodate family burdens.

4- **Grant or reward:** The grant or award given by the employer to the workman or the payment mad as reward for his integrity or efficiency, if such grant or award is provided for in the employment contract or the establishment's bylaws or customary to the extent that the workmen look at it as part of the wage rather than a giveaway.

5- **Privileges in kind:** Are the privileges that the employer undertakes to provide to the workman in recognition of his work as may be set forth in his employment contract or the establishment's bylaws. The privilege is estimated as a maximum at the equivalent of the basic pay for two months for each year, except where the employment contract or the work bylaws sets it at a higher rate.

**Wage:** the actual wage.

**Establishment:** Any project managed by a natural or legal person where one or more workmen are employed against a wage of any kind or description.

**Month:** Thirty days, unless provided for otherwise in the employment contract or the work bylaws.

**Regulations:** Implementary Regulations of this law.

## Chapter II General Provisions

## TRANSLATION

### Article 3:

Work is the right of the citizen and any other party may exercise this right and engage in work only after satisfaction of the conditions set forth in this law. All citizens have equal right to work.

### Article 4:

In the implementation of the provisions of this law, both the employer and workman shall comply with the dictates of Islamic Shari'ah.

### Article 5:

The provisions of this law shall apply to the following:

- 1- Each contract whereby a person undertakes to work for the account of the employer and under his management and supervision in consideration for a wage.
- 2- Workmen of the government and general organizations, including those involved with animal husbandry and agriculture.
- 3- Workmen of charitable organizations.
- 4- Workmen in agricultural and animal husbandry establishments which employ ten workmen and more.
- 5- Workmen in the agricultural establishments which process their own products.
- 6- Workmen who operate and repair on an on going basis the mechanical machinery necessary for agriculture.
- 7- The apprenticeship and training contracts with workmen other than those of the employer within the limits of the provisions set forth in this law.
- 8- Part time workmen within the limits related to occupational safety and health and workmen injuries and the other categories designated by the Minister.

### Article 6:

The casual, seasonal and temporary workman shall be subject to the provisions related to the duties, disciplinary rules, maximum number of working hours, daily and weekly rest periods, overtime work, official holidays, occupational health and safety rules, work injuries, related compensations and the Minister's decisions.

### Article 7:

The following shall be excluded from the application of this law:

## TRANSLATION

- 1- Members of the employer's family, namely his wife, ascendants and descendants who work in the establishment with no other employees.
- 2- Domestic servants and the like.
- 3- Sea workmen who work in vessels whose tonnage is less than 500 tons.
- 4- Agriculture workmen other than the categories set forth in Article 5.
- 5- Non Saudi workmen who are brought in to perform a specific task and for a period of not more than two months.
- 6- Players and coaches of sport clubs and associations.

The Ministry of Labor shall, in coordination with the competent agencies, draw up and submit to the Council of Ministers the rules applicable to domestic servants and similar categories to regulate their relationship with their employers and to define the rights and duties of each party.

### **Article 8:**

Any condition that violates the provisions of this law as well as any release or reconciliation involving the rights of the workman arising from this law during the currency of the employment contract, shall be null and void, except where such condition, release or reconciliation is more beneficial to the workman.

### **Article 9:**

Arabic is the language that shall be used in the data, records, files, employment contracts and the other documents provided for in this law or in any other decision issued in implementation of its provisions, as well as the instructions of the employer to its workmen.

If the employer uses a foreign language besides Arabic in any of the above cases, the Arabic version shall prevail over other versions.

### **Article 10:**

All periods and dates referred to in this law shall be calculated on the basis of the Hijrah calendar, except where the employment contract or the bylaws provide any thing to the contrary.

### **Article 11:**

- 1- If the employer entrusts to a natural or juristic person any of his principal operations or any part thereof, the latter shall give his workmen all rights and privileges granted by the

## TRANSLATION

original employer to his own workmen, and both shall be jointly responsible for such rights and privileges.

- 2- If more than one employer is involved, all employers shall be held jointly responsible for satisfying the obligations arising from this law and the employment contracts.

### **Article 12:**

Both the employer and the workman shall be required to acquaint themselves with all contents and provisions of the Labor Law to the extent that each is aware of his duties and obligations. An employer who employs ten workmen and more shall submit to the Ministry within one year as of the effective date of this law or the date on which a quorum is achieved [?] bylaws which embody the internal work rules. Such rules shall be comprehensive and shall spell out work regulations and related terms, including the terms relevant to the privileges and the rules related to violations and disciplinary penalties which must be consistent with the provisions of this law.

### **Article 13:**

The Ministry shall approve the work bylaws and any subsequent amendments within 60 days as of the date of submittal to the Ministry. If this period elapses without the Ministry's approval thereof or objection thereto, the bylaws shall become effective as of the date that period has elapsed.

After approval of the bylaws, the employer shall post them in a conspicuous location in the establishment or shall else use any other methods that would ensure the workmen's familiarity with the bylaws.

### **Article 14:**

The Minister shall issue by a decision sample or samples of work bylaws for the employers' guidance.

### **Article 15:**

Upon commencement of the establishment's operations, the employer shall provide the following information to the competent labor office in writing:

- 1- Name, type, head office and mailing address of the establishment or any information that may help in facilitating communications with the establishment.
- 2- The economic activity that the establishment is licensed to engage in, indicating and attaching copy of the commercial register or license number, date and issuing agency.

## TRANSLATION

- 3- Number of workmen to be employed by the establishment.
- 4- Name of the responsible manager of the establishment.
- 5- Any other information that the Ministry may request.

### **Article 16:**

- 1- In the event the employer is unable to exercise the work himself, he shall appoint a responsible official to represent him at the workplace. In the event of multiple partners or managers, one of those residing at the workplace shall be appointed to represent the employer and shall be held liable for any violation of the provisions of this law.
- 2- The employer shall communicate to the competent labor office in writing the name of the partner or manager. If such partner or manager is changed, the employer shall provide the office with the name of the new partner or manager within a maximum period of seven days as of the date the latter assumes the new office.
- 3- If no such person is appointed as responsible manager for the establishment, or if the appointed person does not assume office, the person who actually performs the manager's duties or the employer himself shall be deemed the responsible manager of the establishment and in all cases the employer shall continue to be held as the manager responsible in principal of the establishment.

### **Article 17:**

The employer shall keep at the workplace the records, rosters and files as well as the data specified in the Implementary Regulations. The employer shall post in a conspicuous location at the workplace schedules showing the working hours, rest periods, the weekly days off, and the timings of each shift.

### **Article 18:**

If the ownership of the establishment transfers to a new owner if a change is made in its statutory form through merger, partition or any other action, the employment contracts shall remain effective and the service shall be deemed as continuous in both cases.

With respect to the workmen's entitlements for the period preceding this change, such as wages, severance awards assumed to have accrued on the date of transfer of ownership or any other entitlements, both the predecessor and successor shall be held jointly liable therefor. If individual establishments are involved in such transfer of ownership, the successor and predecessor may

## TRANSLATION

agree on the transfer of all previous entitlements of the workmen to the new owner with the workman's written approval. If the workman does not approve, he may demand termination of his contract and delivery of all his entitlements from the predecessor.

### **Article 19:**

The amounts that the workman or his heirs are entitled to under the provisions of this Law shall be considered first-class preferred debts, and for the recovery of which the workman or his heirs shall have a priority right over all monies of the employer. In the event of the employer's bankruptcy or the liquidation of his establishment, such amounts shall be recorded as preferred debts, and the workman shall be paid an advance amount equivalent to one month's pay before payment of any other costs, including court expenses and bankruptcy or liquidation costs.

### **Article 20:**

Neither the workman nor the employer may commit any act that may constitute an abuse of any of the provisions of this Law, or of the decisions and rules issued in execution of the provisions hereof. Nor shall the workman or the employer engage in any act that may bring pressure to bear on the freedom of the other or on the freedom of other workmen or employers with the object of realizing any interest or supporting any viewpoint which either may hold and which is inconsistent with the freedom of work and the jurisdiction of the authorities concerned with the settlement of disputes.

### **Article 21:**

For the purpose of implementing the provisions of this law, the Minister may coordinate with the concerned agencies whenever such coordination is required.

## **Part II**

# TRANSLATION

## Streamlining of the employment processes

### Chapter I Employment Units

#### Article 22:

The Ministry shall set up employment units in locations suitable for both the employers and workmen to perform the following tasks free of charge:

- 1- Assist workmen in locating suitable jobs and assist employers in finding suitable workmen.
- 2- Collect and analyze the necessary information on the labor market and its development so that such information may be available to the various public and private organizations concerned with economic and social planning.
- 3- Such offices shall perform the following duties:
  - 3.1- Record the names of job applicants.
  - 3.2- Obtain information on vacant jobs from employers.
  - 3.3- Refer workmen's applications to suitable vacancies.
  - 3.4- Extend advice and assistance to job applicants concerning vocational qualification and training or the re-training required to secure the vacancies.
  - 3.5- Any other matters that the Ministry may decide.

#### Article 23:

Each citizen in working age who is capable of and has the desire may request to have his name entered in the employment unit, indicating his date of birth, qualifications, previous experience, wishes and address.

#### Article 24:

The Implementary Regulations shall set forth the rules and procedures governing the conduct of business at the employment units. The same rules shall prescribe the forms of the records, notices and other documents used in the unit's operations, as well as the job classification schedules in accordance with the approved professional classifications, which shall serve as basis for the organization of employment processes.

#### Article 25:

## **TRANSLATION**

Each employer shall forward the following information to the competent labor office:

- 1- Statement on vacancies and new job opportunities, their types, locations, designated salaries and conditions to be satisfied by the prospective occupant. The information shall be provided within a maximum period of 15 days from the date the post becomes vacant or is introduced.
- 2- Notice on the action taken relative to the employment of the citizen nominated by the employment unit within seven days from the date of receipt of the nomination letter.
- 3- Statement on the names of his employees, their positions, professions, salaries, ages, nationalities, work permit numbers and dates (for non Saudis), and the rest of the information specified in the Implementary Regulations.
- 4- Report on the condition, circumstances and nature of the work, and the increase or decrease anticipated in the volume of the work during the year following the date of the report.
- 5- The statements referred to in paragraphs 3 and 4 shall be transmitted during the month of Muharram of each year.

### **Article 26:**

- 1- Establishments engaged in all types of activities and irrespective of the number of their employees shall seek to attract and employ Saudi nationals and provide the nurturing environment conducive to their sustained employment, granting them the appropriate opportunity to demonstrate their mettle and fitness for work through mentoring, training and qualifying them for the works assigned to them.
- 2- The percentage of the Saudi workmen employed by the employer shall not be less than 75% of the total workforce. In the absence or unavailability of the required technical competences or academic qualifications, or if it is impossible to fill such posts with the citizens, the Minister may temporarily discount this percentage.

### **Article 27:**

The Minister may, if necessary, require employers in certain industries or activities and in certain areas and districts to hire workmen only after registration in the employment units, subject to the terms and conditions he shall prescribe by a decision of his.

## **Chapter II**

## TRANSLATION

### Employment of the handicapped

#### Article 28:

An employer who employs 25 or more workmen and the nature of whose work allows him to employ handicapped workmen who have been vocationally rehabilitated, shall employ at least 4% of the total number of his workmen must be of the handicapped persons who have been vocationally rehabilitated, whether through nomination by the employment units or other outlets. The employer shall forward to the competent labor office a statement on the number of jobs and positions held by and the wages paid to each handicapped workman who has been vocationally rehabilitated.

#### Article 29:

If a workman sustains a job injury resulting in diminished capacity which does not prevent him from performing a job other than his previous job, the employer in whose service the injury occurred shall reassign such workman to a suitable job at the salary designated for such job. This shall not prejudice the workman's right to compensation for his injury.

### Chapter III

#### Private employment offices for the citizens and private expatriate recruitment offices

#### Article 30:

A natural or juristic person may engage in an activity involving employment of Saudi nationals or the activity of recruiting workmen only if licensed by the Ministry. The Implementary Regulations shall set forth the imperatives of each of these two activities, the conditions for issuing and renewal of the license, the duties, caveats, rules for non renewal or revocation of the license, the ensuing consequences and the other salient conditions and controls that would ensure proper progress of the work thereunder.

#### Article 31:

The Saudi workmen that the offices have contributed to their employment and the workmen recruited on behalf of the employers shall be deemed workmen of the employer with whom they have direct contractual relationship.

### Part III

## TRANSLATION

### Employment of non Saudis

#### Article 32:

A foreigner may be recruited for work only with the Ministry's approval.

#### Article 33:

A non Saudi may engage in work and he shall be allowed to engage in any work only after securing a work permit from the Ministry in accordance with the form to be developed by the Ministry for this purpose. Granting such a permit shall be subject to the following conditions:

1. The workman must have entered the country legally and must be licensed to work.
2. The workman must possess the professional skills and academic qualifications that the Country needs and which the nationals do not possess or their number is too small to meet the needs or alternatively the workmen must be of the regular labor categories that the country needs.
3. The workman must be contracted by the employer and under his responsibility.

The term "work" as used in this Article shall mean any industrial, commercial, agricultural, financial, or other endeavor, and any service including domestic service.

#### Article 34:

The work permit referred to above shall not dispense with or replace any permit or license that may be required by any other agency to engage in the work or practice the profession.

#### Article 35:

Prior to the renewal of the work permit, it is imperative to verify and ensure that none of the Saudi job applicants fulfills the required conditions and wishes to fill the job himself.

#### Article 36:

The Minister shall issue a decision identifying the professions and jobs that non Saudis are prohibited from engaging in.

## TRANSLATION

### Article 37:

Employment contracts for non Saudi nationals shall be in writing and of specific term. If the employment contract makes no mention of the term, the duration of the work permit shall be deemed the contract term.

### Article 38:

The employer shall not employ the workman in a profession other than the one specified in his work permit. The workman shall, likewise, be prohibited from engaging in a profession other than his prior to completion of the statutory procedures for changing the profession.

### Article 39:

- 1- The employer shall neither let his workman work for another party nor shall he employ a workman of another party and by the same token neither shall the workman work for another employer prior to satisfaction of the designated statutory procedures and rules.
- 2- The employer shall not allow his workman work for his own account nor shall the workman work for his own account.

### Article 40:

- 1- The employer shall bear the costs of the foreign workman's recruitment, the fees for issuance and renewal of his residence and work permits, as well as the attendant delay fines, profession change fees, exit and re-entry visa fees, and return ticket to the workman's homeland upon termination of the relationship between the two parties.
- 2- The workman shall bear the costs of his return to his homeland if he is found unfit for work or if he wishes to return home in the absence of a legitimate reason.
- 3- The employer shall bear the cost of transferring the services of the workman he wishes to employ.
- 4- The employer shall bear the cost of repatriating the dead body of the workman to the location where the contract has been concluded or the workman recruited, except where the dead workman's body is buried in the Kingdom with the approval of his family. The employer shall be relieved of this duty if the General Organization for Social Insurance assumes this obligation.

### Article 41:

The Implementary Regulations shall set forth the conditions, controls and procedures of recruitment, transfer of services and change of profession.

# TRANSLATION

## **Part IV**

### **Training and qualification**

#### **Chapter I**

##### **Training and qualification of the workmen**

###### **Article 42:**

Each employer shall be required to groom his Saudi workmen and upgrade their technical, administrative and professional acumen with a view to gradually assuming the works currently undertaken by non Saudis.

The employer shall keep a record showing the names of the Saudi workmen who have replaced the non Saudis in accordance with the conditions and rules set forth in the Implementary Regulations.

###### **Article 43:**

Without prejudice to the conditions set forth in concession and other agreements relative to training, qualification, education, and scholarships, every employer employing fifty or more workmen shall train annually in his operations a number of his Saudi workmen that is not less than 6% of the total number of his workmen. The Minister may elect to raise this percentage point in certain installations by a decision.

###### **Article 44:**

The training programs shall provide for the rules and conditions to be followed in training, indicating its duration, number of hours, the theoretical and practical training programs, method of testing and certification to be granted. The Implementary Regulations shall set forth the general criteria and rules to be followed in this regard to upgrade the workman's standards in terms of skills and productivity.

#### **Chapter II**

##### **Qualification of training of workmen other than the employer's**

###### **Article 45:**

## TRANSLATION

**Training** (*perhaps apprenticeship?*) **and qualification contract:** a contract which commits the employer to train and qualify a person to prepare him for a specific profession.

### **Article 46:**

The training or qualification contract must be in writing, indicating the type of profession for which training has been contracted, the duration of training and follow up stages, the amount of salary to be paid to the trainee in each phase, subject to the condition that determination of the salary shall not by any means be based on piecemeal or productivity.

### **Article 47:**

The Minister may require the establishments, to be identified in a decision, to accept a certain number or percentage of the students and graduates of colleges, institutes and centers to receive supplemental training and practical experience in accordance with the conditions, circumstances, durations and trainee rewards to be spelled out in an agreement to be concluded between the Ministry and the management of the concerned establishment.

### **Article 48:**

The employer may elect to cancel the training and qualification contract if the trainee, in his opinion, is not amenable to or incapable of completing the training program in a beneficial manner and the trainee or his guardian shall have the same right. The party wishing to terminate the contract shall notify the other party at least one week ahead of the date of training suspension. The employer may require the trainee to work for him upon completion of the training period for a period not to exceed twice the duration of the training or one year, whichever is longer.

### **Article 49:**

The training and qualification contract shall be subject to this law's provisions on annual leaves, official holidays, maximum working hours, daily and weekly rest periods, occupational health and safety rules, job injuries and any determinations by the Minister.

## **Part V Labor Relations**

### **Chapter I Employment contract**

## TRANSLATION

### **Article 50:**

**An employment contract** is a contract concluded between an employer and a workman, whereby the latter undertakes to work under the management or supervision of the former for a wage.

### **Article 51:**

The employment contract must be in duplicate, one copy to be retained by each of the two parties. However, a contract shall be deemed to exist even if it was not written. In this case the workman alone may establish the contract and his entitlements arising therefrom using all burdens of proof [?]. Either party may at any time demand that the contract be put in writing.

For workmen of the State and general organizations, the appointment decision or order issued by the competent agency shall serve as the contract.

### **Article 52:**

The employment contract shall basically provide for the name of the employer, venue, the name of the workman, nationality, identification, the wage agreed upon, type and workplace, date of employment, duration of the contract if fixed, and subject to the provisions of Article 37.

### **Article 53:**

If the workman is subject to a probation period, the fact must be explicitly stated and clearly identified in the employment contract. Such probation period shall not exceed 90 days, exclusive of 'Id al- Adha and 'Id al- Fitr holidays and sick leaves. Each party shall have the right to terminate the contract during this period, unless the contract embodies a clause giving the right to terminate the contract to only one of them.

### **Article 54:**

A workman shall not be placed on probation more than once by the same employer. As an exception to this rule, the workman may, however, and with the approval of the contract parties, be subjected to another probation period of not more than 90 days on the condition that this period involve another profession or work. If the contract is terminated during the probation period, neither party shall be entitled to compensation nor shall the workman be entitled to severance award.

## TRANSLATION

### Article 55:

- 1- The fixed term contract shall terminate upon expiration of its term. If the two parties continue to implement it, it shall be deemed renewed for an indefinite period of time, subject to the provisions of Article 37 for non Saudi workmen.
- 2- If the definite term contract incorporates a clause providing for its renewal for a similar term or a limited term, the contract shall be renewed for the period agreed upon. If the contract is renewed for two consecutive terms or if the original contract term and the renewal period amount to three years, whichever is less [?], and the two parties continue to implement it, the contract shall become an indefinite term contract.

### Article 56:

In all cases where the contract term is renewed for a specific period of time, the contract renewal period shall be an extension of the original term in determining the workman's entitlements where the period of service features in their calculations.

### Article 57:

If the contract involves performance of a specific job, the contract shall terminate with the completion of the work agreed upon.

### Article 58:

The employer may not transfer the workman from his original workplace to another place that would require a change in his place of residence, if such transfer is likely to cause a serious damage to the workman and in the absence of a valid reason dictated by the nature of the work.

### Article 59:

A monthly-rated workman may not be reclassified as a day, week, hour or piecework rated labor, unless the workman agrees thereto in writing and without prejudice to the rights he has acquired during the period he spent as a monthly-rated workman.

### Article 60:

## TRANSLATION

Without prejudice to the provisions of Article 38 and except in cases of necessity dictated by transient circumstances for a period not exceeding thirty days in the year, a workman may not be assigned duties which are essentially different from the work agreed upon in the absence of his written consent.

### **Chapter II**

#### **Duties- Disciplinary rules**

##### **First: employers' duties**

##### **Article 61:**

In addition to the duties provided for in this law and the rules and decisions issued for its implementation, the employer shall be required to:

- 1- Refrain from using the workman as bondage or unpaid labor and shall not, without a legal cause, withhold the workman's wages or any part thereof. The employer shall treat his workmen with due respect and refrain from any action or utterances that may prejudice or compromise their dignity and religion.
- 2- Give the workmen the required time to exercise their rights as provided for in this law without any deductions from their salaries against such time. The employer may regulate the exercise of this right in a manner that is not detrimental to the work progress.
- 3- Facilitate to the employees of the other competent agencies any task related to the enforcement of the provisions of this law.

##### **Article 62:**

If the workman reports to work on the prescribed time or expresses his readiness to perform his work during these hours but is prevented from doing so only by a cause which is ascribed to the employer, the workman shall be entitled to the pay for the period during which no work is performed.

##### **Article 63:**

The employer, his agents, or any person having authority over the workmen shall prohibit entry of any legally prohibited substance into the places of work, and may as well apply the penalties provided for in this law to anyone who is found in possession of or who has consumed such substance, without prejudice to the other penalties provided for in the Shari'ah.

## TRANSLATION

### **Article 64:**

Upon expiration of the employment contract, the employer shall be required to:

- 1- Give the workman, at his request and free of charges, a certificate of service, indicating the date of his employment, date of termination of the work relationship, his profession, and the last wage received. If the certificate contains any remarks that are prejudicial to the workman's reputation or likely to diminish his employment chances, the reasons must be clearly indicated.
- 2- Return to the workman all certificates and documents he has submitted.

### **Second: Workman's duties:**

### **Article 65:**

In addition to the duties provided for in this law and the rules and decisions in implementation thereof, the workman shall be required to:

- 1- Perform the work in accordance with the trade practice and the employer's instructions on the condition that such instructions do not contravene the contract, the law or public morality and that they do not expose him to any undue hazards.
- 2- Pay adequate attention to the machinery, tools, supplies and raw materials belonging to the employer which are placed at his disposal or in his custody and return to the employers the materials which have not been consumed.
- 3- Abide by proper behavior and ethical norms during the work.
- 4- Extend all assistance and help without making it contingent on additional pay in case of disasters or risks threatening the workplace or the persons working in it
- 5- Undergo, at the employer's behest, the physical examinations that the employer wishes to perform prior to or during employment to ensure a clean bill of health from occupational or communicable diseases.
- 6- Preserve the technical, trade and industrial secrets of the products or which he directly or indirectly contributed to their production, as well as all trade secrets related to the work or the establishment divulgence or which is likely to cause damage to the employer's interests.

### **Third: Disciplinary rules:**

### **Article 66:**

The disciplinary penalties that the employer may apply to the workman:

## TRANSLATION

- 1- Warning notices
- 2- Fine
- 3- Deprivation of allowance or postponement of not more than one year whenever scheduled by the employer.
- 4- Postponement of promotion for a period of not more than one year whenever scheduled by the employer.
- 5- Suspension from work and withholding of wages
- 6- Dismissal in the cases set forth by the law.

### **Article 67:**

The employer may not apply to the workman a penalty that is not listed in this law or the work bylaws.

### **Article 68:**

The penalty shall not be made stricter in the event of repeated violation if 180 days have elapsed since the previous violation was committed, calculated from the date the workman is informed of the penalty for that violation.

### **Article 69:**

An accusation may not be leveled against a workman for any offense that may be discovered after the elapse of more than 30 days nor shall a disciplinary action be applied after the elapse of more than thirty days after conclusion of the investigation and establishment of the workman's guilt.

### **Article 70:**

A workman shall be penalized for an action committed outside the workplace only if such action is related to the job, the employer or the responsible manager.

Nor shall a workman be fined for a single violation in an amount in excess of the workman's wage for five days and no more than one penalty shall be applied for a single violation. In short, no more than the workman's wage for five days shall be deducted from his salary in one month in payment of fines or his suspension from work without pay for more than five days a month.

### **Article 71:**

## TRANSLATION

A disciplinary action shall be applied to the workman only after written notification of the accusations, interrogation, defense and establishment of the guilt in a report to be deposited in his personal file. The interrogation may be verbal in minor infringements the penalty for which does not go beyond a warning or deduction of one day salary, which fact shall also be documented in the report.

### **Article 72:**

The penalty decision shall be communicated to the workman in writing. If he refused to take delivery of the notice or if he is absent, the notice shall be forwarded to the address shown in his file by registered mail. The workman shall have the right to object to the decision within 15 days, excluding official holidays, from the date of delivery of the final decision. The objection shall be filed with the Commission for the Settlement of Labor Disputes which shall be required to issue its decision within thirty days from the date the objection was deposited.

### **Article 73:**

The fines imposed on the workmen shall be entered in a special record, showing the workman's name, his wages, the amount of the fine, causes and date of the fine. Such fines shall be disposed of only in matters that benefit the establishment workmen after securing the Ministry's approval thereof.

## **Chapter III**

### **Expiration of the employment contract:**

### **Article 74:**

The employment contract shall expire in the following events:

- 1- If the two parties agree to terminate it, subject to the proviso that the workman's approval be in writing.
- 2- If the term specified in the contract expires, unless the contract has been explicitly renewed in accordance with the provisions of this law in which case it shall continue through its maturity date.
- 3- On the grounds of the will of either party in indefinite term contracts.
- 4- The workman reaches the age of retirement, i.e. sixty years for the male workmen and 55 years for female workmen, unless the two parties agree to continue to work after this age. The retirement age may be reduced in cases of early retirement as may be provided for in the work bylaws. If the contract is of a definite term and it extends beyond the retirement age, the contract shall end upon expiry of its term.

## TRANSLATION

5- Force majeure.

The provision of paragraph 4 shall apply two years after this law enters into effect.

### **Article 75:**

If the contract is of an indefinite term, either party may terminate it for a valid reason to be specified in a written notice to be served to the other party at least thirty days prior to the termination date if the workman is paid monthly and not less than fifteen days for others.

### **Article 76:**

If the party terminating the contract does not observe the period provided for in Article 75, such party shall be required to pay the other party compensation equal to the workman's wage for the duration of the notice or the balance thereof. The last wage received by the workman shall serve as the base for estimating the compensation for the workmen who got paid by the time frame criterion [?]. For the workmen who are paid wages by another criterion, the estimation shall take into account the provisions of Article 96.

### **Article 77:**

If the contract is terminated for an invalid reason, the party who is prejudiced by such termination shall be entitled to indemnity to be assessed by the Commission for the Settlement of Labor Disputes, provided that such assessment shall take into account the termination circumstances and actual and potential material and moral damages sustained.

### **Article 78:**

A workman who has been unjustifiably terminated may apply for reinstatement in his job. Such applications shall be heard and considered in accordance with the provisions of this law and the Rules for Pleadings before the Commissions for the Settlement of Labor Disputes.

### **Article 79:**

The employment contract shall not expire by the death of the employer unless his personality has been taken into consideration in concluding the contract [?], but shall expire with the demise or incapacitation of the workman as per a medical certificate authenticated by the authorized medical agency or the authorized physician appointed by the employer.

### **Article 80:**

## TRANSLATION

The employer may terminate the contract without an award, advance notice or indemnity only in the following cases, and provided that he gives the workman a chance to state his reasons for objecting to the termination:

1. If, during or by reason of the work, the workman assaults the employer, the responsible manager or any of his supervisors.
2. If the workman fails to perform his essential obligations arising from the employment contract, or to obey legitimate orders, or if, in spite of written warnings, he deliberately fails to observe the instructions related to the safety of the work and workmen as may be posted by the employer in a conspicuous place.
3. If the workman is proved to have adopted a bad conduct or to have committed an act affecting integrity or honor.
4. If the workman deliberately commits any act or default with the intent to cause material loss to the employer, provided that the latter shall report the incident to the appropriate authorities within twenty-four hours from the time of becoming aware of such occurrence.
5. If the workman resorts to forgery in order to obtain the job.
6. If the workman is hired on probation.
7. If the workman is absent without valid reason for more than twenty days in one year or for more than ten consecutive days, provided that discharge shall be preceded by a written warning to be served by the employer to the workman if the latter is absent for ten days in the first case and for five days in the second.
8. If the workman illegally takes advantage of his position for personal gains.
9. If the workman divulged work- related industrial or commercial secrets.

### **Article 81:**

Without prejudice to all of his statutory rights, the workman may quit his job without notice in any of the following cases:

1. If the employer fails to fulfill his essential contractual or statutory obligations towards the workman.

## TRANSLATION

2. If the employer or his representative resorts to fraud at the time of contracting with respect to the work conditions and circumstances.
3. If the employer assigns to the workman, without his consent, to perform a work which is essentially different from the work agreed upon and in violation of the provisions of Article 60.
4. If the employer, a family member or the responsible manager commits a violent assault or an immoral act against the workman or any of his family members.
5. If the treatment by the employer or the responsible manager is characterized by cruelty, injustice or insult.
6. If the workplace involves serious hazard to the safety or health of the workman, provided that the employer be aware of the existence of such hazard but fails to take action to indicate removal thereof.
7. If the employer or his representative, through his actions and particularly by his unfair treatment or violation of the terms of the contract, has caused the workman to appear as the party terminating the contract.

### **Article 82:**

The employer shall not have the right to terminate the workman's services on account of disease prior to his availing of the period designated for sick leaves as provided for in this law. The workman shall have the right to demand that his sick leave be extended to his annual leave.

### **Article 83:**

If the work assigned to the workman allows him to get acquainted with the employer's customers, or to have access to his business secrets, the employer reserves the right to require the workman in the contract not to compete with him or reveal his secrets upon expiration of the contract. For this condition to be valid, it must be in writing and specific in terms of time, venue and type of work and to the extent required to protect the legitimate interests of the employer. In all cases the duration of such agreement shall not exceed two years as of the date of termination of the relationship between the two parties.

## **Chapter IV**

### **Severance award:**

### **Article 84:**

Upon expiration of the work relationship, the employer shall be required to pay the workman a severance award for the duration of this service to be calculated at the rate of half a monthly rate

## TRANSLATION

for each of the five first years and one month pay for each of the following years. The severance award shall be calculated on the basis of the last basic pay and the workman shall be entitled to a severance award for the portions of the year in proportion to the time spent on the work.

### **Article 85:**

If the relationship is terminated because of the resignation of the workman, the workman shall in this case be entitled to one third of the award after a service period of not less than two consecutive years and not more than five years, to two thirds if his period of service is in excess of five successive years but less than ten years and to the full award if the period of service amounts to ten or more years.

### **Article 86:**

An exclusion to the provisions of Article 8 of this law, it may be agreed that the severance monthly rate does not incorporate all or some of the commissions, sales percentages, and similar wage components paid to the workman and which are by their nature subject to increase or decrease.

### **Article 87:**

To the exclusion of the provisions of Article 85, the workman shall be eligible for the full severance award if the workman leaves the work due to a force majeure beyond his control. A female workman shall likewise be entitled to the full severance award if she terminates her contract within six months from the date of her marriage or three months from the date of delivery of a child.

### **Article 88:**

Upon termination of the workman's service, the employer shall be required to pay his wages and settle his entitlements within a maximum period of one week from the date of the termination of the contractual relationship.

If it is the workman who terminates the contract, the employer shall settle his entitlements within a period not exceeding two weeks. The employer reserves the right to deduct any receivables due on account of the work from monies due to the workman.

## **Part VI**

### **Work conditions and circumstances**

## **Chapter I**

## TRANSLATION

### Wages

#### Article 89:

If necessary and based on a proposal by the Minister, the Council of Ministers may set a minimum wage limit.

#### Article 90:

- 1- The workman's wages and all other entitlements shall be paid in the country's official currency. Wages for overtime working hours shall be paid in accordance with the following provisions:
  - 1.1- Wages of the workmen on daily pay shall be paid at least once a week.
  - 1.2- Wages of the workmen on monthly pay shall be paid once a month.
  - 1.3- If the work is done by piecemeal and requires a period of more than two weeks, the workman must receive a payment each week commensurate with the completed portion of the work. The balance of the wage shall be paid in full during the week following acceptance of the work.
  - 1.4- Cases other than the above, the workman's wages shall be paid at least once a week.
  - 1.5- Wages may be paid through approved in-Kingdom banks.

#### Article 91:

- 1- If the workman causes, as a result of his own errors or violation of the employer's instructions but not as a result of other parties' faults or a force majeure, loss, damage or destruction to machineries or products owned by the employer while in his custody, the employer may deduct from the workman's pay the amount required for repairing or restoring the things to their original condition, provided that such deductions made for this purpose shall not exceed the workman's wages for five days a month. The employer may file grievances if necessary by demanding more deductions if the workman has other funds from which collections may be made. The workman may appeal, before the Commission for the Settlement of Labor Disputes, the charges leveled against him or the employer's remedy estimates. If the Commission determines that the employer is not entitled to claim such deductions or if it awards the employer a lower amount, the employer shall be required to refund to the workman, within seven days from the date of the award, the amounts illegally deducted.
- 2- Either party shall file his appeal within 15 working days or else he shall forfeit his right thereto. Where the employer is concerned, the date of appeal shall be as of the date the occurrence is discovered and for the workman as of the date the employer is notified.

## TRANSLATION

### Article 92:

No amount shall be deducted from the workman's wage against private rights without his written consent, except in the following cases:

- 1- Repayment of loans extended by the employer, subject to the condition that such deduction shall not exceed 10% of his wage.
- 2- Social Insurance or any other contributions due on the workmen as provided for in any regulation.
- 3- The workman's participation in the thrift fund or loans due to such funds.
- 4- The installments of any scheme undertaken by the employer involving home ownership programs or any other privilege.
- 5- The fines due on the workman on account of violations committed, as well as deductions made for damages caused.
- 6- Any debt collected in implementation of a court order, provided that the monthly deduction shall not exceed one quarter of the wage due to the workman, unless the court order provides otherwise. First to be collected before all other debts is alimony, followed by food, clothing and accommodation debts.

### Article 93:

In all cases, the deductions made shall not exceed half the wage due to the workman, unless the Commission for the Settlement of Disputes determines that further deductions can be made or that the workman is in need of more than half his wage. In the latter case, the workman may not be given more than three quarters of his wage no matter what.

### Article 94:

- 1- If any amount is deducted from the workman's wages for reasons other than those specified herein, without the latter's written consent, or if the employer delays, without a valid justification, payment of the workman's wages beyond the statutory date set forth in the Law, the workman, his representative, or the Head of the appropriate Labor Office may submit an application to the appropriate Commission for the Settlement of Labor Disputes

## TRANSLATION

so that it may order the employer to refund the workman for any wrongfully-deducted amounts or to pay him his outstanding wages.

- 2- The said Commission may, if it concludes that the employer has unjustifiably deducted the said amounts or delayed payment of the wages, impose on the employer a fine that shall not exceed twice the amount deducted from the workman's wages or twice the outstanding wages.

### Article 95:

- 1- If the employment contract or the work bylaws makes no provision relative to the wage, the employer shall be committed to apply the wage estimated for the same type of work, if any, in the establishment, or else the wage shall be estimated in accordance with the current norms in the agency which performs the work [?] and if not, the Commission for the Settlement of Labor Disputes shall estimate the wage in accordance with the equitable dictates of justice.
- 2- This rule shall also apply for the determination of the type and extent of the service that the workman shall be required to render.

### Article 96:

- 1- If the workman's wage is fixed on the basis of piecemeal or productivity, the average rate that the workman receives for the actual days he worked over the last year of his service shall apply for calculating any of the rights the workman is eligible for under this law.
- 2- If the workman's entire wage is based on a commission, a percentage of sales or similar arrangements that are by nature subject to increases or decreases, the daily average wage shall be calculated on the basis of the amount the workman receives for the actual days of work in the last year of his service.

### Article 97:

If the workman is detained or held by the competent authorities in cases related to or because of the work, the employer shall continue to pay 50% of the workman's wage pending resolution of the case, provided that the period of detention or imprisonment shall not exceed 180 days. If more, the employer shall not be required to pay any portion of the wage for the excess period.

If the workman is found innocent of the charges for lack of evidence, the employer shall be required to pay the workman the amount deducted of his wage and if found guilty, none of the payments made shall be recovered unless the verdict provides otherwise.

## Chapter II

## TRANSLATION

### Working hours

#### Article 98:

A workman shall not work more than eight actual working hours in any one day, if the employer uses the daily work criterion or more than forty-eight hours a week, if he uses the weekly criterion of work. The actual working hours during the month of Ramadan shall be reduced for Muslim workmen to a maximum of six hours a day or thirty six hours a week.

#### Article 99:

The number of working hours provided for in Article 98 may be raised to nine hours a day for certain categories of workmen or in certain industries and operations where the workman does not work continuously. The number of daily working hours may likewise be reduced to seven hours for certain categories of workmen or in certain industries or operations of a hazardous or harmful nature. The categories of workmen, industries and operations referred to in this Article shall be determined by decision of the Minister.

#### Article 100:

The employer may, subject to the Ministry's approval and where the nature of the work requires shift operations, increase the number of working hours to more than eight working hours a day or forty eight hours a week on the condition that the average working hours in three weeks time shall not be more or less than eight hours a day or forty eight hours a week.

### Chapter III

#### Rest periods and weekly days off:

##### First: Rest periods:

#### Article 101:

Working hours and rest periods shall be so scheduled that no workman shall work for more than five consecutive hours without a break for rest, prayer and meals. Such break shall not be less

## TRANSLATION

than half an hour each time during the total working hours. By the same token, a workman shall not remain at the workplace for more than eleven hours in any one day.

### **Article 102:**

The periods designated for rest, prayers and meals shall not be included in the official working hours and the workman shall not be during such breaks under the employer's authority. The employer shall not require the workman to stay at the workplace during such breaks.

### **Article 103:**

The Minister may identify by a decision the cases and operations where work must, for technical reasons or operating requirements, continue without any rest periods. In such cases, the employer shall allow prayer, meal and rest periods as determined by the management of the establishment.

### **Second: Weekly days off:**

### **Article 104:**

#### **1- Friday shall be the weekly day off for all workmen**

After proper notification to the competent labor office, the employer may replace this day for some of its workmen by any other day of the week. The employer shall allow the workmen to discharge their religious obligations. The weekly day off shall not be compensated for by cash in lieu.

2- The weekly day off shall be at full pay and shall not be less than 24 consecutive hours.

### **Article 105:**

As an exclusion of the provisions of Article 104, in areas far away from urban centers and in operations where the nature of work requires continuous work, weekly rest periods accruing to the workman may be consolidated together for up to eight weeks if the employer and the workmen agree to that effect and subject to the Ministry's approval. The consolidated weekly rest period shall begin from the hour the workmen arrive at the nearest city with transportation services and shall end the hour the workmen return to it.

### **Article 106:**

## TRANSLATION

The employer may not comply with the provisions of Articles 98, 101 and Paragraph (1) of Article 104 of this law, in the following cases:

- 1- Annual inventory activities, budgeting, liquidation, closing of accounts and preparations for discount and seasonal sales, subject to the condition that the number of the days during which the workmen work shall not exceed thirty days a year.
- 2- If the work is intended to prevent occurrence of a hazardous accident, mitigate its impacts or avoid imminent losses in perishable materials.
- 3- If the operation is meant to confront extraordinary work pressures.
- 4- 'Ids, other seasons, occasions and seasonal activities defined by a Minister's decision.

In all of the above cases, the actual working hours shall not exceed ten hour a day or sixty hour a week. The maximum limit of overtime hours allowed per year shall be determined by a decision of the Minister.

### **Article 107:**

- 1- The employer shall pay the workman overtime work premium equal to the hourly rate plus 50% of his basic pay.
- 2- If the establishment is operated on the basis of weekly working hour criterion, the hours worked in excess of the hours designated for this criterion shall be treated as overtime hours.
- 3- All working hours performed during official holidays shall be considered overtime hours.

### **Article 108:**

The provisions of Articles 98-101 shall not apply to the following cases:

- 1- Persons filling high ranking posts responsible for management and direction of the work if the incumbents of such jobs enjoy the employer's authority over the workmen.
- 2- Preparatory or supplemental works which must be completed before or after commencement of work.
- 3- Work that is intermittent by necessity.
- 4- Guards and janitors, excluding civil security guards.

## TRANSLATION

The Implementary Regulations shall spell out and detail the operations listed under paragraphs 2, 3 and 4 and the maximum number of working hours for them.

### **Chapter IV Leaves**

#### **Article 109:**

- 1- The workman shall be entitled each year to a prepaid annual leave of not less than 21 days, to be increased to 30 days if the workman spends five consecutive years in the service of the employer.
- 2- The workman shall avail himself of the leave in the year of accrual. Such leave shall not be forfeited, waved or paid for by cash in lieu during the workman's period of service. The employer may set the dates of such leaves according to work requirements or may grant them on a rotational basis to ensure the smooth progress of the work. The employer shall notify the workman of the dates of his leave adequately in advance, by not less than 30 days.

#### **Article 110:**

- 1- The workman may, with the employer's approval, defer his annual leave or days thereof to the following year.
- 2- The employer shall have the right to postpone, for a period of not more than 90 days, the workman's leave at the end of the year of accrual if dictated by work requirements. If the work conditions require extension of the postponement, the workman's consent must be obtained in writing. Such postponement shall not, however, exceed the year following the year of leave accrual.

#### **Article 111:**

The workman has the right to receive his pay for the unused days of the leave he is entitled to if he quits the work before using up his leave. He shall be entitled to leave pay for fractions of the year, in proportion to that part of the year which he spent at work.

#### **Article 112:**

Each workman shall be entitled to days-off with full pay on the holidays designated in the Implementary Regulations.

## TRANSLATION

### **Article 113:**

The workman shall be entitled to a one day leave with pay in the event of a birth of a child and three days for marriage or in the event of the demise of his spouse or one of his ancestors and descendants.

The employer reserves the right to request corroborative documents in support of the above cases.

### **Article 114:**

The workman shall be entitled to avail himself of a paid leave of not less than 10 days and not more than 15 days, inclusive of 'Id al-Adha holiday, to perform the Hajj only once during his period of service if he has not performed it before. Eligibility for this leave shall be contingent upon the condition that the workman must have spent at least two consecutive years of service with the employer. The employer reserves the right to limit the number of workmen who shall avail of this leave annually according to work requirements.

### **Article 115:**

A workman who is enrolled in an educational institution shall have the right to a fully paid leave to take the examination of an unrepeated year. The duration of such leave shall be commensurate with the actual number of the examination days. If the examinations are for a repeat year, the workman shall be entitled to a leave without pay to sit for the examinations.

The employer may elect to require the workman to submit documents in support of the leave application as well as evidence of having taken the examination. The workman shall apply for the leave at least 15 days ahead of the due date. Without prejudice to the disciplinary action, the workman shall be denied the wage if it is concluded that he had not taken the examination.

### **Article 116:**

The workman may obtain, subject to the employer's approval, leave without pay for the duration to be agreed upon between the two parties. The employment contract shall be deemed suspended for the duration of the leave in excess of 20 days unless the two parties agree to the contrary.

### **Article 117:**

## TRANSLATION

A workman whose sickness has been substantiated shall be eligible during a single year for a paid sick leave for the first 30 days, at three quarters the wage for the next sixty days and without pay for the following thirty days, whether such leave are continuous or intermittent.

A single year shall mean the year which begins from the date of the first sick leave.

### **Article 118:**

The workman shall not, while availing himself of the leaves provided for in this Chapter, work for another employer. Where the employer affirmatively concludes that the workman has violated this provision, he may deprive him of his wages for the duration of the leave or else recover any wages previously paid to the workman.

### **Part VII**

#### **Part time work**

### **Article 119:**

The full time workmen who are affected by wholesale temporary reduction in their normal working hours for economic, technical or structural reasons shall not be considered part time workmen.

### **Article 120:**

The Minister shall issue the necessary rules and controls for organizing part time work, indicating therein the obligations of the part time workmen and employers. To the exclusion of the protection extended to the similar full time workmen in terms of occupational health and safety and job injuries, the provisions of this law shall apply only to the extent determined by the Minister.

### **Part VIII**

#### **Protection against occupational hazards, protection against major industrial accidents, job injuries and health and social services**

### **Chapter I**

#### **Protection against occupational hazards**

### **Article 121:**

## TRANSLATION

The employer shall be required to maintain the establishment in a clean, neat, sanitary and well lit condition. The employer shall supply potable and washing water and shall comply with the other occupational health, safety and protection rules, procedures and standards in accordance with the Minister's related decisions.

### **Article 122:**

Each employer shall take the necessary precautions to protect the workmen against hazards, occupational diseases, the machinery in use, and shall ensure work safety and integrity. He shall post in a conspicuous area in the establishment the instructions related to work and workmen safety in Arabic and any other language that the workmen understand. The employer shall not charge the workmen or deduct from their wages any amounts for provision of such protection.

### **Article 123:**

The employer shall inform the workman, prior to engaging in the work, of the hazards of his job and shall require him to use the prescribed protective devices. The employer shall supply the workers with the appropriate personal equipment and train them on their use.

### **Article 124:**

The workman shall be required to use and preserve the personal protective equipment designated for each process and shall carry out the instructions established to protect his health against injuries and diseases. The workman shall refrain from committing any action or default that may cause his failure to implement the instructions or abuse or impair the devices provided to protect the workplace as well as the health and safety of his coworkers.

### **Article 125:**

The employer shall take the necessary precautions for protection against fire and shall provide the technical means to combat it, including safety exits which must be maintained in a serviceable condition at all times. The employer shall post in a conspicuous location at the workplace detailed instructions on fire prevention devices.

### **Article 126:**

## TRANSLATION

The employer shall be responsible for contingencies and accidents which may affect persons other than his workmen, who enter the places of work by virtue of their official duties or with the consent of the employer or his agents, if such injury is due to remissness in taking the technical precautions required by the nature of his work, and he shall compensate them for the damage they may suffer in accordance with the general regulations.

### **Chapter II** **Protection against major industrial accidents**

#### **Article 127:**

The provisions of this chapter shall apply to high risk establishments.

#### **Article 128:**

- 1- The term “high risk establishment” shall mean the establishment which produces, prepares, removes, handles, uses or stores, on a permanent or temporary basis, one or more hazardous substance, or categories of these substances in quantities that exceed allowable limits and which, if exceeded, results in listing the establishment among the major risk establishments.
- 2- The term “hazardous substance” shall mean any material or a mixture of substances that constitutes a hazard on account of its chemical, physical or toxic properties either as stand alone or in combination with others.
- 3- The term “major accident” shall mean any sudden occurrence such as major leak, fire or explosion in an activity stream within the high risk establishment and which involve one or more hazardous substances, posing sooner or later a greater danger to the workmen, the public or the environment.

#### **Article 129:**

The Ministry shall draw up controls to identify the high risk establishments based on the hazardous materials schedules, material categories or both.

#### **Article 130:**

The employers shall coordinate with the Ministry to determine the status of their establishments on the basis of the controls referred to in Article 129.

## TRANSLATION

### **Article 131:**

The Minister shall issue the rules and decisions embodying the necessary arrangements at the level of the establishments for protection against major hazards, the related duties of the employers as well as the arrangements to be made to protect the public and the environment outside the site of each high risk establishment, the workmen's duties and rights, and the other arrangements for prevention of major accidents, minimizing their occurrence risks and mitigating their impacts.

### **Chapter III Job injuries**

### **Article 132:**

The provisions of this chapter shall not apply to the installations which are subject to the Occupational Hazards Branch of the Social Insurance Organization.

### **Article 133:**

In the event the workman suffers a job injury or an occupational disease, the employer shall be required to treat him and assume the necessary direct and indirect related cost, including hospitalization, medical analyses and investigations, radiology, prosthetic devices and transportation cost to the locations of treatment.

### **Article 134:**

A trauma shall be deemed a job injury in accordance with the provisions of the Social Insurance Regulation. Occupational diseases shall also be considered job injuries and the date of the first medical examination of the disease shall be treated tantamount to the date of injury.

### **Article 135:**

A condition of relapse or any complication arising therefrom shall be considered tantamount to an injury and shall be subject to the same conditions as the original injury in terms of assistance and treatment.

### **Article 136:**

## TRANSLATION

The occupational diseases shall be classified in accordance with the occupational diseases schedule as provided for in the Social Insurance Regulation. The degree of disability shall be determined as provided for in the said Regulation.

### **Article 137:**

In the event of temporary disability arising from a job injury, the injured party shall have the right to financial aid equal to his full pay for thirty days, then 75% of the wage for the entire duration of his treatment.

If one year elapses or if it has been medically determined that his prognosis is poor or that he is not physically fit to work, the injury shall be classified as total disability, the contract terminated and the workman compensated for the injury. The employer shall not have the right to recover the payments made for the treatment of the injury during that year.

### **Article 138:**

If the injury results in permanent total disability or to the death of the injured party, the victim or his eligible beneficiaries shall have the right to a compensation estimated at the equivalent of his wages for three years, or a minimum of SR54000.

If the injury results in permanent partial disability, the injured party shall be entitled to a compensation equivalent to the estimated rate of that disability in accordance with the approved disability rate guide schedule multiplied by the value of the total permanent disability compensation.

### **Article 139:**

The employer shall not be required to comply with the provisions of Articles 133, 137 and 138 of this section in the following cases:

- 1- If the workman deliberately injures himself.
- 2- If the injury is caused by intentional misbehavior on the part of the workman.
- 3- If the workman declines to present himself to a physician or declines to accept the treatment by the physician designated by the employer without a valid reason.

### **Article 140:**

The liability of the ex-employers of the workman inflicted with an occupational disease shall be determined in the light of the medical report to be issued by the attending physician. The ex-

## TRANSLATION

employers shall be required to pay the compensation provided for in Article 138 each in proportion of the period the injured party has spent in their service, subject to the condition that the industries or occupations they engage in do cause the disease that the workman has been afflicted with.

### **Article 141:**

The procedures for reporting job injuries shall be spelt out in a decision to be issued by the Minister.

## **Chapter IV**

### **Medical and social services**

### **Article 142:**

The employer shall be required to make available one or more first aid kits, equipped with drugs and other necessities required for first medial aid. The Implementary Regulations shall identify the contents of such first aid kits, their numbers, and quantities of drugs and shall also regulate the method of keeping them and the conditions and standards to be satisfied by the first aid provider.

### **Article 143:**

The employer shall assign one or more physicians to provide at least once a year a comprehensive medical examination for his workmen who are exposed to any of the occupational diseases listed in the schedules of occupational diseases provided for in the Social Insurance Regulation. The findings of the investigations shall be documented in the employer's records as well in the workmen's files.

### **Article 144:**

The employer shall provide his workmen with preventive and therapeutic health care in accordance with the standards set forth by the Minister, taking into consideration the amenities provided by the cooperative health insurance.

### **Article 145:**

## TRANSLATION

The employer may, subject to the Minister's approval, set up a saving and thrift funds where the workmen's subscription shall be optional. The provisions regulating all operating rules of such funds shall be made public.

### **Article 146:**

The employer shall provide at his own expense all or part of the following amenities, as may be determined by the Minister, to those who perform work at locations far away from urban centers:

- 1- Groceries for selling food, clothing and other necessities at moderate prices at the locations where such groceries are not available.
- 2- Suitable recreation and education devices and sports facilities attached to the places of work.
- 3- The necessary medical arrangements to preserve the workmen's health and provide comprehensive treatment for their families (family means the spouse, children and parents residing with the workman).
- 4- Schools for the children of the workmen in the absence of sufficient schools in the area.
- 5- Mosques or musallahs (prayer corners) at workplaces.
- 6- Development of literacy programs for the workmen.

The Implementary Regulations shall identify the locations far from urban centers.

### **Article 147:**

The employer who is operating in remote areas, mines, quarries and oil exploration centers far from urban centers shall be required to provide his workmen with accommodation, camps and meals.

A Minister's decision shall set forth the conditions, specifications and charges for the utilization of the accommodations and camps as well as the number of meals quantity and types of food, the related conditions, cost of the meals to the workman and any other requirements to preserve the workmen's health.

### **Article 148:**

Every employer shall provide means of transportation to deliver his workmen from their places of residence or from a certain point of assembly to the places of work and to return them daily, if the places of work are not reachable by regular means of transportation at times compatible with working hours.

## TRANSLATION

### **Part IX Employment of women**

#### **Article 149:**

With due regard to the provisions of Article 4 hereof, women shall be employed in all fields that are considered compatible with their nature. It shall be prohibited to employ women in hazardous operations or harmful industries. A Minister's decision shall identify the professions and jobs that are deemed detrimental to health and are likely to expose women to specific risks and where women's employment shall be barred or else restricted with special conditions.

#### **Article 150:**

It is prohibited to allow women to work during the night time for a period of at least eleven consecutive hours only in the cases to be determined by decision of the Minister.

#### **Article 151:**

A working woman shall be entitled to a maternity leave covering the four weeks immediately preceding the expected date of delivery and the subsequent six weeks. The probable date of delivery shall be determined by the physician of the establishment or by a medical certificate authenticated by a health agency. It shall be prohibited to employ a woman during the six weeks immediately following her delivery.

#### **Article 152:**

During her absence on maternity leave, the working woman shall be entitled to half pay if she has a service period of one year or more and to full pay if she has a service period of three years or more, as of the date of commencement of such leave. A working woman shall not be paid any wages during her regular annual leave if she has availed herself in the same year of a maternity leave with full pay. She shall be paid half her wages for the annual leave, if she has availed herself in the same year of a maternity leave at half pay.

#### **Article 153:**

## TRANSLATION

The employer shall provide medical care for the working women during pregnancy and delivery.

### **Article 154:**

When the working woman returns to work following her maternity leave she shall be entitled, over and above the rest periods granted to all workmen, to a rest period(s) whose total shall not exceed one hour per day to nurse her newborn child, in addition to the rest periods granted to all workmen. Such period(s) shall be calculated as part of the actual working hours and shall not entail any reduction in wages.

### **Article 155:**

The employer shall not terminate or threaten the working woman with termination while she is on maternity leave.

### **Article 156:**

The employer shall not terminate the working woman during her illness secondary to pregnancy or delivery. Such illness shall be substantiated by an approved medical certificate, and on the proviso that the period of her absence shall not exceed one hundred and eighty days. Nor shall a working woman be terminated during the one hundred and eighty days preceding the expected date of delivery in the absence of a legitimate cause of those provided for in this Law.

### **Article 157:**

The working woman shall forfeit her entitlements under the provisions of this Chapter if it is established that she has worked for another employer during her authorized leave. In such event, the original employer may deprive her of pay for the duration of the leave or else recover any payments made to her.

### **Article 158:**

In all places and in all occupations where women are employed, the employer shall provide them with seats to assure their comfort.

### **Article 159:**

- 1- An employer who employs fifty working women and more shall provide them with a suitable place with adequate number of nannies to look after the children under the age of six years, if the number of children reaches ten and above.

## TRANSLATION

- 2- The Minister may require the employer who employs a hundred women and above in a single city to set up a nursery, either solo or in participation with other employers in the same city, or alternatively to contract with an existing nursery to care for the children of the working women who are under six years of age during the work periods. In such cases the Minister shall set forth the conditions for regulating such facility as well as the costs to be imposed on the beneficiary working women.

### **Article 160:**

A working woman whose husband passes away shall be entitled to a fully paid leave for a minimum period of 15 days as of the date of death.

### **Part X**

### **Employment of minors**

### **Article 161:**

Minors shall not be employed in hazardous operations or harmful industries or in professions or operations that may potentially expose their health, safety or morals to risks owing to their nature or circumstances. A Minister's decision shall identify such jobs and industries.

### **Article 162:**

- 1- A minor who has not completed fifteen years of age shall neither be employed nor allowed to enter places of work. The Minister may, by decision, raise this age limit in certain industries or areas for certain categories of minors.
- 2- As an exception, the Minister may allow the employment or work of persons between 13 and 15 years of age in light works, subject to the following conditions:
  - 2.1- Such jobs shall not be potentially harmful to their health or growth.
  - 2.2- Such jobs shall not compromise their school attendance, participation in orientation and vocational training programs, or impair their ability to gain benefit from the education they receive.

### **Article 163:**

It is prohibited to allow minors to work during night time for a period of less than twelve consecutive hours, excluding the cases determined by a Minister's decision.

## TRANSLATION

### **Article 164:**

Minors shall not be allowed, in effect, to work for more than six hours a day for all months of the year, excluding the month of Ramadan where the actual working hours shall not exceed four hours and that the minor shall not stay at the workplace for more than seven hours. The working hours shall be so organized that a minor shall not work for more than four hours on end without one or more periods, each not less than half hours, for rest, food and prayers.

Minors shall not be made to work during the weekly days off, official holidays or annual leaves nor shall they be subject to the exclusions provided for in Article 106 hereof.

### **Article 165:**

Before employing a minor, the employer shall secure from him the following documents to be kept in the minor's personal file:

1. The national identity card or an official birth certificate.
2. A certificate of physical fitness for the required work issued by a competent physician and duly authenticated by a health agency.
3. The consent of the minor's guardian.

### **Article 166:**

Within the first week following the employment of every minor, the employer shall notify the appropriate Labor Office and shall keep at the workplace a special register for minor workmen, indicating the name of the minor, his age, the full name of his guardian, his place of residence and, the date of his employment.

### **Article 167:**

The provisions provided for in this chapter shall not apply to the work undertaken by children and minors in schools for general education and vocational and technical training and in other training institutions, nor shall these provisions apply to the work undertaken in establishments by

## TRANSLATION

persons who are at least fourteen years old if such work is implemented in line with the conditions set forth by the Minister and if the work constitutes a key part of the following:

- 1- An educational or training course the primary responsibility for which lies with a training school or institution.
- 2- A training program the best part of which or its entirety is implemented in an establishment if approved by the competent agency.
- 3- An orientation or directional program aimed at facilitating selection of the profession or type of training.

### **Part XI**

#### **Marine employment contract**

##### **Article 168:**

For the purposes of this chapter, the following terms shall have the meaning assigned against each.

**Vessel:** Each floating craft registered in the Kingdom of Saudi Arabia, whose tonnage is not less than 500 tons.

**Vessel chandler:** Any natural person, public or private establishment for whose account the vessel is being rigged [sic].

**Captain or master:** Any seaman qualified to sail a vessel and assume responsibility for it.

**Seaman:** any person working aboard a vessel on a marine employment contract.

**Marine employment contract:** Any operation contract for a wage concluded between the vessel's owner or chandler or the representative of either of them and a seaman to work onboard. Such contract shall be subject to the provisions of this law where as such contract does not conflict with the provisions of this chapter and the decisions issued hereunder.

##### **Article 169:**

All persons working on board a vessel shall be subject to the authority and orders of the captain of the ship.

##### **Article 170:**

All employment contracts of seamen working on a vessel shall be entered in the vessel's records or appended thereto. Such contracts shall be written in a clear language, and shall indicate whether they are made for a definite period of time or for a single voyage. If the contract is made

## TRANSLATION

for a definite term, this term must be clearly indicated. If it is made for a solo voyage, it must specify the town or sea harbor where the voyage will terminate, and at what stage of unloading or loading the ship at the harbor where the contract shall terminate.

### **Article 171:**

The marine employment contract must provide for the date and venue of its execution, the name of the Chandler, the name, surname, age, nationality and homeland of the seaman, type of assigned work, method of performance, certification enabling him to work in sea faring, the personal marine ticket [identification?], amount of wage, term of contract, and if the contract is for a single voyage, then the contract must indicate the marine city or harbor where the voyage will terminate and at what stage during the vessel loading and unloading at the harbor, and other details of the contract. Such contract shall be made out in triplicate, one copy to the vessel Chandler, one to the captain to be kept aboard the vessel and the last copy to the seaman.

### **Article 172:**

The work rules and conditions aboard the vessel shall be posted in the crew quarters. These conditions and rules must specify:

- 1- The seaman's obligations and duties, the work organization rules, the service time tables and daily working hours.
- 2- The obligations of the vessel's Chandler towards the seaman in terms of their fixed wages, rewards, and other forms of pay.
- 3- The method of suspending the payment or deductions from the wages and advance payments.
- 4- The place and time of final settlement and payment of accounts and wages.
- 5- The rules and principles governing the supply of food and sleeping accommodations aboard the vessel.
- 6- Treatment of the seamen's ailments and injuries.
- 7- The conduct of seamen and the conditions governing their repatriation.
- 8- The seaman's paid annual leaves.
- 9- The end-of-service award and other indemnities payable upon termination or expiration of the employment contract.

### **Article 173:**

A person who works as a seaman must satisfy the following requirements:

1. He must have completed eighteen years of age.

## TRANSLATION

2. He must be in possession of a certificate permitting him to work in marine service.
3. He must be physically fit.

### **Article 174:**

All the seaman's entitlements shall be paid in the official currency, and they may be paid in foreign currency if they fall due while the vessel is outside the territorial waters, subject to the seaman's approval. The seaman may ask the employer to pay the wage dues he receives in cash to the person designated by him.

### **Article 175:**

If the voyage is cut short for any reason, voluntarily or forcibly, this shall not reduce the wage of the seaman employed on a marine employment contract for a single voyage only.

### **Article 176:**

If the wage is set as a share of the profits or the vessel's charter, the seaman shall not be entitled to compensation if the voyage is cancelled nor to a wage increase if the voyage is delayed or extended. If the delay or extension is due to the action of the shippers, the seaman shall be entitled to compensation from the Chandler.

### **Article 177:**

The seaman shall be eligible for pay, through the day of occurrence, if the ship is held hostage, runs aground or becomes unfit for navigation.

### **Article 178:**

The seamen shall be provided with food and sleeping accommodations at the expense of the vessel rigger. This issue shall be regulated by decisions to be issued by the Minister.

### **Article 179:**

Working hours aboard the vessel while on the high seas shall not exceed fourteen hours in a twenty four hour period and not more than seventy two hours in a seven day period.

### **Article 180:**

## TRANSLATION

Each seaman who contributes to aiding or rescuing another vessel shall have a share of the reward that the vessel where the seaman works is entitled to, irrespective of the type of the wage of the work he performs.

### **Article 181:**

If a seaman dies during the voyage, his heirs shall be eligible to receive his wages through the date of his death, if the seaman is on a monthly payroll. If on a voyage payroll or a share of the profits, the heirs shall be eligible for the full voyage wage and full payment of the profit share. The amounts due to the dead or missing seaman or the seaman who simple cannot take delivery of the wage shall be deposited at the labor office at the port of destination in the Kingdom.

### **Article 182:**

The employer reserves the right to terminate the contract without advance notice and without compensation in the following cases:

- 1- If the vessel runs aground, gets confiscated, goes missing or is no longer serviceable.
- 2- If he voyage is cancelled from the beginning for reasons beyond the chandler's control and the wage is on a single voyage basis, except where the contract provides otherwise.

### **Article 183:**

If the contract expires or is revoked, the employer shall be required to:

- a. Return the seaman to the port from which he departed at the beginning of the performance of the contract.
- b. Provide him with food and sleeping accommodations until he reaches that port.

### **Article 184:**

The chandler shall be required to return the seaman to his country in the following cases:

- 1- If the voyage is cancelled by the chandler after the vessel sails off.
- 2- If the voyage is cancelled after the vessel sails off on account of prohibition of trading with the destination.
- 3- If the seaman is taken out of the vessel due to illness, trauma or handicap.
- 4- If the vessel is sold in a foreign country.

## TRANSLATION

- 5- If the seaman is dismissed from the service during the voyage in the absence of a legitimate justifications.
- 6- If the contract concluded with the seaman expires at a port other than the one provided for in the contract.

### **Part XII**

#### **Working in quarries and mines**

##### **Article 185:**

Working in quarries and mines shall mean the following:

- 1- Processes involving prospection, detection, extraction or fabrication of (solid or liquid) mineral substances, including precious stones, at the location for which a license has been issued.
- 2- Processes involving extraction, concentration or fabrication of mineral sediments on or under ground surface at the location of the license.
- 3- The operations associated with or ancillary to the processes listed in paragraphs 1 and 2 above, including construction, installation and instrumentation works.

##### **Article 186:**

No person under the age of 18 years of age nor shall a woman irrespective of her age shall be employed in a mine or quarry.

##### **Article 187:**

No person shall be allowed to engage in the operations that are subject to the provisions of this chapter until they undergo a complete medical examination and only after are found to be physically fit for the intended work. Such examination shall be repeated periodically. No cost of the necessary medical investigations shall ever be borne by the workman. The Minister shall set forth in a decision the circumstances, conditions and terms that must be complied with in this respect.

##### **Article 188:**

The actual working hours spent by the workman under ground shall not exceed seven hours a day. No workman shall be kept at the workplace, be it above or under ground, for more than ten hours a day. If the work is undertaken under ground, such period shall include the time spent by the worker to reach the underground and back to the surface.

## TRANSLATION

### **Article 189:**

Access to the work location and appurtenances shall be denied to people other than the workmen, inspectors of the mine or the quarry and the persons holding special permits by the competent agency.

### **Article 190:**

The employer shall keep a special record to enter and identify the workmen at the times they enter and exit the workplace.

### **Article 191:**

The employer or the responsible manager shall draw up a list of the orders and instructions related to the public safety.

### **Article 192:**

The employer shall establish a rescue point in the vicinity of the workplace, fitted with the necessary rescue equipment and first aid devices. Such point shall be equipped with suitable means of communications for immediate access and shall appoint a trained technician to supervise the rescue and first aid operations.

### **Article 193:**

Without prejudice to the provisions of Article 142 hereof, the employer of each mine or quarry employing at least fifty workmen shall set up a suitable location housing a room populated with rescue and first aid devices, another room for nursing and one or more locker rooms. The employers of quarries and mines with less than fifty workmen each located within a 20 kilometer radius [of each other] may pool their resources to establish a rescue and first aid center in the middle or else establish their own independent centers.

The Minister shall determine the rescue and first aid devices, the protection and prevention arrangements in quarries and mines as well as the employers' liabilities and the workmen's rights and obligations.

## **Part XIII Work inspection**

## TRANSLATION

### **Article 194:**

Labor inspection shall be undertaken by specialized inspectors to be nominated by a decision of the Minister. They shall have the powers and jurisdictions provided for in this Law.

### **Article 195:**

In addition to the general requirements for the appointment of employees, a Labor inspector must satisfy the following requirements when engaged in work:

1. Total impartiality
2. Absence of any direct or indirect links with the establishments he inspects
3. Passing a behavioral examination [?] following a minimum 90 day training period.

### **Article 196:**

Labor inspectors shall have the following jurisdictions:

1. Monitor the sound enforcement of the provisions of the Labor Law and its implementation rules and decisions.
2. Furnishing employers and workmen with the technical information and guidelines that will enable them to embrace the best means for the enforcement of the provisions of the law.
3. Report to the competent authorities the shortcomings which the existing provisions fail to remedy and suggest the necessary action.
4. Document the violations of the provisions of the Labor Law and its implementation decisions.

### **Article 197:**

Before assuming their official duties, the labor inspectors shall be sworn before the Minister to discharge their duties with integrity and honesty, refrain from disclosing the secrets of industrial or any other inventions which may come to their knowledge by reason of their offices, even after they cease to have any connection with such offices. Labor inspectors shall carry identifications to be provided to them by the Ministry documenting their mandate.

### **Article 198:**

Labor inspectors shall have the right to:

## TRANSLATION

1. Have access to any establishment that is subject to the provisions of the Labor Law at any time day or night without prior notice.
2. Perform any required audit or investigation to ascertain the proper enforcement of the Law. They may in particular:
  - A- Question the employer, his representative or the workmen in private or in the presence of witnesses about any matter relating to the enforcement of the provisions of the Law.
  - B- Examine all books, records, and any other documents the keeping of which is required under the provisions of the Labor Law and related decisions and obtain any copies or extracts therefrom.
  - C- Take sample(s) of the materials used or handled in the industrial and other processes that are subject to inspection and which are believed to have a harmful effect on the health or safety of the workmen, for the purpose of having such samples analyzed in Government laboratories to determine the magnitude of such effect, duly notifying the employer or his representative of their action.

### **Article 199:**

The employers and their agents shall extend to the inspectors and the employees tasked with inspection of the work the necessary facilities to perform their duties. They shall furnish them with all information related to the nature of their work, respond to summons to appear before the inspectors and dispatch a representative if they are asked to.

### **Article 200:**

The person performing the inspection shall notify the employer or his representative of his presence except where he believes that the task for which the inspection is being made requires otherwise.

### **Article 201:**

A labor inspector shall have the right to order employers to introduce as-scheduled changes in the operating rules pertaining to their plant and equipment to insure compliance with the provisions pertaining to the workmen's health and safety. Where there is an imminent danger threatening the workmen's health and safety, the inspector may require the immediate implementation of the measures he may deem necessary to eliminate such danger.

### **Article 202:**

## TRANSLATION

Labor inspectors shall treat as strictly confidential any complaints reaching them relative to any deficiency in the plant or any violation of the provisions of the Law and shall not disclose to the employer or his representative the existence of such complaints.

### **Article 203:**

If, in the course of the inspection process, the inspector concludes that a violation of the Labor Law or of any decisions issued hereunder has been committed, he shall, depending on the severity of the violation and the other circumstances that are left to his discretion, counsel the employer on how to overcome the violation, serve the employer with a verbal caution or written warning to resolve the violation within a certain period of time or else draft a report documenting the violation.

### **Article 204:**

Whenever called for, physicians, engineers, chemists, and occupational health and safety specialists shall participate in the inspection. If necessary, the director of the labor office and inspectors may request the competent executive agencies to extend the required assistance.

### **Article 205:**

The chief inspector in the labor office shall draw up a monthly report on the work inspection activities, aspects of the inspection, the establishments inspected, number and type of the violations committed and the actions taken with respect thereto. He shall also draft an annual report on the inspection undertaken within the jurisdiction of the labor office, its findings and consequences, including his comments and proposals. Copies of the two reports shall be forwarded to the Ministry.

### **Article 206:**

The Deputy Minister for Labor Affairs shall prepare, within a maximum period of 180 days prior to the end of the year, a comprehensive annual report on the inspection activity in the Kingdom, addressing all matters relating to the Ministry's control over the enforcement of the provisions of the Labor Law. In particular, the report shall embody the following:

1. A statement on the provisions covering inspection.
2. A list of the officials in charge of inspection.

## TRANSLATION

3. Statistics on the establishments that are subject to inspection and number of their workmen.
4. Statistics on the number of visits and inspection tours made by the inspectors.
5. Statistics on the violations committed and the penalties applied to violators.
6. Statistics on Labor injuries.
7. Statistics on occupational diseases.

### **Article 207:**

The Ministry shall prepare forms for violation reports, inspection records, notices and warnings, and shall lay down the necessary rules for the safekeeping and use of such forms and for their distribution to all the Labor Offices.

### **Article 208:**

Training courses shall be organized for the labor inspectors with special focus on the following issues

- 1- The ground rules organizing the inspection visits and communication with the employers and workmen.
- 2- The ground rules for auditing books and records, computer and the ground rules organizing the inspection reports and personal interrogation.
- 3- The ground rules for counseling the employers on the requirements of the statutory provisions and the benefits of their application, and assisting the employers in such application.
- 4- The fundamental principles of industrial technology and means of protection against labor injuries and occupational diseases.
- 5- The fundamental principles of production sufficiency and its link to the extent of satisfaction of the favorable conditions conducive to establishment of proper work environments.

### **Article 209:**

The Council of Ministers shall issue the Implementary Regulations needed to control and organize the inspection activities as provided for in this chapter.

## **Part XIV Commissions for the Settlement of Labor Disputes**

### **Article 210:**

## TRANSLATION

The commissions for labor disputes shall be as follows:

- a. The Primary Commissions for Settlement of Disputes.
- b. The Supreme Commissions for Settlement of Disputes.

### **Article 211**

The members of the primary commissions, holders of degrees in Shari'ah and law, shall be appointed, subject to approval by the President of the Council of Ministers, by a decision to be issued by the Minister

### **Article 212:**

There shall be constituted in each labor office by decision of the Minister a primary commission comprising one or more circuits of one member. Each of these circuits shall resolve the cases referred to it. If the commission comprises more than one circuit, the Minister shall nominate a chairman from among the members who shall, in addition to his duties, assign the cases to the commission members and organize the administrative and clerical works.

### **Article 213:**

In the event no primary commission is formed in a labor office, the Minister shall, if necessary, task the commission set up in the nearest labor office with the duties and jurisdictions of the commission which has not been formed.

### **Article 214:**

The Primary Commission for Settlement of Disputes shall have exclusive jurisdiction to:

1- Render final resolution of:

- 1.1- Labor disputes, irrespective of their type, whose value does not exceed SR 10000.
- 1.2- Objections to the penalties applied by the employer to the workman.

## TRANSLATION

1.3- Imposition of the penalties provided for in this Law to a single violation whose penalty does not exceed SR5000 or the violations whose total penalties do not exceed SR5000.

**2-** Render preliminary decisions on:

2.1- Labor disputes whose value exceeds SR10000.

2.2- Disputes over compensations for job related injuries, irrespective of the amount of the remedy.

2.3- Disputes pertaining to termination of service.

2.4- Imposition of the penalties provided for in this Law to a single violation whose penalty does not exceed SR5000 or the violations whose total penalties do not exceed SR5000.

2.5- Imposition of penalties on the violations which draw fines and consequential [punitive?] penalties.

### **Article 215**

The Supreme Commission for the Settlement of Labor Disputes shall be set up to comprise several circuits, each circuit comprising of not less than three members. The chairman and members of the commission shall be named by a decision of the Council of Ministers, based on nomination by the Minister. The chairman and members of the commission shall be holders of degrees in Shari'ah and law with experience in the area of labor disputes. A decision by the Minister, based on the recommendations of the chairman of the commission, shall define the number of the circuits of the Supreme Commission and their areas of operations. The chairman of the commission shall select the heads of the circuits, assign the work to them and supervise all administrative functions of the circuits.

### **Article 216:**

Each of the circuits of the Supreme Commission shall have jurisdiction over final and definitive disposition of all decisions made by the circuits of primary commissions and appealed before the circuits of the Supreme Commission.

### **Article 217:**

## TRANSLATION

Decisions may be appealed within thirty days from the date of utterance by the primary circuit in decisions made in the presence of the parties and from the date of notification in other cases.

### **Article 218:**

If the decision of the Primary Commission is not appealed within the period specified in the previous Article, the decision shall be deemed final and enforceable. All decisions of the Supreme Commission shall be deemed enforceable immediately upon issuance.

### **Article 219:**

Each of these Commissions shall have exclusive right to hear all disputes relating to this law and the disputes arising from employment contracts. They may summon any person for interrogation or assign one of its members to conduct such interrogation. They may also require presentation of documents and evidence and take any other measure it may deem fit. The Commission shall also have the right of access to any premises of the establishment, for the purpose of conducting the required investigation and reviewing all books, records and documents it deems necessary.

### **Article 220:**

Cases shall be filed through the competent labor office with the Primary Commission in whose locality or under whose jurisdiction the place of work falls. Prior to forwarding the dispute to the commission, the labor office shall take the necessary action to settle the dispute amicably. The Minister shall issue a decision setting forth the related procedures and rules.

### **Article 221:**

Actions arising under the provisions of this Law shall be heard on an expedited basis.

### **Article 222:**

- 1- No complaint shall be accepted by the commissions provided for in this law involving claim of the rights provided for in this law or arising from an employment contract after the elapse of 12 months following the termination of the work relationship.
- 2- No complaint involving claim of the rights provided for in the previous Labor Law shall be accepted after the elapse of 12 months following the effective date of this Law.

## TRANSLATION

- 3- No complaint involving violations of the provisions of this law or the rules and decisions issued thereunder shall be accepted after the elapse of 12 months following the date of the discovery of the violation.

### **Article 223:**

None of the commissions provided for in this chapter shall decline to render a decision on the pretext of the absence of applicable provisions in this Law. In such cases, the commissions shall be guided by the principles of Islamic Shari'ah, norms, established judicial precedents and the principles of justice and equity.

### **Article 224:**

The contract parties may incorporate a clause in the employment contract providing for settlement of disputes through arbitration or alternatively may agree so after the dispute arises. In all cases, the provisions of the Arbitration Regulation and Implementary Regulations in force in the Kingdom shall apply.

### **Article 225:**

Neither of the litigants may raise again the issue in respect of which a final decision has been rendered by one of the commissions provided for in this Chapter or any of the other judiciary agencies.

### **Article 226:**

While the reconciliation or arbitration proceedings are in progress or while a case is pending before any of the commissions provided for in this Chapter, the employer may not modify the terms of employment applicable before the initiation of the proceedings in a way that would cause damage to the workman.

### **Article 227:**

The commission may require the losing party to pay to the other party all or part of the costs incurred.

### **Article 228:**

## TRANSLATION

The Council of Ministers shall issue the rules of pleadings before the commissions for the settlement of labor disputes.

### **Part XV:**

### **Penalties:**

#### **Article 229:**

The penalties provided for in this chapter shall apply in the absence of more severe other penalties provided for in other regulations.

#### **Article 230:**

A fine of not less than SR3000 and not more than SR10000 shall apply to any person who violates any of the provisions related to the professional development of Saudi workers for replacement of others as provided for in this law and the decisions issued thereunder.

#### **Article 231:**

Violators of the provisions of Articles 16, 25, 33, 37 and 38 shall be subject to a fine of not less than SR2000 and not more than SR5000. The fine shall be multiplied by the same number of workers who are subject to the violation.

#### **Article 232:**

Violators of the provisions of Article 30 shall be subject to a fine of not less than SR10000 and not more than SR30000.

#### **Article 233:**

Violators of the provision of Article 39 shall be subject to a fine of not less than SR5000 and not more than SR20000 and the fine shall multiply by the number of persons who are subject to the violation. The workman shall be repatriated at the expense of the person who employed him.

#### **Article 234:**

## TRANSLATION

The employer or any person responsible for violation of the provisions of chapter II, chapter III, and chapter IV of part VI, or any decisions issued thereunder shall be subject to a fine of not less than SR2000 and not more than SR5000 for each violation.

### **Article 235:**

The employer who violates the provisions of Article 90 shall be subject to a fine of not less than SR500 and not more than SR3000. The fine shall multiply by the number of the workers who are subject to the violation.

### **Article 236:**

Any person who violates the provisions of chapters I and II of part VIII and the rules issued in accordance with the provisions of Article 121 shall be subject to a fine of not less than SR3000 and not more than SR10000 for each violation or else closing down the establishment for not more than 30 days or permanently. The fine and shut down penalties may be combined for elimination of the hazard source.

### **Article 237:**

Without prejudice to the penalties provided for in other regulations applicable to those who prevent an employee from discharging his duties, violators of the provisions of Article 199 shall be subject to a fine of not less than SR5000 and not more than SR10000.

### **Article 238:**

Any employer, project manager or employee who refuses or delays execution of an arbitration award or a final decision made by any of the labor dispute settlement commissions shall be subject to a fine of not less than SR10000 and not more than SR30000.

### **Article 239:**

A violator of any of the provisions of this law and the rules and decisions issued hereunder shall be subject to a fine of not less than SR2000 and not more than SR5000 for the penalties that are not provided for herein.

### **Article 240:**

## TRANSLATION

If the violation is repeated within 90 days and the violator fails to correct it within the designated period, the fine shall be doubled.

### **Article 241:**

In all cases, the violator may pay the prescribed higher fine as provided for in this chapter without resorting to the Commission for the Settlement for Labor Disputes.

### **Article 242:**

Amounts of the fines collected on account of the violations of the provisions of this law and the rules and decisions issued with respect thereto shall revert to the Human Resources Development Fund approved by Council of Ministers' Decision No.107, dated 29 Rabi'II 1421 [30 July 2000].

## **Part XVI**

### **Final provisions**

### **Article 243:**

The Minister shall issue, within 180 days from the date of publication of the law, the necessary decisions and Implementary Regulations of the provisions of this law.

### **Article 244:**

This law shall supersede the Labor and Workmen Law promulgated by Royal Decree No.M/21, dated 6 Ramadan 1389 [15 November 1969] and shall repeal all provisions that are inconsistent with it. The rules and laws issued prior to the effective date hereof shall continue in effect until they are amended.

### **Article 245:**

This law shall be published in the official gazette and shall enter into effect 180 days after the date of publication.

# TRANSLATION