



Saudization and Nitaqat Compliance: A Guide for HR Professionals in 2025

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Navigating Saudization and Nitaqat compliance in 2025 requires HR professionals to stay informed about the latest regulations and effectively implement strategies to meet their obligations. This programme, a Saudi Arabian government initiative, aims to increase the employment of Saudi nationals in the private sector¹. Since its implementation in 2011, the programme has played a crucial role in reducing unemployment among Saudi citizens, boosting economic growth, and promoting national development¹. The Ministry of Human Resources and Social Development (MHRSD) oversees the Nitaqat programme and regularly updates its guidelines and regulations to align with the evolving needs of the Saudi labour market¹. This guide provides HR professionals with essential information on Saudization and Nitaqat compliance in 2025, covering recent changes, strategies for compliance, penalties for non-compliance, and available resources.

Latest Guidelines and Regulations

Quota System

The Nitaqat programme is based on a quota system that varies across different sectors of the economy¹. These quotas determine the required number of Saudi nationals that companies must employ based on factors such as company size, industry, and the specific nature of the business activity¹.

Specific Positions for Saudi Nationals

In addition to the overall quotas, the Nitaqat programme designates specific roles for Saudi nationals. These requirements can vary based on the company's size, industry, and other factors [15]. It's essential for companies to consult the latest guidelines from the Ministry of Human Resources and Social Development (MHRSD) to determine the specific positions that must be filled by Saudi nationals.

Healthcare Sector

Effective in 2025, Saudization rates will increase for four private-sector healthcare professions:²

- Medical laboratories: 70% (up from 60%)
- Physiotherapy: 80% (up from 60%)
- Radiology: 65% (up from 60%)
- Therapeutic nutrition: 80% (up from 60%)

These increases will be implemented in two phases:^{2 3}

- **Phase 1 (17 April 2025):** Applies to hospitals and health facilities in major cities (Al Khobar, Dammam, Jeddah, Madinah, Makkah, and Riyadh) and large health facilities in other cities.
- **Phase 2 (17 October 2025):** Applies to all remaining hospitals and health facilities in Saudi Arabia.

Consulting Sector

In March 2024, the MHRSD increased the Saudization requirement for the consulting sector to 40% (from 35%) for professions including financial consulting specialists, business consulting specialists, and cybersecurity specialists⁴.

2025 Labour Law Amendments

The amendments to the Saudi Labour Law were approved on 6 August 2024, and are set to come into effect on 19 February 2025, which is 180 days after their publication in the Official Gazette on 23 August 2024 [16]. These amendments represent a significant step towards modernising employment practices in Saudi Arabia and aligning with Saudi Vision 2030. While the key changes listed below provide an overview, the exact details and implementation may vary. Employers should review the official amendments and consult with legal experts to ensure full compliance [16].

Key changes include:

- **Written Contracts for Non-Saudi Nationals:** Employment contracts for non-Saudi nationals must be in writing and of a fixed term^{5 6}.
- **Resignation Rights:** Employees on fixed-term contracts have the right to resign with a 30-day notice period⁵.
- **Notice and Termination Procedures:** More structured procedures for notice and termination are introduced⁵.

- **Enhanced Leave Entitlements:** Increased maternity leave, new paternity leave, and bereavement leave for the loss of a sibling are introduced⁵.
- **Enforcement of Saudization:** Strengthened enforcement of Saudization policies and stricter penalties for non-compliance⁵.
- **Training and Qualification:** Employers must develop a comprehensive training and qualification policy for Saudi workers⁶.
- **Training Quotas:** The Minister of Human Resources and Social Development can set training quotas for Saudi workers, which employers must comply with⁶.
- **Model Employment Contracts:** The Ministry will provide model forms for different types of employment contracts⁶.

2021 Amendments to the Nitaqat Programme

In 2021, the MHRSD introduced three main amendments to the Nitaqat programme:⁷

1. Simplifying Nitaqat by consolidating sectors.
2. Publishing a Saudization plan for the next three years to provide regulatory stability.
3. Removing fixed size bands and moving to a smooth relationship between worker count and required Saudization.

Relaxed Requirements for Hiring Foreign Nationals

On 11 April 2024, the Ministry of Human Resources and Social Development amended the Nitaqat regulations, making adjustments to facilitate the hiring of qualifying foreign nationals under specific conditions⁸. It's crucial to understand that the primary goal of the Nitaqat programme remains to promote the employment of Saudi nationals. Any relaxation in hiring foreign nationals is typically aimed at addressing specific labour market needs and is accompanied by conditions to ensure it doesn't undermine Saudization efforts. Employers should carefully review the specific terms of any such amendments to ensure they align with both the letter and spirit of the law.

Removal of the 'Yellow' Category and Minimum Wage Increase

The MHRSD issued Ministerial Resolution number 63717 on 27 November 2019, which eliminated the Yellow category in the Nitaqat system⁹. This change pressured employers to meet their Saudization quotas to ensure they remained in the Green category, generally increasing employment opportunities for Saudi nationals⁹.

Furthermore, the MHRSD introduced Ministerial Resolution number 51848, raising the minimum wage for Saudi workers included in an employer's Saudization calculations from SAR 3,000 to SAR 4,000⁹. This increase aimed to provide better financial stability for Saudi employees and encourage employers to prioritise hiring and retaining local talent⁹.

Current State of Saudization and Nitaqat Compliance

The Saudi government actively promotes Saudization across public and private enterprises¹⁰. The Nitaqat programme categorises companies based on their compliance with Saudization quotas, taking into account entity size and entity classification, using a colour-coded system: ^{110 111}

Colour Zone	Saudization Percentage	Description
Platinum	Highest	Companies with the highest Saudization rates enjoy preferential treatment in government services and tenders.
Green	High	Companies meeting their Saudization quotas are considered compliant and can access standard government services.
Low Green		These companies are close to meeting their Saudization targets but need improvement. They may face some restrictions on government services.
Red	Lowest	Companies failing to meet their Saudization quotas face penalties, including restrictions on work permits for foreign nationals and potential fines.

Practical Action Plan for HR Professionals in Saudi Arabia

To ensure compliance with Saudization and Nitaqat regulations in 2025, HR professionals should consider the following action plan:

1. Stay Informed

- Regularly review the MHRSD website and official publications for updates on Nitaqat regulations, amendments to the Labour Law, and any new initiatives related to Saudization.
- Attend workshops and seminars conducted by the MHRSD and other relevant organisations to gain insights into the latest compliance requirements and best practices.

2. Assess Current Status

- Evaluate the company's current Saudization level and Nitaqat colour zone.
- Identify any gaps in compliance and potential areas of improvement.
- Analyse the workforce composition and identify roles that can be filled by Saudi nationals.

3. Develop a Saudization Strategy

- Set clear targets for Saudization based on the company's sector, size, and business activities.
- Develop a comprehensive plan to attract, recruit, and retain Saudi talent.
- Consider implementing initiatives such as graduate recruitment programmes, partnerships with universities, and targeted training and development programmes for Saudi employees.

4. Implement HR Policies

- Ensure all employment contracts for non-Saudi nationals are in writing and comply with the 2025 Labour Law amendments^{5 6}.
- Develop clear policies on probation periods, notice periods, termination procedures, and leave entitlements, aligning with the updated Labour Law⁵.
- Implement a robust performance management system that considers regional work ethics and practices¹³.
- Design compensation and benefits packages that are competitive and include region-specific benefits¹⁴.

5. Foster a Positive Work Environment

- Create a workplace culture that values diversity and inclusion, promoting integration between Saudi nationals and expatriate workers.
- Provide opportunities for cultural sensitivity training and language training to enhance communication and understanding.
- Implement employee engagement initiatives that respect local customs and encourage open communication¹³.

6. Monitor and Evaluate:

- Regularly monitor the company's Saudization levels and Nitaqat compliance status.
- Track progress towards Saudization targets and identify any challenges or areas requiring adjustments.
- Conduct periodic audits to ensure adherence to all relevant labour laws and regulations.

7. Leverage Technology

- Utilise HR technology and analytics to streamline HR processes, improve talent management, and track key performance indicators¹³.
- Consider implementing an Applicant Tracking System (ATS) to enhance recruitment efficiency and reduce bias¹³.

8. Seek Expert Advice:

- Consult with legal experts and HR consultants specialising in Saudi labour law and Nitaqat compliance to ensure adherence to the latest regulations and best practices.
- Engage with government agencies and industry bodies for guidance and support in implementing Saudization initiatives.

By following this action plan, HR professionals can effectively navigate the complexities of Saudization and Nitaqat compliance in 2025, contributing to the successful growth and development of their organisations while supporting the national objectives of Saudi Arabia.

Avado: Your Partner in Navigating HR Change in Saudi Arabia

With the Saudi employment landscape undergoing a significant shift due to Saudization and Nitaqat, staying ahead of the curve is more crucial than ever for HR professionals. Avado is here to help. We offer a range of learning and development solutions designed to equip you with the knowledge and skills you need to adapt to the changing world of work and ensure compliance with the latest regulations.

How Avado Can Support You

- **CIPD Training:** Our CIPD-accredited courses provide comprehensive training on all aspects of HR, from foundational knowledge to advanced specialisations. With Avado, you can gain the expertise and practical skills to confidently implement the latest employment law and best practices in Saudi Arabia¹².
- **Webinars and Events:** Stay informed about the latest HR developments in Saudi Arabia by attending our webinars and events. Led by industry experts, these sessions offer valuable insights and practical guidance on navigating the changing regulatory landscape, including Saudization and Nitaqat compliance.
- **Newsletters and Resources:** Subscribe to our newsletters and access our library of HR resources to stay up-to-date on the latest news, trends, and best practices in Saudi Arabia.

HRDF Funding for CIPD Qualifications

The Human Resources Development Fund (HRDF) in Saudi Arabia provides funding opportunities for Saudi nationals to pursue professional development, including CIPD qualifications with Avado¹². This funding can help HR professionals enhance their skills and knowledge, contributing to their career advancement and the successful implementation of Saudization initiatives within their organisations.

Disclaimer: This report is intended for informational purposes only and does not constitute legal advice. The information presented here is based on research conducted from trusted sources, but it is essential to seek professional legal counsel for specific guidance on your organisation's circumstances and compliance requirements.

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