



Human Resources and
Social Development

financial equivalent of working licenses

Rules for Calculating Amounts of financial equivalent

1. Purpose of the Document

This Document aims to define the rules that govern the mechanism used to calculate the amounts of fees for work licenses and other charges for the issuance and renewal of related residence permits in quarterly manner – every three months. House workers and similar jobs shall be exempted, according to Council of Ministers Resolution No. (325) dated 13/06/1442 AH.

2. Definitions

Council of Ministers Resolution	Means Council of Ministers Resolution No. (325) on the division of work license fees and related residence permit charges into instalments.
Work License Fees	Work license fees are (SAR 100.00)
financial equivalent	Means the amounts paid for each foreign worker, who is currently in service and registered under the unified number of the establishment.

3. Rules and Fees of Work Licenses

- Work License Fees
 - Work license fees are (SAR 100.00) for each foreign worker.
- Amounts of financial equivalent
 - The amount shall be paid for each foreign worker, who is currently in service and registered under the unified number of the establishment.
 - The amount shall be calculated on a monthly basis. The following table explains the amount of fees to be paid for each foreign worker.

Amount of financial equivalent for Each Foreign Worker			
Not Exceeding the number of Saudi Workers		Exceeding the Number of Saudi Workers	
Annual	Monthly	Annual	Monthly
8,400	700	9,100	800

- Calculation and collection of fees for work licenses (Work Licenses and Amounts)

- Fees and financial equivalent are collected upon the issuance or renewal of work license
 - Work License Fees → (SAR 100.00) divided into instalments
 - Amount financial equivalent → the table below shows the amounts of instalments to be paid throughout the validity of the license.

License Validity	Amount of financial equivalent for workers exceeding the number of Saudi workers	Amount of financial equivalent for worker equal to the number of Saudi workers	License fees
3 months	2,400	2,100	25
6 months	4,800	4,200	50
9 months	7,200	6,300	75
12 months (One year)	9,100	8,400	100

- Amounts of instalments for the number of units exceeding the number of Saudi workers, for whom fees are paid, shall be collected first; then the number of units equaling the number of Saudi workers shall be collected next.

- Overdue Work License Payment

- When payments for work licenses are defaulted, the arrears must be paid off upon the issuance or renewal of a worker’s license.
- Fees due for previous years shall be calculated at the rate of the current rate of amount of payment due for each worker.
- Overdue payments of work licenses may not be divided into instalments.



Frequently Asked Questions

About the decision to issue residence permits linked to work licenses and their quarterly renewal

4. Questions

1- What is the effective date of the decision?

The decision is an update of Council of Ministers Resolution No. (197) dated 23/03/1438 AH, regarding the payment rate, aiming to improve the rules of payment and to ease the burden of establishments. It shall go into force after the completion of the required technological solution.

2- Will the fiscal year be cancelled?

The decision is a continuation of Council of Ministers Resolution No. (197) dated 23/03/1438 AH, and the fiscal year shall not be cancelled.

3- Can a final-exit visa be obtained for those, who hold a three-month license?

Yes, according to the requirements set forth in the law; a valid residence permit must be available.

4- Does the Decision include worker with border numbers?

Yes.

5- Will the quarterly renewal be an optional or obligatory alternative to the annual renewal?

Council of Ministers Resolution No. (197) dated 23/03/1438 AH limited the payment for the renewal to one year only. The Law was reviewed and amended to support the establishments and reduce the financial burdens. The new amendment allows the quarterly renewal (every three months), with the exception of house workers and similar jobs.

6- Does this have an effect on the validity of the work contract?

There is no direct effect on the validity of the work contract, which represents the contractual document between the worker and the establishment owner. The Law only provides a flexible tool for the establishments to pay the amounts of fees annually, semi-annually and quarterly for the contract.

7- What is the mechanism for calculating the fees?

The amounts are calculated monthly, as the fee of a work license is divided. The amount for each unit shall be divided into instalments, according to the prescribed period of payment.

License Validity	Amount of payment for workers exceeding the number of Saudi workers	Amount of payment for worker equal to the number of Saudi workers	License fees
3 months	2,400	2.100	25
6 months	4,800	4,200	50
9 months	7,200	6,300	75
12 months (One year)	9,100	8,400	100

8- Does the decision apply to the workers, whose license or residence permit expired?

Yes, as the overdue total amounts shall be collected first, while the new amount shall be divided into quarterly instalments.

9- If the quarterly renewal does not take place, would it be counted with the arrears?

Yes, if the payment takes place every three months.

10- Will the work license exempted from fees be divided into instalments?

Yes, payment by instalments will be applicable to work license fees (SAR 100.00) for exempted categories.

11- Does the decision cover all expatriates and professions?

Yes, the decision is applicable to all expatriates and profession at the labor market.

12- Will the annual renewal be cancelled?

No, it will not; but the law added more flexibility to the payment of the amounts, by allowing the quarterly payment of instalment as a minimum, except for the house workers and similar jobs.

13- Does the decision cover workers of all activities?

Yes, it includes workers of all activities.

14- Will the service be available through Qiwa platform and other electronic services of the Ministry?

Yes, it will be available through Qiwa platform and other electronic services of the Ministry.



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