

# Saudi Arabia launches new labor reform for expats: What changes it brings for international companies

CHICAGO, IL, UNITED STATES, July 28, 2025 /EINPresswire.com/ -- [Talentuch](#), a leading IT recruitment agency specializing in talent acquisition across the globe, analyzed the new Saudi Arabia's labor law reforms effective 2025. The changes will impact international companies operating in the country, expatriate workers, and companies hiring in the Kingdom.

The new regulations, aligned with Saudi Vision 2030, introduce changes to employment practices, Saudization requirements, and worker rights.

## Key Changes for International Companies

New regulatory requirements for international companies operating in Saudi Arabia include:

- Mandatory MHRSD approval for all expatriate hiring through the Ministry of Human Resources and Social Development
- Stricter Saudization quotas requiring technology companies to employ specific percentages of Saudi nationals, with project management roles requiring 35% Saudization
- Enhanced [training](#) obligations mandating all employers to establish formal programs for Saudi nationals with annual reporting requirements
- Outsourcing restrictions with unlicensed activities now carry penalties ranging from SAR 200,000 to SAR 500,000
- Compliance zone requirements prevent companies in red or yellow zones from issuing or renewing work permits



Nonna Stemasova, Finance Manager



## Impact on Expatriate Workers

Foreign workers, particularly in the IT sector, will also experience some changes:

- Fixed-term contracts are now mandatory for all expatriates, typically lasting one year with automatic renewal provisions
- Enhanced job mobility allows workers to change employers without sponsor consent after contract completion or with 90-day notice after one year of service in the company
- Digital integration through the Qiwa platform makes job switching and dispute resolution easier, as well as provides access to training programs
- Short-term work options through new Temporary Work Visas allow 90-day assignments extendable by another 90 days for project-based IT work



These reforms change the international companies' approach to hiring and workforce development in Saudi Arabia. Businesses must fundamentally restructure their talent strategies to remain compliant."

*Anastasia Dondich,  
Recruitment Lead at Talentuch*

## Enhanced Worker Protections

The reforms also introduce improvements in worker rights:

- Extended maternity leave increased to 12 weeks with optional unpaid month extension
- Comprehensive anti-discrimination provisions protecting against workplace discrimination based on race, gender, age, and other factors
- Improved termination notice periods of 60 days for

monthly salaried employees and 30 days for others

- Probation period maximum of 180 days for all employment contracts

## Work Permit and Visa Requirements

The new framework has introduced stricter documentation requirements for employees in Saudi Arabia:



Talentuch IT Recruitment Agency: Team

- Valid Commercial Register and establishment licenses must be in good standing
- Educational qualifications require authentication by the Saudi Embassy or Cultural Mission
- Employment contracts must be attested by the Saudi Chamber of Commerce and the Ministry of Foreign Affairs
- Medical tests and police clearance certificates are mandatory for all foreign workers
- Minimum passport validity of six months with two blank pages required

## Penalties and Enforcement

Non-compliance will have severe consequences:

- Financial penalties up to SAR 500,000 for various violations
- Suspension of visa issuance capabilities affecting future hiring
- Exclusion from government procurement opportunities
- Potential blacklisting for severe or repeated violations
- Restricted access to labor market services and benefits

## Recommendations for International Companies to Stay Compliant

- Conduct comprehensive compliance audits of current workforce structures and employment practices
- Develop Saudi national training and career development programs
- Review and update all employment contracts to meet new legal requirements and protect both parties
- Partner with experienced local recruitment agencies for strategic workforce planning and compliance guidance

## Looking Ahead

These labor law reforms show Saudi Arabia's commitment to creating a more balanced, fair, and sustainable labor market.

While the changes now lead to compliance challenges, they also offer opportunities for companies that embrace the spirit of Vision 2030 by investing in local talent development.

## About Talentuch

Talentuch is a global IT recruitment agency specializing in connecting top technology talent with leading companies across the globe. With deep expertise in local and international talent pools, Talentuch provides [end-to-end recruitment solutions](#) that ensure compliance and are aligned with business objectives. The company serves multinational corporations, regional enterprises,

and emerging technology companies seeking to build high-performing IT teams.

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