

UNIFIED EMPLOYMENT CONTRACT “QIWA CONTRACT”

The new form of the Qiwa employment contract, adopted by the Ministry of Human Resources and Social Development (MHRSD) through Qiwa Platform, reflects the last Saudi Labor Law Amendments as well as incorporates directives by the Ministry.

There are several key revisions in the form, which are quite important for both employers and employees to be fully aware of in order to avoid surprises and inability to enforce such provisions (when required).





We are listing some of the key Saudi employment contract provisions in the form

Information of Parties

Information related to the employer and the employee must be filled with accuracy to avoid difficulties while enforcing any obligations as well as ensuring full compliance with the labor law and rules of its implementation. For instance, a wrong email ID of the employee or an inaccurate mobile number of the employee could create issues while serving notices.

Notice for Non-Renewal

The form enables parties to agree both on the period of notice for non-renewal of the contract as well as renewal of the contract for a duration different than the original period of contract. This enables employers to renew contracts for periods matching with the periods of projects or contracts for which they require the services of employees.

Probationary Period

The probationary period in Saudi Arabia is set as a variable (an employer can provide for any number of days not exceeding a total of 180 days. Unlike the previous form, both parties have an equal right to the contract's termination without compensation any notice during the probation. Instead of applying a default period of probation for all employees, employers may use discretion in fixing the period of probation based on different criteria.

Employee Allowances in Saudi Arabia

Besides the basic wage, the form requires employers to fill information related to housing allowance and transport allowance (mandatory fields).

Payment Date

One of the key additions is the column “Due date of payment”. There is a reason for this provision. If the wages are not paid on the agreed due date, the employee can directly enforce the provision through the enforcement court, without the need for filing of a claim with the labor court first. There is specific provision enabling direct enforcement of payment of wages as the contract will be considered an enforceable instrument regarding non-payment of wages on the date specified in the contract.

Fees and Expenses

Although the form requires employers to bear all expenses related to recruitment, visa fee, exit re-entry fee for vacation, and return air-ticket upon termination of employment, the obligation excludes the cost of employees' return to their country due to unsuitability for work or their desire to return to their country without a valid reason.

Qiwa Portal for Notifications

Another notable provision relates to agreement by both parties to mandatorily use the portal for serving all notices. It provides that, unless notices are served upon each other through the portal, they will not be deemed legally effective. Consequently, for instance, if an employer issues a notice of non-renewal of a contract through an email or means other than the use of forms available on the portal, the notice will not be deemed legally effective.



Similarly, if an employee does not submit resignation through the portal, such resignation will not be deemed valid. However, the form provides for use of other means of communication for serving notices for certain actions if services covering such actions are not available on the portal.

Dispute Resolution

The form does not enable changing provisions related to the dispute settlement mechanism. It provides that all disputes will be first resolved amicably, and in case the parties do not reach settlement, they will be referred to labor courts in Saudi Arabia which will have exclusive jurisdiction to hear disputes between employers and employees.

Additional Provisions

It enables parties to agree on additional provisions as long as they do not conflict with the Labor Law and Rules of its Implementation or Work Rules Regulations approved by MHRSD.



Human Resources and
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We usually advise clients to provide for an agreed compensation against termination of contract without a valid reason; non-compete provision for certain categories of employees, agreement by employees to relocate to other locations, and maintaining confidentiality of information of employers during the period of employment and thereafter.