

‘Block’ visas in Saudi Arabia now valid for one year

November 2017

In brief

Effective immediately, the Ministry of Labor and Social Development (MOLSD) has reduced the validity period for block visas to one year (previously two years). Block visas are, in essence, quotas issued by the MOLSD that permit entities to sponsor foreign national employees for long-term work authorisation. Affected companies will now have one year to recruit and hire foreign national employees before the expiry of their block visa privileges. This development builds on the government’s updated “Nitaqat” framework that has implemented higher “Saudisation” percentages across most industries, vocational training initiatives for Saudi nationals, and other measures designed to improve the representation of Saudi nationals in the private sector.

In detail

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Currently, this change does not apply to block visas obtained for foreign domestic workers, or to government entities looking to employ foreign nationals.

The “Nitaqat” framework has recently undergone several changes to ensure that only companies in compliance with the relevant “Saudisation” requirements are eligible to request for block visas, and the implementation of this new policy further encourages the hiring of Saudi nationals in the private sector.

As of now, the process for obtaining block visas remains the same, with sponsoring entities having to complete a formal labour market test as well as demonstrate a valid business need (usually in the form of a business contract) in order to obtain privileges.

The takeaway

In light of the MOLSD’s decision, companies operating in Saudi Arabia are advised to review their existing block visas to ascertain whether they are at risk of expiry. Employers should also analyse their hiring and recruitment processes to develop systems that forecast mobility needs in advance of obtaining block visas - this can help lower onboarding lead times and prevent instances where block visas expire prior to being used.

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