

# **Saudi Arabia implements the “Saifi” student training program**

July 2017

## ***In brief***

As part of the country's ongoing drive towards improving the representation of Saudi nationals in the private sector, all private entities operating in the country with 25 or more employees are now required to provide an internship to Saudi national students as part of the “Saifi” training initiative.

## ***In detail***

The Ministry of Labour and Social Development (MOLSD) and the Human Resources Development Fund (HRDF) now require all private entities operating in the country with 25 or more employees to provide an internship to Saudi national students as part of the “Saifi” training initiative. Eligible students must be Saudi nationals aged 17 years and above.

Although the “Saifi” initiative was first announced in the Royal Decree No. 7/B/2942 dated 1418/3/1 (or July 1997 under the Gregorian calendar), July 2017 marks the first time that implementation has become a requirement. Under the program, employers are required to participate in the initiative and train Saudi national students (both male and female). The following percentages apply:

<b>Headcount</b>	<b>Number of students to be trained</b>
25 - 500	4% of total headcount
501 - 3000	3% of total headcount
3001 and higher	2% of total headcount

As per the HRDF directives, the Saifi program is scheduled to be a semi-annual endeavour that should span over approximately four weeks. Students selected for training must be paid a stipend of at least SAR 1500, although employers do have the option to outsource the training to an authorised training center. Under the latter approach, the total outlay rises to a minimum payment of SAR 2,000 per student (SAR 1,500 payable to the authorised training centre and SAR 500 payable to the student).

## ***The takeaway***

Although this marks the first time that the Saifi program has become a mandatory requirement for all private entities operating in the country, penalties for non-compliance have not yet been explicitly defined. Registration is possible all year round, although the program itself would commence at specified times during the year - usually in conjunction with school holidays and summer breaks.

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