



# Procedural Manual for Decision on Localization of “Remote” Customer Service Professions

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Human Resources and  
Social Development

Minister's Office

Classification: Restrict

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## Ministerial Decision

The Minister of Human Resources and Social Development,

Based upon the powers legally delegated to him,

Having reviewed the provisions of Article (3), Article (11-bis) and Article (36) of the Labor Law promulgated under the Royal Decree No. (M/51) dated 23/08/1426 H, as amended by the Royal Decree No. (M/24) dated 12/05/1434 H, as amended by the Royal Decree No. (M/1) dated 22/01/1435 H, as amended by the Royal Decree No. (M/46) dated 05/06/1436 H, as amended by the Royal Decree No. (M/14) dated 22/02/1440 H, as amended by the Royal Decree No. (M/134) dated 27/10/1440 H, as amended by the Royal Decree No. (M/5) dated 07/01/1442 H, and having reviewed the Ministerial Decision No. (101329) dated 01/06/1442 H, and in implementation of the "Saudization of Professions" Initiative, one of the Initiatives of the Ministry of Human Resources and Social Development (HRSD) announced on 20/01/1440 H,

And as per the public interest,

### Decided as follows:

First: Restricting "remote" customer service professions to Saudi citizens through direct or indirect contracting, which shall include employment contracts or outsourcing under which "remote" work is provided with regard to the business that are considered as the main activity of the establishment.

Second: This Decision shall apply to all professions and jobs that are offered in call centers for remote customer service, whether via phone, e-mail, means of conversation, social media and direct interaction, in addition to other means of offering remote customer services, in accordance with the provisions of the Ministerial Decision No. 120453 dated 28/12/1438 H and the Ministerial Decision No. (101329) dated 01/06/1442 H as amended.

Third: Establishments that fail to comply with this Decision shall be punished by the penalties stipulated in the Table of Violations and Penalties issued under the Ministerial Decision No. 178743 dated 27/09/1440 H, subject to any amendments thereto.

Fourth: This Procedural Manual shall be deemed an integral part hereof, which shall come into force one hundred and eighty (180) days as of the issue date.

Fifth: This Decision together with the Procedural Manual shall be published on HRSD's website.

Sixth: Any previous decision is considered void when it is in contradiction with this Decision.

Seventh: The Vice Minister for Labor shall take all actions necessary to report and enforce this decision.

Allah is the Arbiter of Success,,,

Minister of Human Resource and Social Development

/Signed/

Eng. Ahmad bin Sulaiman Alrajhi

[www.hrsd.gov.sa](http://www.hrsd.gov.sa)

P.O. Box 21110, Riyadh 11475, Kingdom of Saudi Arabia

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## Introduction

As the Ministry of Human Resources and Social Development (HRSD) is keen on providing simulative, productive and stable employment opportunities for both male and female citizens across the Kingdom, increasing their engagement in the labor market, and as per the HRSD's direction to localize sectors and target professions in accordance with the objectives of Vision 2030, and with reference to the Ministerial Decision No. (112203) dated (18/06/1442 H) on Localization of the "Remote" Customer Service Professions to enable male and female youth to get employment opportunities in private sector;<sup>1</sup>

Whereas this Decision is deemed one of the localization decisions on which the HRSD has worked in cooperation and partnership with the relevant government and supervisory authorities to provide an appropriate and stimulative work environment for national human resources, expanding the partnership with the private sector in line with the Localization Strategy for Human Capital Development and enhancing the contribution to the economic system. This Localization Manual shall not be deemed an alternative or contrary to the HRSD's previous localization decisions. This Manual explains the details of the Decision on Localization of "Remote" Customer Service Professions, including the targeted activities, general conditions and support programs provided by the human resources and social development system, in addition to answers to the FAQs.

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<sup>1</sup> This Decision shall apply to all establishments governed by the KSA Labor Law and deal with the contractual relationship between the employers and workers inside the Kingdom in accordance with the KSA Labor Law.

## Definitions

Decision on Localization of “Remote” Customer Service Professions: <sup>2</sup>	The Ministerial Decision No. (112203) dated 18/08/1442 H, which stipulates as follows:  Restricting “remote” customer service professions to Saudi citizens through direct or indirect contracting, which shall include employment contracts or outsourcing under which “remote” work is provided with regard to the business that are considered as the main activity of the establishment.
Customer Service Professions:	All professions classified as customer service professions and supporting professions as per the Saudi Standard Occupational Classification approved by the Council of Ministers Resolution No. (660) dated 24/10/1441 H, as detailed herein.
Customer Service Representatives:	Mean each person registered as an employee in the establishment and is governed by the occupational classification in one of the customer service professions and related professions.
Grace Period:	One hundred and eighty (180) days as of the issuance of the Ministerial Decision on Localization of “Remote” Customer Service Professions. The establishment may, during such period, modify its conditions to reach its target.
Execution Period:	The period during which the establishment complies with the execution of the Decision, as the establishment may subject to legal actions and penalties in case of failure to comply with the Decision (see the actions and penalties stipulated herein and on Remote Work Platform).
Establishment:	Each legal person that refers to companies and corporates, whether they provide specialized customer services as a main activity or supporting activity or via outsourcing to their customers.
Supervisory Authorities:	The government authority concerned with or supervising establishments as per the activity, classification by license or regulation to provide products or services.
Excluded Professions:	They are the customer service professions and jobs excluded from the application of the Decision in coordination with the Supervisory Authorities.
Support and Employment:	Mean the support and employment programs provided by the Human Resources and Social Development System, its partners or supervisory and competent authorities to stimulate and support the Sector.
Calculation in Nitaqat Program:	The minimum wage to be paid to the Saudi worker, which shall be calculated within the localization ratio in Nitaqat Program.

<sup>2</sup> The synonym of “Localization” term in this Manual is “Saudization” of jobs





## Decision on Localization of “Remote” Customer Service Professions

This Decision aims to provide new employment opportunities for both male and female Saudi citizens and regulate the labor market. The HRSD has launched many initiatives, including “Remote” Work Initiative, under which the contractual relationship of the “remote” worker is governed by the provisions of the Labor Law, Ministerial Decisions and approved bylaws of the establishment, as well as the mandatory registration in social insurance. This Decision prevents certain establishments from hiring non-Saudi male and female workers and those who are not registered in the official records of the establishment, working as “remote” customer service employees, and located outside the establishment premises, whether by direct contracting or outsourcing to other bodies to perform tasks that serve the customers of these establishment inside the Kingdom of Saudi Arabia (KSA). Such practices have a negative effect on national establishments, localization, provision of employment opportunities and regulating the Saudi labor market.

### Timeline

The implementation of this binding Ministerial Decision with the localization of “remote” customer service professions and jobs shall commence within (180) days as of the issue date. The penalties stipulated herein, in the relevant decisions made by the Ministry of Human Resources and Social Development (HRSD) and the relevant Supervisory Authorities, and the legal penalties shall be imposed on all establishments that have failed to comply with the implementation of this Decision after the end of the Grace Period (180 days) as of the issue date.

### Targeted Professions

This Decision shall apply to all professions classified as (customer service) professions that are provided remotely, whether via phone, e-mail, means of conversation, social media and direct interaction, in addition to other means of offering customer service. This shall include all (customer service professions), including leadership and supervisory professions and any other profession that carries out the same functions that are listed under the profession Code (42) as per the Saudi Standard Occupational Classification approved by the Council of Ministers Resolution No. (660) dated 24/10/1441 H.

### Violations and Penalties

1. If the establishment fails to comply with the professions localization as per the localization ratios as stipulated under the Ministerial Decision and Procedural Manual, or assigns any of the functions of the localized professions to a non-Saudi worker – directly or indirectly – under any other job title whatsoever, the HRSD will take the legal

actions against the violating establishment and impose the penalties stipulated under the Ministerial Decision No. 92768 dated 05/05/1443 H as amended.

2. In order to comply with the laws, regulations and penalties are applied to all establishments domiciled in KSA, which practices any of the customer service professions. Exclusions are determined in coordination with the competent government authorities in accordance with the licensing requirements granted thereby.

## Calculation in Nitaqat Program

The benefits of the Saudi worker shall be calculated as per the Ministerial Decision No. 61706 dated 03/04/1442 H on Increasing the Minimum Limit for Calculating the Saudi Persons' Wages in Nitaqat Program.

## Support and Employment Programs

1. "Tawteen" Program offered by the Ministry of Human Resources and Social Development "HRSD," which provides a package of support to individuals and establishment owners by signing an agreement between HRSD and the establishment owner. You can contact Tawteen Program Working Group via following link:  
<https://www.altawteen.sa/>
2. Human Resources Development Fund (Hadaf) provides many training and employment programs for Saudi citizens, which may be utilized to localize customer service professions. Hadaf provides many training programs (Tamheer, Dorooob, Saifi, Hadaf Leadership Academy, Saudi Portal for Human Resources), many programs for empowering and supporting the employment of Saudi citizens (Taqat Employment Channels, Remuneration Support, Tawafuq, National Labor Platform, programs for supporting strategic partnerships) (<https://hrsd.gov.sa/ar/ecalc/index>) and the programs specifically designed in coordination with the Non-traditional Work Patterns Department, Saudization Department, Ministry of Human Resources and Social Development (HRSD).
3. Support programs provided by the Supervisory Authorities.

## Frequently Asked Questions (FAQs)

- 1- Is the Decision on Localization of “Remote” Customer Service Professions applied in conjunction with Nitaqat?  
Yes, the Decision is applied to the targeted professions inside the establishment and the outsourced professions, as well as the legally stipulated penalties, regardless of the establishment range in Nitaqat, i.e. the establishment range in Nitaqat shall not impact the application of the Decision on Localization of “Remote” Customer Service Professions.
- 2- Is the Decision applied to the job titles only or to the worker’s actual work?  
The Decision is applied to the job titles only and the worker’s actual work for the services provided inside the establishment or via broker or another party.
- 3- Will the customer service professions localization ratio be amended in the future?  
Ministry of Human Resources and Social Development (HRSD) works on reducing unemployment and contributing to provide suitable jobs for the Saudi citizens through many initiatives to be launched. To this end, HRSD periodically reviews the required localization ratios by counting the number of graduates and those looking for a job and market uptake to ensure the automatic engagement of the graduate into the labor market.
- 4- Does this Decision aims to enforce the international companies domiciled outside KSA and have customers in KSA to open offices to serve the customers inside KSA?  
No, the Decision does not target the establishments domiciled outside KSA, which are not governed by the Saudi Labor Law.
- 5- Is there any flexibility in the execution timeline so that the affected companies can make modifications after the deadline on 31 July? Can the grace period be extended to 18 months minimum to ensure clarity of ambiguity of the Decision and provide companies with the sufficient time for compliance?  
No, such grace period has been determined under the Ministerial Decision No. 112203 dated 18/06/1442 H.
- 6- Is it possible to adopt a stage-based method that allows for regular increase of Saudization objectives (25% to 50% to 75% to 100%) over a long period?  
Ministerial Decision No. 112203 dated 18/06/1442 H indicates that all remote customer service professions shall be restricted to Saudi citizens.
- 7- Is customer services limited to establishments within specific sectors to practice customer service role?  
The Decision includes practicing remote customer service professions in all activities and sectors.

8- What are the government incentives specific to support the needs of “remote” work infrastructure?

It is possible to benefit from 1. “Tawteen” Program offered by the Ministry of Human Resources and Social Development “HRSD,” which provides a package of support to individuals and establishment owners by signing an agreement between HRSD and the establishment owner. You can contact Tawteen Program Working Group via following link: <https://www.altawteen.sa/>

9- What are the customer service professions targeted in the Decision?

Customer service positions listed under the sub-group (42) of the fourth main group stated in the “Saudi Standard Occupational Classification,” which are provided remotely, including (via phone, e-mail, means of conversation, social media and others) (whether by direct or indirect contract). This Decision does not include the second-class service professions such as the technical support and maintenance professions.

10- What is the extent of the customer service business to which the employer needs to be engaged to be listed under localization requirements? For example, if the customer service is not the main job title of the employee, however, from time to time, the employee directly interacts with the consumers, does this requirement remain valid?

The Decision includes any employee whose functions listed under (remote) customer service.

11- Is the Decision related to the customer residing in Saudi Arabia or only includes the customer residing outside the Kingdom of Saudi Arabia who are served by the Saudi operations?

The Decision targets restriction of remote customer service profession and provision of the same to the customers of establishments inside KSA only. The Decision does not apply to the non-Saudi workers operating inside the premises of establishments – not the remote work system -.

12- Does the term “Remote Work” refer to work from home?

It means work from outside the premises of the establishment. (Definition of “Remote” Work: the employees’ performance of their tasks toward their employer outside the premises (from Home) and under the supervision of the employer using communication means and Information Technology.)

13- Is the Decision applied to the customer service field agents and provide face-to-face customer service to the consumers?

No, the decision only includes remote customer service professions via phone, e-mail, means of conversation, social media and others (whether by direct or indirect contract).

14- Are the international establishments whose branches domiciled in KSA required to provide their services to customers by operating customer service centers inside KSA or contract with customer service centers domiciled inside KSA?

No, the international establishments whose branches domiciled in KSA are not required to provide their services to customers by operating customer service centers inside KSA or contract with customer service centers domiciled inside KSA. The Decision applies to the establishments governed by the Labor Law of the Kingdom of Saudi Arabia and is concerned with the contractual relationship between the employers and workers inside the Kingdom in accordance with the KSA Labor Law.



Ministry of Human Resources and Social Development  
Kingdom of Saudi Arabia

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