

SAUDI RULES ON RENEWAL OF CONTRACTS: FOR DISSEMINATION AT PDOS

POEA MEMORANDUM CIRCULAR NO. 3, January 20, 1986

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Quoted hereunder for the information of all agencies and entities and for dissemination to all contract workers during the Pre-Departure Orientation Seminars (PDOS) is a telex report from the Regional Labor Center relative to the new rules applicable to renewal of contracts:

"Renewal of contracts for the expatriate workers shall be approved by the Saudi Labor Office. All contracts made without such approval is illegal and therefore void. Before renewing the contracts the Saudi Labor Office will see to it first that there is no Saudi National available for the post. Where Saudi candidate is available the foreign worker will be replaced immediately after being paid his salary and other dues and shall be returned to his country as early as possible.

Under the new regulations as contained in Royal Decree No. 451/3 dated Dec. 14, and recently published secondment of workers (loan to other companies without legal transfer) is now prohibited. The sponsorship of the worker is allowed to be transferred only once and the release once accorded is considered final irrevocable and cannot be retracted.

According to the decree the following rules shall be strictly followed:

1. Secondment or lending of service between establishments, companies and or individuals is not allowed.
2. Transfer of sponsorship of workers to and from foreign firms working on temporary permit is disallowed.
3. The transfer of the sponsorship of the workers to and from companies and establishment with commercial records or holding permits issued by concerned parties or among individuals is only allowed under the following conditions:
 - The worker should be a holder of educational or specialized qualifications or who is a Technician and who is a graduate of a Technical Institute or Center.
 - He should have spent not less than two years with the original sponsor who brought him to Saudi Arabia.
 - His occupation and qualifications should be appropriate to the work assigned to him.
 - The transfer of the worker's sponsorship is only allowed to be made once (no subsequent transfer).
 - The release given by the sponsor is final and cannot be rescinded because it is a proof that he no longer needs the services of the worker.
 - In case the transfer of sponsorship does not work out, the sponsor should deport the worker and notify immediately the passport and immigration offices for the follow-up of action.

Because of this new rules Filipino workers who wish to look for other jobs may have difficulties obtaining other opportunities. The only recourse is to go back home.

On employment generation, it is possible that there will be a 'rebound' in favor of our workers. Saudi

employers after trying other nationalities, with less success and low production, are now inquiring about the return of their Filipino workers, even at slightly higher salaries than other '3rd country' expatriates."

All agencies and entities are enjoined to effectively disseminate the above information to all contract workers attending PDOS in order that they can take the appropriate precautions if and when they renew their contract of employment.

Adopted: 20 Jan. 1986

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Re-issued: 18 Feb. 1992

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