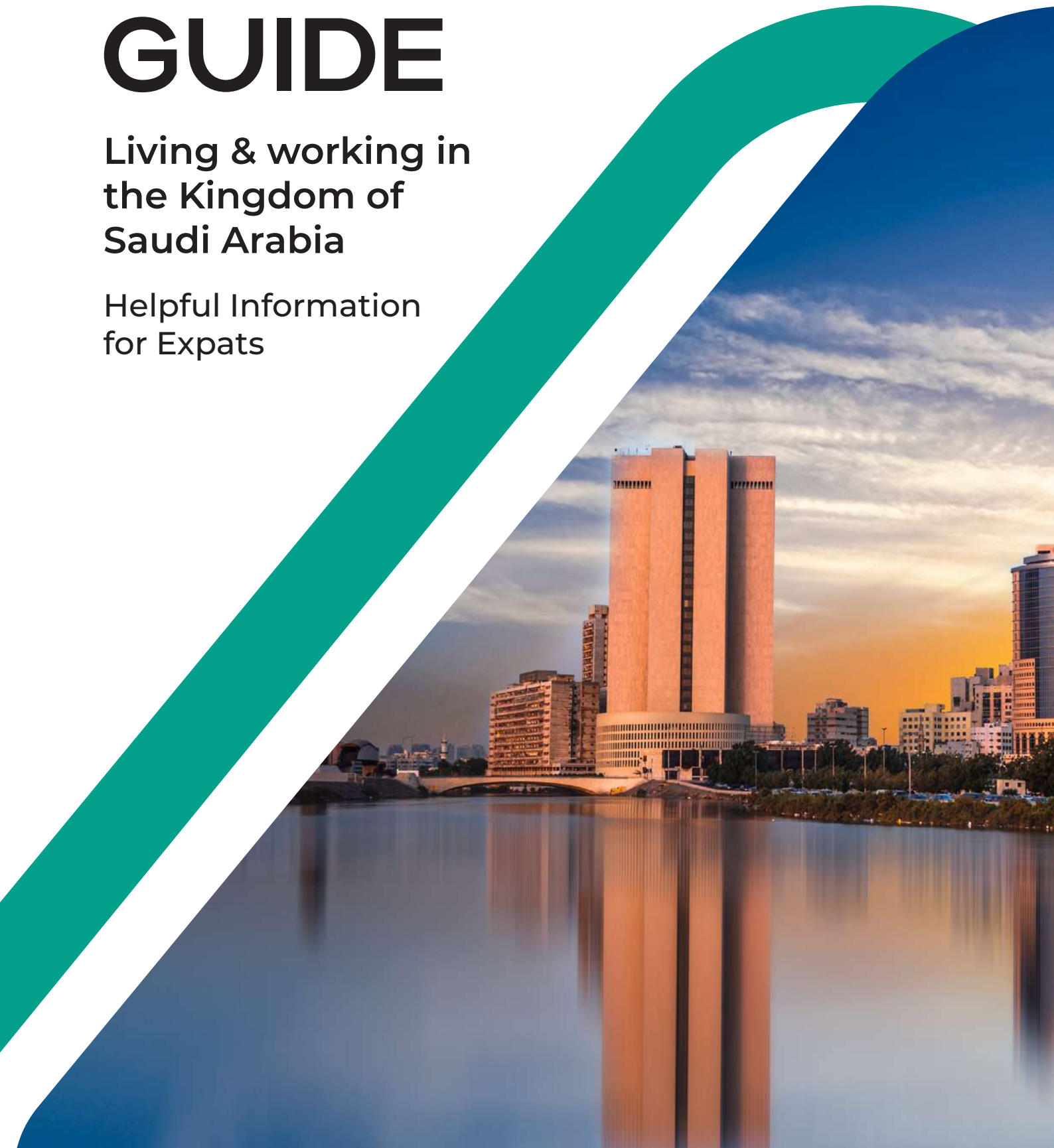




# COUNTRY GUIDE

Living & working in  
the Kingdom of  
Saudi Arabia

Helpful Information  
for Expats





## ■ Largest City

Riyadh

## ■ Capital City

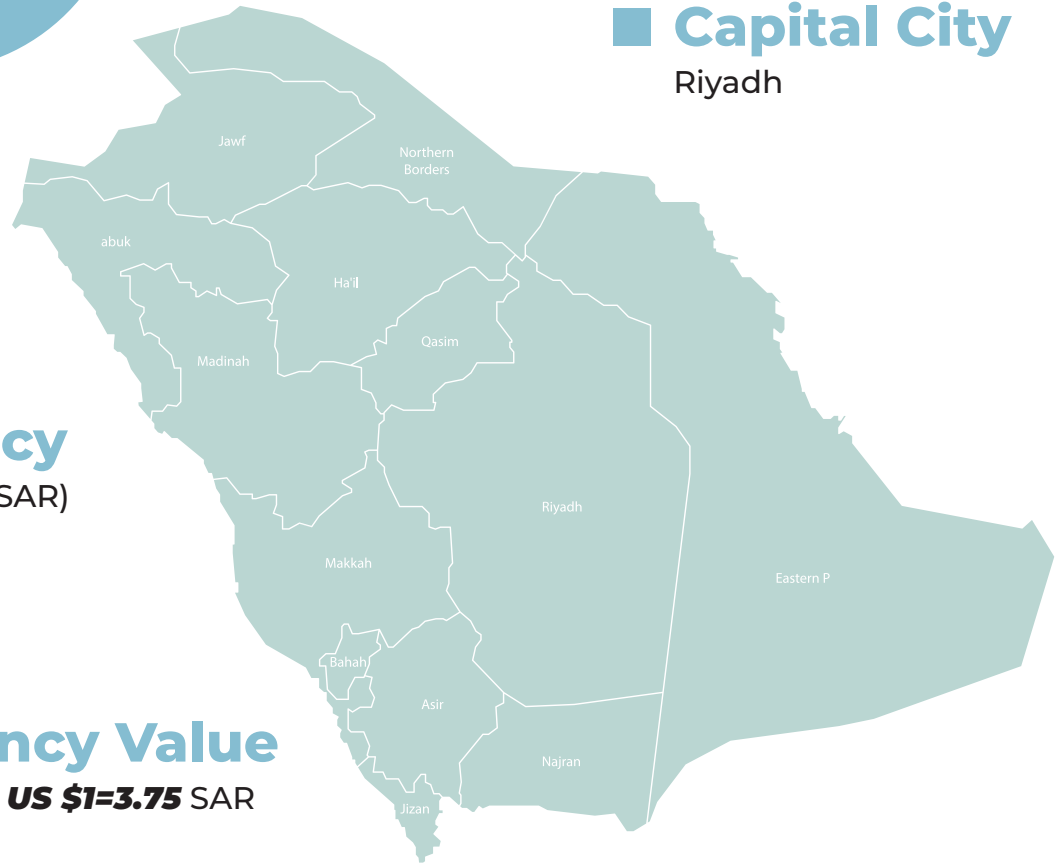
Riyadh

## ■ Currency

Saudi Riyal (SAR)

## ■ Currency Value

Pegged at **US \$1=3.75 SAR**



## ■ Ex-Pat Population

**13** million (approx.)

# INTRODUCTION TO SAUDI ARABIA

The largest economy and country in the GCC, the Kingdom of Saudi Arabia shares borders with Jordan and Iraq to the north, Kuwait and Qatar to the northeast, the UAE and Oman to the southeast, and Yemen to the south. To the west, it is bounded by the Red Sea, and to the east, it borders the Arabian Gulf. The Kingdom is divided into 13 administrative regions, and its major cities include Riyadh, Jeddah, Mecca, Medina, Dammam, and Khobar.

# SAUDI ARABIA'S ECONOMY

## AND BUSINESS LANDSCAPE

Saudi Arabia's economy is ranked in the top 20 globally and the Kingdom is the world's largest oil exporter, with its reserves recognized as the second largest in the world.

Like other Gulf States, Saudi Arabia is undergoing proactive and innovative change, and in 2016, the government introduced the Saudi Vision 2030, a comprehensive strategy to reduce dependence on oil, diversify the economy, and significantly develop the Kingdom's service sectors, from health and education, to recreation and tourism. The Vision also includes many cultural, environmental and infrastructural transformation plans, and is linked to longer term strategies and initiatives to attain Net Zero by 2060.

Saudi Arabia's dynamic and rapidly evolving business environment, together with its diversified economy, large population, and strategic location, make it a very attractive destination for organizations looking to expand into the GCC, as well as for talented professionals seeking to build a successful career in the region.





# KEY FACTS

## & FIGURES

### Official Language

Arabic

### Second Language

English

### Religion

Islam

### Population

**32 million** (approx.)

### GDP Total 2022

US **\$1,108.15 billion** (Source: World Bank)

### GDP per capita

US **\$21,000** (approx.)

### VAT

**15%** (applied to most goods & services)

### Time Zone

UTC **+3.00**

Whether you are starting a new job with a new employer, or pursuing a relocation opportunity with your current one, you will find moving to Saudi Arabia an exciting and enriching experience. However, it is important to be mindful of the unique cultural and practical aspects of living and working in this diverse and dynamic country.

## ***Respect the Culture***

Saudi Arabia is a conservative Islamic country, and you must respect local customs and traditions.

Dress modestly at all times and, even though women are no longer required to wear an abaya in public, it is advisable to make sure your arms and legs are covered. Always ask for permission before taking pictures of people, especially women, avoid public displays of affection, and remember that there is a total ban on the buying and consumption of alcohol.

## ***Learn Some Arabic Phrases***

While English is widely spoken, learning basic Arabic phrases can go a long way in building relationships and showing respect to the local culture. It is also helpful for everyday interactions, like shopping and transportation.



# YOUR NEW HOME

## ***Cultural Sensitivity***

Building strong relationships is essential in Saudi Arabia. Be patient, polite, and avoid confrontational behavior. Business meetings often begin with social pleasantries and small talk, so take the time to get to know your colleagues and clients.

## ***Cultural Diversity***

Saudi Arabia is a melting pot of cultures, with a significant expatriate population, so embrace its diversity and be open to making friends from different nationalities. You will never be bored and there are always new cultures and people to get to know and delicious new cuisines to try!



## ***Respect for Ramadan***

During the holy month of Ramadan, Muslims fast from dawn to sunset. As a sign of respect, it's essential to avoid eating or drinking openly in front of those who are observing the fast, and to be considerate of the altered schedules and increased devotion to prayer and reflection that many Muslims adopt during this period.

# AUXILIUM: YOUR EMPLOYER OF RECORD

An Employer of Record (EOR) is a third-party organization that acts as the legal employer of a company's workforce and takes on all essential employer-related and HR management functions on its behalf, allowing the company to hire and engage employees in new countries and territories, legally and compliantly, without having to set up local entities.

As your company's EOR partner, Auxilium is your legal employer, and carries the responsibility for managing the entire employment lifecycle during your service with the company. We ensure that you are legally and fairly employed, and that the company's employment and HR functions are fully compliant with all prevailing Saudi laws and regulations. At the same time, we enable your company to retain full control of its business operations, including the management of its employees and workforce.

## **SAUDI ARABIA LABOR LAW & YOU**

Saudi Arabia has a comprehensive legal and regulatory framework governing the employment of both local and expatriate personnel, including rules and guidelines on mandatory benefits, payroll management, working hours, leave entitlements, and end-of-service benefits.

As your legal employer, Auxilium ensures that you are treated fairly and equitably, and in compliance with these rules and regulations, at all times.



# AUXILIUM: YOUR EMPLOYMENT LIFECYCLE

01

## ONBOARDING

Contract Signing  
Visa Processing  
Social Insurance Registration

04

## OFFBOARDING

Full and Final Settlement  
Visa & Insurance Cancellation  
Repatriation

## PAYROLL

Payroll Processing  
Leave Management  
Expense Management

02

## HR SUPPORT

Document Issuance  
HR Liaison & Guidance  
Statutory Benefit Provision

03

# IMPORTANT EMPLOYEE INFORMATION

## **Employment Contract**

Auxilium will provide you with an Employment Contract, containing detailed information, terms and conditions, regarding your employment, including: Job Title & Description; Probation Period; Remuneration; Benefits; and Notice Period. You should retain one signed copy of the Contract, the other will be held on file by Auxilium.

## **Employment Visa**

Auxilium will manage the process for obtaining your visa, which is the first step in obtaining your Iqama.

## **Residence Permit (Iqama)**

Auxilium will manage the process for obtaining your Iqama. The Iqama acts as the standard form of identification in Saudi Arabia, and you will need it to undertake tasks such as entering into telecom, utility and lease agreements, as well as for opening personal bank accounts. You should carry your Iqama with you at all times, and if you fail to present it when requested, you can be fined. The Iqama is limited to a duration of one year.

## **Nationalization Programs**

Auxilium will manage the process for obtaining your Iqama. The Iqama acts as the standard form of identification in Saudi Arabia, and you will need it to undertake tasks such as entering into telecom, utility and lease agreements, as well as for opening personal bank accounts. You should carry your Iqama with you at all times, and if you fail to present it when requested, you can be fined. The Iqama is limited to a duration of one year.

## **Medical Insurance**

It is mandatory for employers to provide all their employees with free medical insurance cover. At Auxilium, in accordance with your company's policies will offer a range of policies, from ones that provide basic cover to meet all mandatory requirements, to more comprehensive policies, with higher annual limits and worldwide coverage, together with options for dental, optical and maternity cover.

## **Leave Entitlement**

Employees in Saudi Arabia are entitled to annual leave, sick leave, maternity leave, parental leave and leave to complete Hajj. By law, employees with one to five years of service, are entitled to 21 working days of annual leave. Employees with more than five years of service are entitled to 30 working days of annual leave.

## **Salary Payments**

Salaries must be paid in accordance with the rules and regulations of the Wages Protection System (WPS). Payments are made monthly, typically on the last day of the month, and must be paid into a Saudi Arabian bank account. At Auxilium, we provide our clients with end-to-end fully compliant payroll management services, that ensure you are paid on time and in full.

## **Family Sponsorship**

Only skilled professionals can sponsor family members. Skilled professionals are classified as employees with attested university degrees, earning a minimum of SAR 5,000 per month, and dependents include spouses, unmarried daughters, and sons up to 18 years of age. There is a visa levy of SAR 400 per dependent, per month. To find out more about how to sponsor your dependents, please speak to your Auxilium Customer Success Manager.

## **Exit Re Entry Visa (ERV)**

An Exit Re-Entry Visa (ERV) is a travel permit that allows you and your dependents to leave and then return to the Kingdom. The visa provides flexibility to travel abroad, either for personal or work reasons, while still retaining your residency status in Saudi Arabia.

It is important to be aware of your ERV status and validity, which can be checked through the government's Muqem Portal.

To find out more about ERV, please speak to your Auxilium Customer Success Manager.

## **End of Service Benefits**

Employees are entitled by law to a set of End of Service Benefits (EoSb), including gratuity. EoSb are paid after the termination of the employment contract on an accumulated basis for the tenure served, and include:

- Any unpaid wages or overtime payments due
- Encashment of unutilized leave entitlements
- Any repatriation expenses applicable as per the employment contract and/or Saudi Labor Law
- End of service gratuity

Gratuity payments are calculated as follows:

- Less than 2 year service: No gratuity entitlement
- 2 to 5 years' service: 15 days' Gross salary per year of service.
- Over 5 years' service: 30 days' Gross salary for every year over 5 years worked
- There is no limit on the total gratuity amount.

## **HR Administrative Support**

A key part of Auxilium's role is to provide ongoing support to our employees. This includes advice and guidance on all employment issues, as well as providing any regulatory or other documents you might require, including salary certificates and No Objection Certificates (NOCs). Please speak to your Auxilium Customer Success Manager for any help or support you require, or email [info@auxiliumservices.com](mailto:info@auxiliumservices.com)



# HELPFUL INFORMATION

Changing jobs and relocating to a foreign country can be a daunting and challenging experience. At Auxilium we are here to help you settle into your new home and new way of life. Below, you will find some helpful advice and guidance. If you require additional information, or have specific questions on these or other topics, please contact us direct at: [info@auxiliumservices.com](mailto:info@auxiliumservices.com) If we don't know the answer, we are certain we will know someone who does.

## ***Relocating to My New Home***

There are a number of specialist companies in Saudi Arabia that can assist you with shipping your possessions to your new home. However, many people find it is often simpler to appoint an international shipping company in their home country, who then liaises with local partners for the safe delivery of their possessions.

## ***Finding a Great Place to Live***

Expats generally choose to live in compounds. These are self-contained gated communities, with comprehensive facilities, including swimming pools, health clubs, and supermarkets, and high levels of safety and security. Most properties are let unfurnished and on an annual lease basis.

To enter into a lease agreement, you will need the following:

- **Documents:**

Passport Copy

Iqama Copy

- **Payments:**

**Rent:** Normally paid quarterly, through post-dated cheques

**Security Deposit:** Typically, 5% payable on signing

**Agents Fees:** Typically, 5% payable on signing

## ***Finding the Best Schools for My Children***

Saudi Arabia offers a diverse range of international schools to cater to the expat community, reflecting the country's multicultural landscape and commitment to providing high-quality education. One of the most popular curricula is the British system, with many schools offering a well-rounded education based on the UK curriculum, and often including elements of the International Baccalaureate (IB) program. Finding the right school can be a challenge, and it is often helpful to speak to colleagues and other expats to get a feel for what is available near you.



## Setting Up My Personal Bank

You will need a Saudi Arabian bank account for your salary payments, and opening a personal account is relatively simple. However, it is important to be aware that opening a bank account in Saudi Arabia can be a long process.

To open an account, you will typically need all or some of the following documents:

- **Passport Copy**
- **Copy of your Residence Permit ( Iqama)**

Some banks may also ask for the following documents:

- **NOC from your Employer**
- **Copy of Tenancy Lease Agreement**
- **Up to 6 Passport Photos**

## Useful Resources

There are a number of websites and other resources available that give helpful advice and guidance to expats living in Saudi Arabia.

These include:

- **Expatica Saudi Arabia: The largest online resource for expats**
- **ExpatWoman: The Best Global Expat Website**
- **News - Life in Saudi Arabia**
- **Gulf News Expats**

## Disclaimer

This publication is intended as a guide only. While every effort is taken to ensure that the details it contains are accurate at the time of publication, Auxilium cannot accept responsibility or liability for any inaccuracies, or subsequent changes to the information it describes. In addition, this publication, or any information contained herein, does not constitute or represent an agreement or contract, in full or in part, with Auxilium.





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## ***Need More Assistance?***

The Team at Auxilium is always available to help you, whether you need advice on where to find specific services, or you have a question related to your employment. You can contact us at: [info@auxiliumservices.com](mailto:info@auxiliumservices.com)



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