

[POEA MEMORANDUM CIRCULAR NO. 3, January 20, 1986]

**SAUDI RULES ON RENEWAL OF CONTRACTS: FOR
DISSEMINATION AT PDOS**

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 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:
 - a. 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.
 - b. He should have spent not less than two years with the original sponsor who brought him to Saudi Arabia.