

GMS Flash Alert

Employment Law

2025-216 | 10 November 2025



Saudi Arabia – 40 percent Saudization in Private Sector Accounting Roles Enforced

Saudi Arabia has commenced the first phase of a new policy mandating a 40 percent Saudization (localization) rate in 44 private sector accounting professions, effective 27 October 2025, as announced by the Ministry of Human Resources and Social Development in partnership with the Ministry of Commerce.¹

WHY THIS MATTERS

The implementation of the localization policy may directly affect private sector organizations employing five or more accountants, potentially requiring immediate adjustments to workforce composition and recruitment strategies.

Employers are required to comply with both the minimum Saudization threshold and newly established minimum wage requirements for accounting roles. Non-compliance may result in legal penalties, and organizations may need to reassess cost structures and talent acquisition processes.

Employees in these mobile roles may experience changes in job security, compensation practices, and career progression within Saudi Arabia.

This policy signals a broader shift in workforce planning across Saudi Arabia by emphasizing strategic localization in high-skill, regulated professions – a departure from earlier Saudization efforts that focused primarily on entry-level or service roles.

Context

Prior to this development, localization requirements for accounting professions in Saudi Arabia were lower, and the minimum wage for these roles had not been standardized at the levels now mandated. The current policy builds on ongoing efforts to increase employment opportunities for Saudi nationals across key sectors, supported by complementary measures such as recruitment and training incentives.

Key Highlights

Scope and Applicability

- Applies to private sector establishments with five or more accountants.
- Covers 44 accounting professions, including financial manager, accounting manager, certified public accountant, and senior financial auditor.

Minimum Monthly Wage Requirements

- SAR 6,000 for bachelor's degree holders (or equivalent).
- SAR 4,500 for diploma holders (or equivalent).

Phased Implementation

Five phases over five years; target localization rate will gradually increase to 70 percent.

Compliance and Enforcement

- Procedural guide published by the Ministry of Human Resources and Social Development.
- Regulatory penalties for non-compliance.

Support and Incentives

- Access to recruitment, training, and employment support programs.
- Priority for Saudization support and Human Resources Development Fund (HADAF) programs.

KPMG INSIGHTS

Steps to Consider

In light of the new policy, the organisations, entities, and individuals affected by the changes might consider the following:

- Organizations may wish to evaluate their current roster of accounting professionals to identify gaps and plan for phased localization.
- HR leaders may wish to leverage available government support programs for recruitment and training.
- Employers may wish to communicate policy changes and career development opportunities to affected staff.

What's Next?

The policy will be implemented in stages, with increasing localization targets over five years. Further details on subsequent phases and potential adjustments may be published by the Ministry. The procedural guide provides ongoing updates, and monitoring will continue in line with labor market needs.

If assignees and/or their programme managers have any questions or concerns about the scope of the directive, its application and potential impacts, and appropriate next steps, they should consult with their qualified tax or social security professional or a member of the GMS/People Services team with KPMG in the Lower Gulf (see the Contacts section).

FOOTNOTE:

1 "Saudi Arabia starts implementing 40% localization in 44 new accounting professions," *Saudi Gazette*, published on 27 October 2025.

* * * *

Contact Us

For additional information or assistance, please contact your local GMS or People Services professional* or one of the following professionals with the KPMG International member firm in the United Arab Emirates:



Samar Abdelrahman
Associate Director
Tel. + 971 44 030 301
sabdelrahman1@kpmg.com



Pranav Shah
Director
Tel. +971 4 356 9866
pshah27@kpmg.com

** Please note the KPMG International member firm in the United States does not provide immigration or labour law services. However, KPMG Law LLP in Canada can assist clients with U.S. immigration matters.*

The information contained in this newsletter was submitted by the KPMG International member firm in the United Arab Emirates.

© 2025 KPMG Lower Gulf Limited, KPMG LLP and KPMG LLC, licensed in the United Arab Emirates and the Sultanate of Oman, and member firms of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

www.kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us:



kpmg.com

© 2025 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. Printed in the U.S.A. USCS001250-2F

The KPMG name and logo are registered trademarks or trademarks of KPMG International. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG LLP is the U.S. firm of the KPMG global organization of independent professional services firms providing Audit, Tax and Advisory services. The KPMG global organization operates in 147 countries and territories and has more than 219,000 people working in member firms around the world.

Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

GMS Flash Alert is a publication of the KPMG LLP Washington National Tax practice.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.