

# GMS Flash Alert

## Employment Law

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## Saudi Arabia – Ministry of Human Resources Expands Private Sector Labour Inspections and Enforcement

Saudi Arabia’s Ministry of Human Resources and Social Development conducted over 250,000 inspections of private sector establishments during the first quarter of 2026, resulting in the identification of more than 168,000 violations and extensive enforcement actions.<sup>1</sup>

### WHY THIS MATTERS

These developments reflect increased regulatory activity relating to compliance with labour laws and Saudization policies, which may be relevant for global mobility programmes and mobile employees operating in Saudi Arabia.

Enhanced monitoring and immediate enforcement actions, such as visa cancellations and service blocks, may have implications for workforce planning, hiring procedures, and operational continuity.

### Key Highlights

- Comprehensive inspections were conducted across private sector establishments, with over 250,000 visits completed and more than 168,000 violations identified.
- Proactive compliance measures included issuing approximately 230,000 warnings in relation to identified compliance matters.
- A strong Saudization focus was maintained, with around 132,000 inspections specifically aimed at monitoring compliance and addressing instances of “fake Saudization.”
- In the recruitment sector, authorities carried out 5,926 inspection visits to recruitment offices, identifying 3,522 violations and taking steps as part of their oversight of recruitment sector operations.
- Enforcement actions were implemented promptly against violators, including visa withdrawal, exclusion from the Nitaqat programme, and blocking access to essential government services.
- Worker protection efforts involved referring relevant cases to the Human Resources Development Fund (HADAF) to support genuine job placement opportunities.

- Digital monitoring initiatives targeted non-compliance online, with action taken against 238 social media accounts promoting unregulated domestic labour and ongoing reviews to combat human trafficking.
- Community participation was reflected in 15,563 collaborative oversight reports, with authorities achieving a 96.96 percent timely response rate.

## KPMG INSIGHTS

In light of the changes, organizations, entities, and individuals might consider the following:

- Organizations could strengthen internal compliance auditing and review the accuracy of reporting of employment relationships, especially regarding Saudization quotas.
- Employers could engage with local authorities and review internal training processes to identify and address potential areas of non-compliance.
- HR leaders and global mobility managers could note the expanded compliance considerations and potential for increased administrative requirements to maintain compliance.
- For mobile employees, these measures could have implications for employment dynamics, including impacts on Saudi nationals and expatriates.

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).

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### ENDNOTE:

1 Ministry of Human Resources and Social Development (HRSD) (in Arabic), Saudi Arabia, "[The ministry carried out more than 250,000 inspection visits during the first quarter of 2026](#)," published on 19 May 2026.

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## Contacts

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