GMS Flash Alert

Immigration

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Saudi Arabia – Qiwa Restricts Business Activity Changes Exceeding Nationality Diversity Limits

Saudi Arabia's Qiwa platform, managed by the Ministry of Human Resources and Social Development (MHRSD), has announced new restrictions on business activity changes. Enterprises are now prohibited from altering their business activity if the modification would breach permitted worker nationality diversity limitations.[1]

WHY THIS MATTERS

These developments have significant implications for global mobility programs, HR leaders, and payroll managers operating in Saudi Arabia. The new restriction underscores the importance of workforce composition and nationality diversity compliance, affecting hiring practices, workforce planning, and operational flexibility. For globally mobile employees, the rules may affect assignment planning, as companies are required to adhere strictly to localization requirements and Saudization rates when adding new activities, which could influence job roles and mobility options.

Key Highlights

- **Restriction on business activity changes**: Enterprises cannot alter their business activity if the change breaches permitted nationality diversity limits.
- **Committee review**: All requests to change business activity are evaluated by a specialized committee based on Saudi labor regulations.
- **Transparency in rejection**: Companies can check the specific reason for any rejected request in the Qiwa platform's "Requests" section.
- **Saudization compliance**: Adding a new activity with a higher Saudization requirement subjects the company to the higher localization rate.
- **Developed Nitaqat program**: The three-year initiative launched in 2026 aims to create over 340,000 jobs for Saudi nationals in the private sector.

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- **Minimum Saudi employment**: Establishments with five or more workers are required to employ at least one Saudi national.

KPMG INSIGHTS

In light of the change, employers might wish to consider the following:

- Review whether any planned business activity changes could alter applicable Saudization thresholds.
- Assess whether current workforce composition would support approval of future activity-change requests.
- Confirm whether assignment planning or local hiring plans might be affected if new activities trigger stricter localization requirements.

If assignees and/or their programme managers have any questions or concerns about the scope of the update, they should consult with their qualified immigration professional or a member of the GMS/People Services team with KPMG in the Lower Gulf (see the Contacts section).

ENDNOTE:

1 Saudi Expatriates, “Saudi Arabia: Qiwa announces new restriction on business activity changes.”

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Contacts

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