



The Wage Protection System in the Kingdom of Saudi Arabia

28 September 2021

Webinar

Background and introduction

Wage Protection Systems (WPS) are salary transfer systems that require employers to pay workers' wages via banks, currency exchange centres, or financial institutions authorized by the Government.

In the Arab States and the GCC region in particular, and following the widespread practice of withholding wages - mainly of foreign workers - Gulf countries introduced wage protection systems, requiring employers to make payments to their employees into their bank accounts to ensure an official record of wage payments that could also be monitored.

The Kingdom of Saudi Arabia introduced its WPS in 2013, to better regulate labour practices in the private sector and monitor wage payments to Saudi and non-Saudi workers. While the system initially covered only private sector companies with over 3,000 employees, since 31 December 2020 the system has become applicable to all private sector companies including Micro, Small & Medium sized Enterprises.

The WPS in KSA aims to establish a database that provides updated information on the payment of wages to workers in the private sector and to determine the extent to which enterprises are committed to the timely and complete payment of salaries. A second version of the system was introduced through the Mudad platform, which became the official interface of the system on 3 November 2020. Amidst increased efforts exerted to protect workers' rights and entitlements and promote a better working environment in KSA, the Saudi government ratified the ILO Protection of Wages Convention, 1949 (No.95) on 7 December 2020.¹

Objectives

This webinar is convened by the ILO Regional Office for Arab States, the Ministry of Human Resources and Social Development in KSA and the GCC Executive Bureau of the Councils of Ministers of Labour and Social Affairs, in order to present and discuss the Wage Protection System in the Kingdom and increase participants' awareness of its benefits to workers, employers, the economy and society. An exposition of the recently launched Mudad platform will also be provided.

Discussants will reflect on the Saudi WPS in the context of comparative regional and global experiences in order to draw good practices and lessons learnt.

¹ The Convention will enter into force for KSA on 7 December 2021.

Language

The webinar will be held in English and Arabic, with simultaneous interpretation from/into both languages.

Location, date and time

The webinar will be held virtually through ZOOM, on Tuesday 28 September 2021, between 3:00pm and 4:30pm (BEY/AST).

Agenda

3:00 – 3:05	Welcome remarks <ul style="list-style-type: none">- Tariq Haq, Regional Senior Employment Policy Specialist, ILO Regional Office for Arab States, Beirut- Ministry of Human Resources and Social Development, KSA
3:05- 3:30	Presentation of the KSA Wage Protection System <ul style="list-style-type: none">- Ministry of Human Resources and Social Development
3:30-3:50	Discussion based on comparative experience <ul style="list-style-type: none">- Khalil Bou Hazaa, GCC Executive Bureau of the Councils of Ministers of Labour and Social Affairs- Patrick Belser, Senior Economist and Wage Specialist, Inclusive Labour Markets, Labour Relations and Working Conditions Branch, ILO Geneva
3:50 – 4:30	Q&A