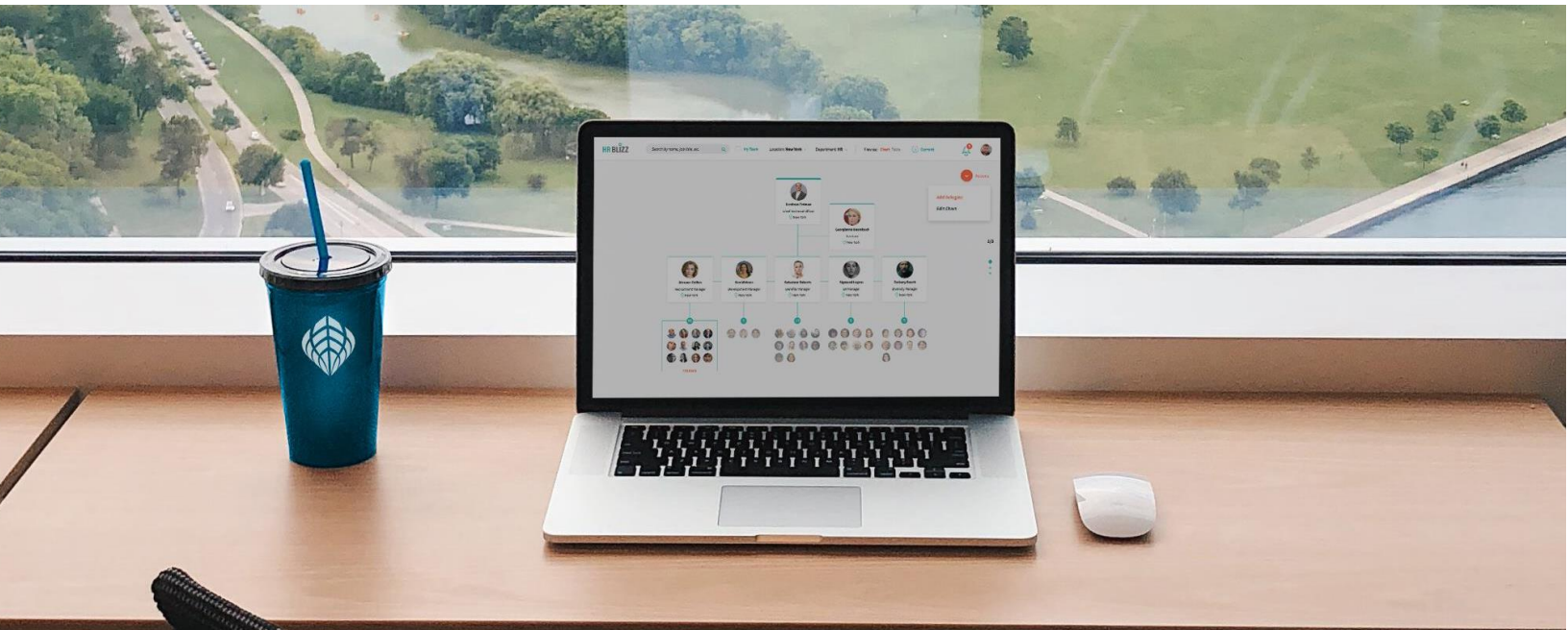




Simplifying Employment
Tasks Worldwide

Statutory Change Alert

Saudi Arabia – New Saudization Program Announced



KINGDOM OF SAUDI ARABIA



25 November 2021

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MERCANS

We help you achieve your global ambitions

Thank you for trusting Mercans to outsource your HR and Payroll functions. We propose HR consulting services, actionable solutions, and cost-effective global payroll processing tools to energize your human capital management in real-time and augment your performance. We are dedicated to becoming your business growth facilitator.



Global Payroll Solutions – Boost your HR brand and employee satisfaction

Rationalize your HR budgets, monitor your data, and optimize your global payroll tasks in real-time. Systematize processes and streamline HRM lifecycles with HR Blizz™, our unified SaaS platform, to ensure your employees are paid accurately and on time.



PEO/GEO Services – Easily hire, deploy and manage your workforce abroad

A reliable Professional Employer Organization (PEO), Mercans is your trusted employer of record to globally select, engage, and manage highly qualified personnel on your behalf, through integrated Global Employment Outsourcing (GEO).



Global Talent Acquisition – Quickly fill vacancies with only the best candidates

Mercans supports you in designing/deploying long-term HR strategies and processing full-cycle recruitment. Our ATS Suite Mesaar™ and our hiring experts help to screen, select, attract the right candidates for your organization and populate your pipeline of prequalified talents.



BPO Services – Reclaim the focus on your core activities to expand your business

Concentrate on the essentials: outsource non-primary activities and your front- and back-office functions to Mercans. Save the time, money, and energy needed to refine the value chain engagement of your customers and suppliers and increase revenue.



HR Management SaaS – Access customizable cloud-based online platforms

Centralize your HR function on an all-in-one user-friendly and self-service platform. Combined with the expertise of our consultants, the Mesaar SaaS offers a built-in applicant tracking system and easy-integration features to improve internal processes.



Local Statutory Compliance – Forget the hassle of setting up branches abroad

Mercans seasoned HR advisory team are compliance experts specialized in local cultures, business protocols, and tax and legal specificities. They are committed to ensure quick go-to-market abroad and achieve a compliant global expansion, risk-free from A to Z.



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Mercans at a Glance

160+

Countries

20

Years of Success

850+

Payroll and HR Specialists

8k+

Clients Worldwide

97%

Client Retention Rate

1.5X

Annual Revenue Growth

45k+

Largest Single Country Payroll

9M+

Pay Slips per Annum

0

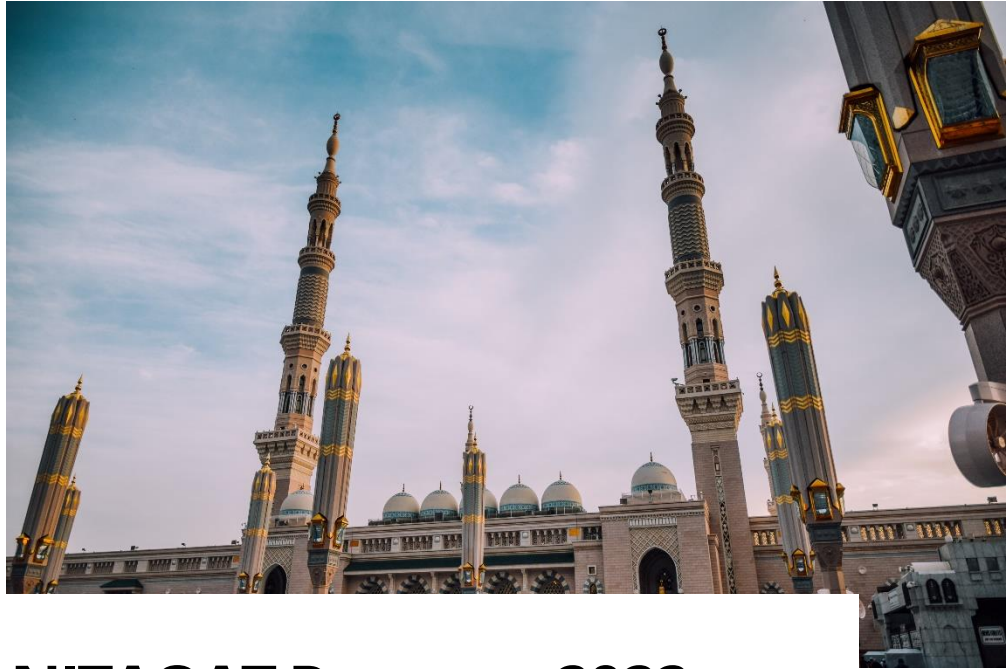
Security Breaches

Number one for outsourced payroll services, we are endorsed by international authorities.



Mercans has the highest industry quality and IT security certificate





Saudi Arabia - NITAQAT Program 2022

The Saudi Ministry of Human Resources and Social Development's (MHRSD) has launched a revised version of the Saudization program NITAQAT. The second version hopes to provide 340,000 jobs by 2024 and simplifies the compliance rules for businesses. The NITAQAT program is one of the most important initiatives undertaken by MHRSD. It was first launched in 2011 to encourage the localization of jobs and set a minimum wage for Saudis in the private sector. The second version of the program was developed in partnership with the private sector, a main partner in the ministry's labor market decisions.

The new NITAQAT program aims to balance the relationships between the number of employees and required localization rate by providing attractive job offers and increasing labor market efficiency.

The new Program version of the NITAQAT contains the following new features:

- Localization plan for the next three years, with the aim of increasing the organizational stability of private sector institutions.
- The program will use a linear formula that is properly associated with the number of employees at an institution, instead of current localization rates that rely on classifying institutions into certain and fixed sizes.
- Merging activities with similar characteristics into 32 choices instead of 85.
- Establishing the minimum wage for Saudis nationals at 4,000 SAR

Employers can verify their Saudization requirement at the following website:

<https://mol.gov.sa/Services/Inquiry/NitaqatCalculatorMotawar.aspx>



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The formula for calculating the applicable Saudization rate is provides below:

The Liner Formula: $X = M \ln(X)+Y$

- X The minimum percentage of the level.
- M Fixed value for each Activity (Table 1).
- S Fixed Saudization value for 3 years (Table 1)
- H Total headcount
- $\ln(H)$ formula to calculate the natural logarithm of the total headcount.

Company Activities	Fixed value	(H) Year 1	(H) Year 2	(H) Year 3
Agricultural & Animal Productions	0.58	13.38	15.38	18.38
Air / Maritime Transportation	1.86	45.38	47.38	50.38
Business Services	2.19	37.12	42.12	47.12
Café	1.67	22.24	28.54	34.66
Catering Services	1.67	19.25	22.47	25.6
College Education	0.43	75.37	75.36	77.37
Communication infrastructure	-	20.00	23.00	26.00
Communication Maintenance & Operations	39.00	20.33	23.33	26.33
Communication solutions	2.91	37.02	40.02	42.02
Constructions	-	17.00	18.00	20.00
Fast food Restaurants & Ice Creem	1.67	20.87	25.77	30.52
Financial institutions	2.60	62.00	62.00	62.00
Foreign schools	2.30	28.57	31.57	34.57
Fuel Station	0.56	21.59	23.59	24.59
Health Services	0.35	32.24	33.24	33.24
Industrial	2.08	20.47	26.47	29.47
IT infrastructure	3.61	38.00	38.00	38.00
IT Maintenance & Operations	4.85	22.42	25.42	28.42



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Company Activities	Fixed value	(H) Year 1	(H) Year 2	(H) Year 3
IT solutions	2.91	37.02	40.02	42.02
Maintenance, Operations	0.48	24.96	28.96	31.96
Mines and Quarries	6.00	21.00	21.00	21.00
Personal Services	4.40	21.63	25.63	25.63
Postal Activities	1.01	30.50	32.50	34.50
Recruitment	0.34	80.50	80.50	80.50
Restaurants	1.67	18.86	21.67	24.41
Schools for Boys	1.31	50.27	53.27	56.27
Schools for Girls & Kindergarten	-	89.56	90.56	92.56
Security	0.34	80.50	80.50	80.50
Social Services	3.50	28.74	32.74	35.74
Tourism & Leisure	2.59	30.90	35.90	39.90
Transportation and Storage	1.50	22.82	30.82	37.82
Wholesale and Retail	2.67	26.91	33.91	40.91
Women's Goods & Cellphone	-	89.00	89.00	89.00

Please contact your Mercans' services delivery team for any additional information regarding the implications of the above change.



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They already trust Mercans





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What Makes Mercans your HR and Payroll Partner of Choice?

We Simplify Employment Tasks Worldwide

Everywhere for Everyone

We are a borderless people engagement enabler, driven by technology and innovation. We deliver bespoke human capital management services and global payroll solutions to empower businesses across 110+ countries regardless of their organizations' size and their industry. We pride ourselves on being global people experts with a striking local presence, committed to making your teams happy, and ensuring the consistent and sustainable growth of your organization.

Local Presence. Regional Strategy. Global Success

Supported by 500+ payroll and HR specialists with in-depth local knowledge, Mercans operate globally. Our pioneering human resources consulting services and trailblazing SaaS platforms are already satisfying 5,000+ international clients, ensuring timely measurable results and bottom-line savings. Thanks to success-oriented teams striving for excellence and taking care of our clients' tasks within budget, we have gained the trust of major multinational companies.

A Revolutionary Service Delivery System

Say goodbye to third-party service providers, offshore call centers, fragmented data, and endless chains of sub-contracts.

Mercans cloud-based SaaS Products, HR Blizz™ & Mesar™, combine the performance of proprietary technologies with a human touch. Cost-effective, they are fully-compliant self-service tools, packed with smart built-in features for your peace of mind. All your data are integrated into single interfaces accessible from everywhere and on any device.

Trailblazing Cloud-Based SaaS Products

HR Blizz & Mesar, our Software-as-a-Service platforms, both propose a preconfigured API integration capability with all the major global HRMS platforms, including SuccessFactors, Workday, Oracle HCM, and MS Dynamics. All Mercans systems and processes are GDPR compliant, ISO 9001, 20000, 27001 certified, and SOC 1 and SOC 2 audited. A registered Finpro expert, Mercans is also a member of the Global Payroll Association and the Global Payroll Management Institute.



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