



## **Visas for Saudi Arabia** **Common Problems Encountered with Corporate Immigration into the Kingdom – and Solutions**

By Sophy King

***Saudi immigration procedures are complex and can be extremely stressful to negotiate. King examines common problems encountered by corporations seeking to employ foreign nationals in the Kingdom and provides advice and simple solutions.***

### **Introduction**

Foreign investment into Saudi Arabia has accelerated dramatically in recent years. The Saudi government is increasingly receptive to the establishment of foreign owned businesses in the Kingdom, and is opening more and more sectors of industry to foreign investors. As Western companies scramble to get in on the action, what should you be aware of? There is one item that is often overlooked in the excitement of initial planning, but which, nevertheless, must be examined in detail and well before any of your employees set foot in Saudi Arabia – immigration regulations.

### **Overview**

Saudi Arabian immigration regulations are complex. The process involves a block visa approval granted in Saudi Arabia, followed by individual work visa applications for each employee from their country of residence and then, once the employee has arrived in the Kingdom, work permit and residence permit (*iqama*) applications. The block visa application stands out as particularly difficult to negotiate. In a nutshell, the block visa is an immigration approval for multiple employees. Once the block visa approval has been issued, individual employees can make their individual work visa applications at the Saudi Embassy in their country of residence (as designated on the block visa). So far, so good. At first glance, this seems like a clever idea – approving work authorization for multiple employees at the same time should be an efficient way of bringing several employees into the Kingdom – or so many HR managers might think to start with. In practice, however, the block visa system is often the single biggest headache for employers attempting to move resources to Saudi Arabia. Lead time, level of detail required and abuse of the system are some of the reasons why those two little words, “block visa”, strike fear into the hearts of the toughest and most experienced HR directors. These issues are examined in more detail below, but firstly, let’s look at why Saudi immigration is one of the hottest topics in HR at the moment.

### **Accelerated Investment**

Investment into Saudi has rocketed over the last few years. Back in 2005, Amjad Shacker, director of corporate communications at SAGIA (the Saudi Arabian General Investment Authority), announced that he planned to make the Kingdom “one of the top ten foreign investment locations in the world by 2010”. He is well on his way to success: “Doing Business in 2008”, a report issued jointly by the World Bank and the International Finance Corporation, placed Saudi in the top 25 countries worldwide for “ease of doing business”, stating that, “The

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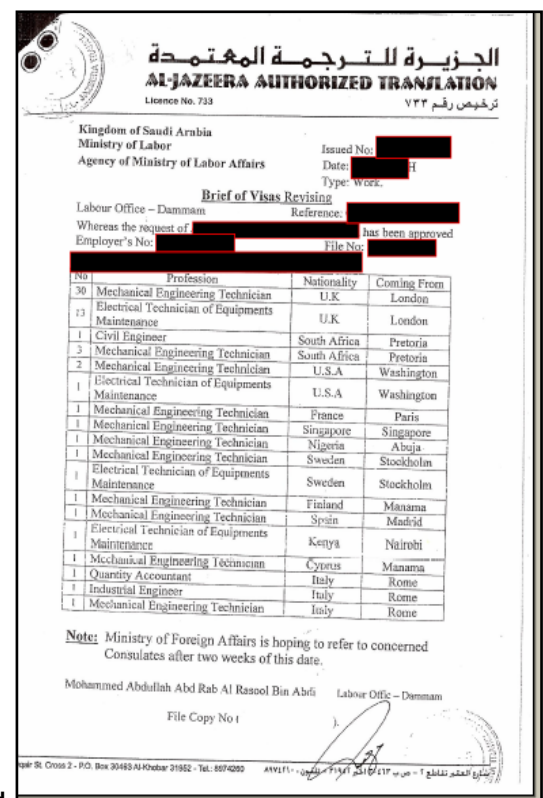
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country has made starting a business more accessible by eliminating what had been, in U.S. dollar terms, the highest minimum capital requirement in the world.... It also sped up trade, reducing the number of documents required for importing and cutting the time needed for handling at ports and terminals by two days for both imports and exports.” The report for 2009 (“Doing Buisness 2009”) has just been published and Saudi has climbed still further, and is now ranked as number 16 globally for “ease of doing business”. In addition, the Saudi economy has proved remarkably resistant to the global financial crisis. In February 2009, the regional website [www.arabianbusiness.com](http://www.arabianbusiness.com) reported Osama Shaker, HSBC Saudi Arabia Managing Director as saying, “The pace of foreign investment in Saudi-quoted companies has been picking up noticeably over the period, despite various challenges and difficulties facing financial markets all over the world”. All good news, and if your company has plans to invest in Saudi, there has never been a better time. However, it is imperative that you incorporate immigration requirements into your project plan. A detailed analysis of the common issues encountered follows.

**Common Problems**

- 1) **Lead Time** – Block visa approvals are issued by either the Saudi Labour Office or the Foreign Investment Authorities, depending on the set up of the Saudi entity. Even companies with many years of experience in obtaining block visa approval have to allow for the fact that it will take the Saudi governmental entities at least two or three months to issue approval, once the application has been made. Less experienced companies will often find that obtaining approval can take several months. Following this in-country approval, the employees must apply for individual work visas, which is in itself a relatively complicated process, requiring legalised documents and medical certificates.
- 2) **Level of Detail** – the Saudi block visa approval (See Fig. 1) is essentially a list of employee job titles, nationalities and locations of current residence. It specifies job titles in detail (e.g. “Mechanical Engineering Technician”, or “Civil Engineer” rather than simply “Engineer”). Therefore, it is necessary for a company wishing to employ foreign nationals in Saudi Arabia to know in advance exactly what positions they will be filling with foreign nationals plus what nationality each of these employees will be. It is not enough, for example, to know that you intend to bring in approximately 20 engineers from your European branches – it is a requirement to state positions in detail and what nationality will fill each position, plus at which Saudi Embassy that individual will apply for his work visa. The HR professional or manager who knows at the beginning of the year exactly what positions he or she will be hiring for is rare. The manager who not only knows



No	Profession	Nationality	Coming From
30	Mechanical Engineering Technician	U.K	London
13	Electrical Technician of Equipments Maintenance	U.K	London
1	Civil Engineer	South Africa	Pretoria
3	Mechanical Engineering Technician	South Africa	Pretoria
2	Mechanical Engineering Technician	U.S.A	Washington
1	Electrical Technician of Equipments Maintenance	U.S.A	Washington
1	Mechanical Engineering Technician	France	Paris
1	Mechanical Engineering Technician	Singapore	Singapore
1	Mechanical Engineering Technician	Nigeria	Abuja
1	Mechanical Engineering Technician	Sweden	Stockholm
1	Electrical Technician of Equipments Maintenance	Sweden	Stockholm
1	Mechanical Engineering Technician	Finland	Manama
1	Mechanical Engineering Technician	Spain	Madrid
1	Electrical Technician of Equipments Maintenance	Kenya	Nairobi
1	Mechanical Engineering Technician	Cyprus	Manama
1	Quantity Accountant	Italy	Rome
1	Industrial Engineer	Italy	Rome
1	Mechanical Engineering Technician	Italy	Rome

Note: Ministry of Foreign Affairs is hoping to refer to concerned Consulates after two weeks of this date.

Mohammed Abdullah Abd Rab Al Rasool Bin Abrif Labour Office – Damman  
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Fig. 1



exactly which positions he or she will need to fill but who can also predict with accuracy what nationality each employee will be and where that future, as yet unknown, employee currently resides is a truly exceptional person – and yet, this kind of ability to predict the future is required as standard for the Saudi work authorisation immigration procedure.

- 3) Amendments?** So, let's imagine that a company has anticipated that it will need three mechanical engineers from Germany, two systems analysts from France and four chemical engineers from the US. It turns out that the systems analyst from France is unavailable, but that there's a perfect candidate with the same qualifications in the UK. Can the company amend the block visa to gain permission to bring in the British analyst in place of the French one? The short answer is, no. It is not possible to amend the block visa approval once it has been issued. To bring in that talented, available British analyst, you're going to have to apply for a whole new block visa approval – which will take another two to three months as a minimum.
- 4) Client Sites** Something else to bear in mind is that the Saudi entity must apply for and sponsor the block visa. Therefore, if your company does not have its own entity in Saudi Arabia but is interested in sending employees to work at a client site, it will be necessary for you to first reach an agreement with your client about immigration sponsorship of those employees. The client will need to sponsor them and to apply for the block visa. This takes the management of the block visa approval out of your hands, but it means that your client is going to have to expend significant time and effort and, of course, costs, in obtaining the approval. A client who asks you to send your employees to Saudi Arabia using business visas instead is asking you to break the law – it is very important to ensure that correct and compliant immigration procedures are discussed early on in the agreement process and before any contracts are signed.
- 5) Individual Work Visas** Remember that every individual work visa a company seeks to obtain is approved on the basis of the existing block visa approval. Individual work visa applications will be assessed partly on the basis of the block visa, and applicants are expected to have qualifications and experience in line with the detailed job titles listed on the block visa. Therefore, if your block visa states that you have approval to hire a mechanical engineer, the individual taking that slot will have to prove his expertise as a mechanical engineer once he comes to make his individual work visa application. If his educational qualifications are not in mechanical engineering, it's likely that the visa application will be rejected – even if he has qualifications as a general engineer. It is possible to make an argument to justify applications where educational qualifications are not an exact match for the job title as listed on the block visa, but such justifications cost time and effort and may not be accepted by the Saudi Embassies.

- 6) Ineligible Employees** –Women are not officially ineligible for Saudi visas but in practice, it is very difficult to have work visas or even business visas approved for female candidates, even if an appropriate slot on the block visa matching their nationality, qualifications and country of residence is available. Likewise, candidates without degrees will be very unlikely to receive work or business visas. Assignees with families may take their families with them but it should be noted that the immigration process for the family can only begin once the post arrival formalities for the assignee have been completed.
- 7) Abuse of the System** - The Saudi block visa system is so complicated and longwinded that it is open to misunderstanding and abuse. Some disreputable companies specialise in applying for block visa approval for large numbers of employees and then selling these “slots” on the black market to the highest bidder, typically migrant workers from South East Asia. This practice is illegal and exposes the workers (and the companies they ultimately work for) to penalties. Human Rights Watch, a non-profit organisation based in New York, reports, “Some migrant workers pay large sums of money to manpower agents in their home countries to secure what they believe are advantageous ‘free visas’ that will allow them to find their own jobs in the kingdom with only a nominal sponsor...(this arrangement)...is illegal. The worker in this category, if caught working with a person other than his sponsor, is repatriated back to his country.”

### **Historical Approach**

It is clear that the Saudi immigration system is convoluted, to say the least. The background to this complex system is the policy of “Saudisation” whereby companies in the Kingdom have an obligation to hire a certain percentage of Saudi nationals. The exact percentage varies from 5% to 20%, depending on the industry sector of the company. Companies are granted block visa approvals only if they have met Saudisation requirements. Mohammed Aziz Abdul, of SABB in Riyadh (formerly known as the Saudi British Bank) comments, “Sometimes it becomes tough...If you want to bring a professional accountant – suppose a new batch of Saudi nationals have become professional accountants, then they will put to you that you should hire the Saudi nationals instead.” However, this program and the immigration regulations stemming from it aren’t anything new. How have companies tackled immigration issues in the past?

**Short Term Business Trips** Some companies give up on the work authorisation process completely, preferring to bypass the system by sending foreign employees to Saudi Arabia on business only. This is clearly not an ideal solution, as it limits both the activities employees may carry out while in the Kingdom to “business only” (i.e. meetings only and no productive work), and the duration of their stay. In addition, the process to secure business visas, while significantly simpler than work authorisation due to the absence of the block visa requirement, is still relatively burdensome. Paul Chapman, of Convergys, a leading relationship management consultancy which often brings Indian employees to Saudi on business visitor status, comments, “It’s very painful



getting people from India out here.”. His Indian employees visiting Saudi Arabia on business are usually given single entry visas only, valid for a maximum of 28 days, meaning that further trips necessitate an additional business visa application. Business visa applications are also frequently rejected, with no explanation given; as far as Mr Chapman can see, “There’s no reason for the rejections”. Also, obviously, these employees are unable to carry out work while in Saudi as business visitors.

**Block Visas for Everyone** Another approach often resorted to is applying for a new block visa approval for every foreign employee who goes to Saudi Arabia. This is a time consuming, expensive and stressful method of dealing with the immigration system, as it requires significant preparation and government processing time for each application. However, it is often required as managers have simply not been able to anticipate, or in some cases have not even realized that they need to anticipate, the details of the foreign employees required that year.

### Top Ten Tips

We have looked in detail at the problems the Saudi block visa system causes, and at some of the approaches that have historically been taken. So, what should you do? What is best practice for a company intending to move foreign employees to Saudi Arabia? We present our top ten tips for managing the Saudi immigration process below:

- 1) **Plan Ahead** – The number one tip for negotiating Saudi immigration is to understand that lead time is going to be extensive, and that you should plan accordingly. Allow at least three to four months for preparing, submitting and finally gaining block visa approval, and a further minimum of two to four weeks for each individual work visa approval.
- 2) **Analyse Your Needs** – It may not be possible to predict with 100% accuracy who you will need in Saudi Arabia, but with input from local HR and project managers, you should be able to gain some kind of picture of numbers of staff and where these staff might originate from. Once you have these details, try to narrow it down further to specific job titles, so that you can accurately list many slots as possible on your block visa application. If in doubt, try to list extra slots so that you have these in hand.
- 3) **Communicate Within Your Company** – Make sure that everyone involved in your Saudi project understands the issues you are likely to face with immigration – even if those people aren’t usually interested in HR related matters. If local managers and HR communicate, this will help all departments to formulate clear and consistent plans.
- 4) **Enlist Senior Management Support** – Ideally, have a senior person within your company send a communication to all staff advising them of lead times for and issues with immigration procedures and the importance of bearing these restrictions in mind. This support should mean that project managers are less likely to make unrealistic plans and less quick to be disappointed and frustrated if they can’t get the staff they need.
- 5) **Speak to Your Client** – If you are sending employees to a client site, make sure that everyone involved in negotiating the service contract understands that immigration formalities will need to be completed and that the client will need to take some responsibility for this step.



- 6) **Choose The Right Assignees** – Remember that obtaining visas for employees without degree certificates or for female employees will be very difficult. If you have selected such employees for an assignment to Saudi, make sure that everyone is aware that the assignment is pending immigration approval, and that such approval will be difficult or may even be impossible to obtain.
- 7) **Educate Assignees** – Once you have pinpointed an employee to send to Saudi Arabia on assignment, make sure that they receive education and training on how the immigration process works and the frustrations that it may entail.
- 8) **Understand Local Requirements** – As stated previously, once the block visa is approved, individual work visas must be sought at Saudi Embassies. Requirements vary depending on the Embassy, so it is a good idea to research and understand these requirements in advance, especially if you know which country or countries most of your expatriate employees will originate from.
- 9) **Prepare Personal Documentation** – All individual work visa applications will need to be supported by the individual's degree and birth certificates, duly legalised. Since it is common for individuals to have misplaced these documents, it is always a sensible idea to notify employees going on assignment of this requirement as early as possible, so that these items can be located or replaced if necessary.
- 10) **Hire An Expert** Third party assistance is not permitted in the actual block visa application process – the Saudi company itself must apply for this directly. However, immigration experts will be able to advise you on the full process, help you plan ahead, file for individual work visas in the countries of residence and then arrange all post arrival formalities (work permit and residence permit, or *iqama*). Choose an immigration consultant with global capabilities, so that they can manage the individual work visa applications at the Saudi Embassies and legalization requirements, whatever country your employees are coming from.

Hopefully this overview of the issues commonly encountered with corporate immigration processes to Saudi Arabia has been helpful and informative. For further information or to discuss any of the issues raised, the author is pleased to enter into direct correspondence.

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