### Saudi Arabia Labor Law Amendments 2025

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#### **Article 2: Definitions**

The following terms and expressions, wherever mentioned in this Law, shall have the meanings assigned to them unless the context otherwise requires:

Ministry: The Ministry of Human Resources and Social Development.

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**Labor Office:** The administrative body responsible for labor affairs within a spatial scope defined by a ministerial decision.

**Employer:** Any natural or legal person who employs one or more workers in exchange for wages.

**Worker:** Any natural person – male or female – who works for the benefit of an employer, under their management or supervision, in exchange for wages, even if away from their direct oversight.

**Juvenile:** A person who has completed fifteen years of age and has not reached eighteen years of age.

**Work:** The effort exerted in all human activities in the implementation of an employment contract (written or unwritten), regardless of its nature or type, whether industrial, commercial, agricultural, technical, or otherwise, whether physical or mental.

**Original Work:** For individuals: The subject of their usual activity and as for establishments: the work for which the establishment was created to perform and stipulated in its articles of incorporation or the concession contract - if it is a concession company - or in the commercial register.

**Temporary work:** Work that, by its nature, falls within the employer's activity and requires a specific duration to complete, or focuses on a specific task and ends with its completion, and in both cases does not exceed ninety days.

**Occasional Work:** Work that is not part of the usual activity of the employer and does not take more than ninety days to complete.

Seasonal work: Work that is performed during established periodic seasons.

**Part-time work:** Refers to work performed by an employee who is not fully dedicated to the employer and works fewer than half of the standard daily working hours at the establishment, whether the employee works daily or only on certain days of the week.

**Continuous service:** Refers to the uninterrupted service of an employee with the same employer or their legal successor, starting from the commencement of service. The service is considered continuous in the following cases:

- 1. Statutory holidays and leave.
- 2. Periods of absence for exams as stipulated in this Law.
- 3. Cases of employee absence without pay, provided the total duration does not exceed twenty intermittent days during the work year.

**Basic Salary:** Everything given to the worker in return for their work, based on a written or unwritten employment contract, regardless of the type of wage or method of payment, in addition to periodic allowances.

**Actual wage:** The basic wage plus any other due increments granted to the worker in return for effort exerted in the work, risks faced in performing the job, or as stipulated in the employment contract or work regulations, including the following:

- Commission, or a percentage of sales, or a percentage of profits, paid in return for what the worker markets, produces, collects, or achieves in terms of increased production or improvements.
- 2. Allowances that the worker is entitled to receive in exchange for the effort exerted or risks encountered while performing their work.
- 3. Increases that may be granted based on the cost of living or to meet family burdens.
- 4. Grant or Bonus that refers to payments made by an employer to an employee in recognition of their honesty, efficiency, or similar qualities, provided such payments are specified in the employment contract, the establishment's work regulations, or are regularly provided as a customary practice, such that employees regard them as part of their wages rather than a voluntary gift.
- 5. Benefits in kind: Refers to benefits that the employer is obligated to provide to the worker in exchange for their work, as specified in the employment contract or the establishment's work regulations. They are valued at a maximum equivalent to two months' basic salary for each year unless the employment contract or the work regulations specify a higher value.

Wage: Means the actual wage.

**Establishment:** Any project managed by a natural or legal person who employs one or more workers in return for a wage of any kind.

**Month:** Thirty days unless otherwise stipulated in the employment contract or the establishment's work regulations.

**Regulation:** Implementing Regulations of this Law.

### Article 7: Exemptions from Labor Law

Paragraph 1 - The following are exempt from the application of the provisions of this Law:

- A. The family members of the employer, including the spouse, parents, and children, who work in the establishment and who are the only employees there.
- B. Players and coaches of sports clubs and federations.
- C. Domestic workers and those considered as such.
- D. Agricultural workers, private herders, and those in similar roles.
- E. [REMOVED] Sea workers who work on ships with a capacity of less than 500 tons.
- F. Non-Saudi workers who come to perform a specific task for a period not exceeding two months.

**Paragraph 2:** The minister, in coordination with the relevant authorities, shall issue one or more regulations for the categories mentioned in paragraphs (A), (C), (D), and (E), of paragraph (1) of this Article, outlining the rights, duties, and other relevant provisions specific to each category. Notwithstanding the provisions of paragraph (1) of this article, the penalties specified in Article 229 of this law shall apply to violations of the provisions of those regulations.

Paragraph 3 (NEW): The regulations issued for the two categories mentioned in subparagraphs (c) and (d) of paragraph (1) of this article should include clear procedures and mechanisms to improve the performance of the labor market for these categories. They should also regulate the movement of workers, define the responsibilities of employers, and outline the duties of offices and companies involved in mediating their recruitment.

# **Article 22: Employment Services**

The ministry provides free employment channels that perform the following:

- 1. Assisting workers in obtaining suitable employment and assisting employers in finding suitable workers.
- 2. Gathering the necessary information about the labor market and its development, and analyzing it, to make it available to various public and private bodies concerned with economic and social planning.
- 3. Performing the following duties:
  - 3.1 Registering job seekers
  - 3.2 Obtaining data on job vacancies from employers
  - 3.3 Matching job seeker applications with job vacancies according to their qualifications
  - 3.4 Providing advice and assistance to job seekers regarding vocational qualification and training, or the necessary retraining to obtain job vacancies
  - 3.5 Other matters determined by the ministry

### **Article 23: Worker Registration**

Every citizen of working age who is able and willing to work has the right to register their name in the employment channels, stating their date of birth, qualifications, previous work experience, preferences, and address.

### **Article 24: Employment Procedures**

The regulations specify the rules and procedures of work in employment channels, the forms of records, notices, and documents used in their work, as well as job classification tables according to the approved occupational classification, and serve as the basis for organizing employment operations.

### **Article 25: Employer Reporting Requirements**

Every employer must send the following to the Ministry:

- 1. A statement of vacant and newly created jobs, their types, location, assigned wages, and the necessary conditions for filling them, within a period not exceeding fifteen days from the date of vacancy or creation.
- A notification of the action taken regarding the employment of the citizen nominated by the employment unit, within seven days from the date of receiving the nomination letter.
- 3. A statement of the names of their workers, their jobs, professions, wages, ages, nationalities, work permit numbers for non-Saudis and their dates, and other data specified by the regulations.
- 4. A report on the state of work, its conditions and nature, and the expected increase or decrease in work during the year following the report date.
- 5. The data referred to in paragraphs 3 and 4 of this Article shall be submitted during the month of Muharram of each year.

### **Article 27: Employment Registration Requirements**

When necessary, the Minister may require employers – in certain activities, professions, and certain regions and governorates – not to employ workers unless they are registered in employment channels, under the conditions and circumstances specified by a decision from him.

### **Article 28: Disability Employment Requirements**

Every employer who employs twenty-five workers or more, and whose nature of work enables them to employ professionally qualified persons with disabilities, shall employ at least 4% of their total workforce from professionally qualified persons with disabilities, whether through nominations from employment channels or otherwise. He shall also send to the Ministry a statement of the number of jobs and work positions occupied by professionally qualified persons with disabilities, and the wage of each of them.

# Article 30: Licensing Requirements for Employment Activities

**Paragraph 1:** No natural or legal person may engage in the activity of employing Saudis, recruiting workers, or subcontracting unless licensed to do so by the Ministry. The regulations shall specify the controls for practicing each of these activities, the conditions for granting and renewing the license for each, the obligations of the licensee, the rules for non-renewal or revocation of the license, the consequences thereof, and other necessary conditions and controls to ensure the proper conduct of work thereunder.

**Paragraph 2 (NEW):** The Ministry proposes the value of fees for practicing the activities referred to in paragraph (1) of this Article, and their disbursement channels, in preparation for completing the regulatory procedures in this regard.

### **Article 31: Employment Relationship**

Saudi workers employed through the assistance of offices or companies, and workers recruited on behalf of employers, are considered employees of the employer and have a direct contractual relationship with them.

#### Article 35: Work Permit Renewal

For reasons it deems appropriate, the Ministry may refuse to renew the work permit if the employer violates the standards for nationalizing jobs set by the Ministry, or any other conditions or regulations mentioned in the regulations. The regulation outlines procedures to ensure that the worker is not negatively impacted by the non-renewal of the work permit, including the possibility of transferring the worker's service to another employer without the approval of the violating employer.

# **Article 37: Non-Saudi Employment Contracts**

The employment contract for a non-Saudi worker must be written and of a fixed term. If the contract does not specify its duration, it is considered to be one year starting from the worker's actual commencement date. If the work continues after this period, it is considered renewed for a similar duration.

#### **Article 39: Worker Transfer Restrictions**

An employer may not allow their worker to work for another employer or their account, nor may a worker work for another employer or their account, unless in accordance with the prescribed rules and procedures. An employer is also prohibited from hiring another worker. The Ministry is responsible for inspecting establishments, identifying violations of this regulation, and taking necessary actions to enforce the prescribed penalties. Any violations falling under the jurisdiction of the Ministry of Interior will be referred to it for appropriate action in accordance with the applicable legal provisions. If the Ministry of Interior detects violations related to the provisions under its jurisdiction, it shall refer the details of the violating employers to the Ministry of Human Resources and Social Development for the enforcement of the penalties prescribed by this regulation.

### **Article 40: Employer Financial Responsibilities**

**Paragraph 1:** The employer shall bear the costs of recruiting the foreign worker, the residence and work permit fees and their renewals, along with any penalties resulting from delays in such renewals, the fees for changing the profession, exit and re-entry fees, and the cost of the worker's return ticket to their home country after the termination of the relationship between the two parties.

**Paragraph 2:** The worker shall bear the costs of his return to his home country if he is unfit for work or if he wishes to return without a legitimate reason.

**Paragraph 3:** The employer shall bear the costs of transferring the services of the worker who wishes to transfer his services to them.

**Paragraph 4:** The employer shall be responsible for the costs of preparing the worker's body and transporting it to the location where the contract was concluded or where the worker was recruited from unless the worker is buried with the consent of their family within the Kingdom. The employer shall be exempted in case the General Organization for Social Insurance assumes this responsibility.

### **Article 42: Training Policy Requirements**

Each employer shall establish a policy for training and qualifying their Saudi workers to enhance their skills and improve their performance in technical, administrative, professional, and other fields. The regulation shall specify the provisions related to this matter.

### **Article 43: Training Percentage Requirements**

This is without prejudice to the provisions of franchise agreements and other agreements that specify particular conditions and rules for training, qualification, and skill development. Every employer must provide training or qualification for his workers in accordance with these requirements. The employer must train or qualify a percentage of his Saudi workers, which is determined by a decision from the Minister. This percentage includes Saudi workers who continue their studies, provided the employer bears the costs of their education. The regulation shall define the standards and general provisions related to this matter.

### **Article 44: Training Program Requirements**

The training program must include the skill that the worker is being trained on, the rules and conditions followed in the training, its duration, the number of hours, the theoretical and practical training programs, the method of assessment, and the certificates awarded in this regard. The regulation shall define the standards and general rules to be followed in this regard to enhance the worker's performance in terms of skill and productivity.

### **Article 46: Training Contract Requirements**

The training or qualification contract must be in writing, specifying the type of profession for which the training is being undertaken, the duration of the training, its successive stages, the skill to be acquired, and the amount of compensation provided to the trainee at each stage, ensuring that compensation is not based on piecework or production. The contract must also outline the rights and obligations of both the trainee and the employer and indicate whether the training or qualification will take place within the employer's establishment or at another facility.

# **Article 47: Educational Institution Training**

The Minister may require establishments to accept a specified number or percentage of students from universities, colleges, institutes, centers, and their graduates for training and to complete practical experience, in accordance with the conditions, terms, and durations set out in the regulation. A training contract must be concluded between the trainee and the employer, and the provisions of this chapter shall apply. The establishment may provide the trainee with an allowance.

### **Article 48: Training Contract Termination**

**Paragraph 1:** The employer may terminate the training or rehabilitation contract if it is proven that the trainee or rehabilitee is not capable or able to complete the training or rehabilitation programs beneficially. Similarly, the trainee, rehabilitee, or their guardian or custodian has the right to exercise this option. The party wishing to terminate the contract must notify the other party of their intention at least one week prior to the specified termination date. Neither party may demand compensation from the other unless the contract includes a provision stating otherwise.

**Paragraph 2:** The employer, after the completion of the training or rehabilitation period, may require the trainee or rehabilitee to work for a period equal to the duration of the training or rehabilitation. If the trainee or rehabilitee refuses or fails to work for the equivalent period or part of it, they must compensate the employer for the costs of the training or rehabilitation incurred by the employer, or a proportionate amount for the remaining period.

### **Article 51: Employment Contract Documentation**

The employment contract must be written in two copies, with each party retaining one copy. It must be documented in accordance with the relevant regulatory provisions and as specified by the regulations. The contract is considered valid even if it is not written. In this case, the worker alone may prove the contract and the rights arising from it using all means of proof. Either party has the right to request a written contract at any time. As for government employees and public institutions, the decision or appointment order issued by the competent authority shall serve as the contract.

### Article 52: Standard Employment Contract Model

**Paragraph 1:** Taking into account the provisions of Article (37) of this Law, the ministry shall provide a unified model for each type of employment contract. The model shall include, as a minimum, the employer's name and location, the worker's name and nationality, the necessary details to verify their identity, their residence address, the agreed-upon salary including allowances and benefits, the type of work and its location, the starting date of employment, the contract's duration if it is for a fixed term, and the basic rights and obligations of each party.

**Paragraph 2:** The employment contract shall be in accordance with the model referred to in paragraph (1) of this Article. Both parties to the contract may add other clauses, provided they do not conflict with the provisions of this Law, its regulations, and the decisions issued for its implementation.

## **Article 53: Probationary Period**

If the worker is subject to a probationary period, this must be explicitly stated in the employment contract, with the duration specified, provided that the total duration does not exceed one hundred and eighty days in all cases. The regulations shall specify the provisions related to this, including those concerning the leave that does not count toward the duration of the probationary period. Both parties have the right to terminate the contract during this period.

### **Article 61: Employer Duties**

In addition to the duties stipulated in this law, regulations, and resolutions issued in implementation thereof, the employer must do the following:

- 1. The employer must refrain from exploiting the worker for forced labor, must not withhold the worker's wages or any part thereof without judicial basis, must treat the workers with due respect, and must refrain from any statement or action that violates their dignity or religion.
- 2. The employer must provide workers with the necessary time to exercise their rights as stipulated in this Law, without deducting wages for this time. The employer may organize the exercise of this right in a manner that does not disrupt the workflow.
- 3. The employer must facilitate all tasks related to the implementation of the provisions of this Law for the employees of the relevant authorities.
- 4. **NEW:** The employer must refrain from doing anything that may invalidate or weaken the application of equal opportunities or treatment in employment and profession, whether through exclusion, differentiation, or preference among job applicants or employees based on race, color, gender, age, disability, marital status, or any other form of discrimination.
- 5. **NEW:** The employer must provide suitable housing for his employees, or he may substitute this by providing an appropriate cash allowance along with their salary.
- 6. **NEW:** The employer must provide suitable transportation for his employees from their residence to the workplace, or he may substitute this by providing an appropriate cash allowance along with their salary.

### **Article 72: Employee Penalty Appeals**

The employee must be notified in writing of the decision to impose a penalty on him. If he refuses to receive the notification or is absent, the notice shall be sent by registered mail to the address listed in his file. The employee has the right to file a written grievance with the competent authority at the employer's side within thirty days, excluding official holidays, from the date he is notified of the decision. If his grievance is rejected or no decision is made in writing within fifteen days of submission, the employee has the right to appeal the decision before the labor courts within thirty days, excluding official holidays, from the date his grievance was rejected or the expiration of the specified period for resolving the grievance, whichever is earlier.

### **Article 74: Employment Contract Termination**

The employment contract shall terminate in any of the following cases:

- 1. If both parties agree to terminate it, provided that the employee's consent is in writing.
- 2. If the specified term of the contract expires, unless the contract has been explicitly renewed in accordance with the provisions of this Law; in which case, it shall continue until its term.
- 3. Based on the will of one of the parties in contracts of indefinite duration, in accordance with Article (75) of this Law.
- 4. **NEW:** Resignation
- 5. Upon the employee reaching the retirement age as stipulated by the Social Insurance Law, unless both parties agree to continue employment beyond this age.
- 6. Force Majeure
- 7. Permanent closure of the establishment.
- 8. Cessation of the activity in which the employee is engaged unless otherwise agreed.
- NEW: Issuance of a final resolution or ruling by the competent court to terminate
  the employee's contract in any of the bankruptcy proceedings initiated under the
  Bankruptcy Law.
- 10. Any other case stipulated by another law.

# **Article 75: Contract Termination Notice**

**Paragraph 1:** If the contract is of indefinite duration and the salary is paid monthly, either party may terminate it for a legitimate reason, as follows: a. If the termination is initiated by the employee, they must provide written notice to the employer at least thirty (30) days prior to the termination date. b. If the termination is initiated by the employer, they must provide written notice to the employee at least sixty (60) days prior to the termination date.

**Paragraph 2:** If the contract is of indefinite duration and the salary is not paid monthly, the party terminating the contract based on a legitimate reason, whether the employee or the employer, must provide written notice to the other party at least thirty (30) days before the termination date.

# Article 79 Bis: Resignation Process (NEW ARTICLE)

Paragraph 1: The resignation request is considered accepted if thirty (30) days have passed since its submission without a response from the employer. The employer has the right to postpone the acceptance of the resignation request for a period not exceeding sixty (60) days if the interests of the work require it, and based on a written explanation provided to the employee. The postponement of acceptance must occur before the expiration of the thirty (30) days mentioned in this paragraph. The duration of the postponement of acceptance is calculated from the date the written explanation mentioned in the previous paragraph is provided to the employee.

**Paragraph 2:** The employment contract ends upon the resignation being accepted by the employer, or after the thirty days mentioned in paragraph (1) of this article has passed without a response from the employer, or upon the expiration of the postponement period for acceptance as referred to in paragraph (1) of this Article.

**Paragraph 3:** The employee has the right to withdraw the resignation request within a period not exceeding seven days from the date of its submission unless the employer accepts it before the withdrawal.

**Paragraph 4:** A deferred date of resignation shall not be specified in the resignation request.

**Paragraph 5:** The employment contract remains valid during the resignation request period, and both parties to the contract are obligated to fulfill all obligations arising therefrom during that period.

**Paragraph 6:** An employee whose contract is terminated by resignation is entitled to all rights stipulated under this Law.

### **Article 107: Overtime Compensation**

**Paragraph 1:** The employer shall pay the employee overtime compensation equivalent to the hourly wage plus 50% of the employee's basic wage. **NEW:** The employer may, with the employee's consent, grant the employee paid compensatory leave days instead of the wages due for overtime hours. The regulations shall specify the provisions relating thereto.

**Paragraph 2:** If the establishment operates on a weekly standard of working hours, any hours exceeding the hours adopted for this standard shall be considered overtime hours.

**Paragraph 3:** All working hours performed during holidays and official vacations shall be considered overtime hours.

### **Article 113: Special Leave Entitlements**

Subject to the leave entitlements granted to female employees under this law, the employee shall be entitled to fully paid leave for (five) days upon marriage or in the event of the death of a spouse, an ascendant, or a descendant, and (three) days in the event of the death of a brother or sister, all of which shall be counted from the date of the incident. Additionally, the employee shall be entitled to (three) days of leave in the event of the birth of a child, to be taken within (seven) days from the date of birth. The employer shall have the right to request supporting documents for these cases.

## Article 151: Maternity Leave

**Paragraph 1:** A working woman shall be entitled to a fully paid maternity leave of (twelve) weeks, of which the six weeks following childbirth are mandatory, and she may distribute the remaining six weeks as she sees fit, commencing from four weeks before the expected date of childbirth. The expected date of childbirth shall be determined by a medical certificate certified by a health authority. If the remaining leave period is less than (six) weeks due to a delay in childbirth beyond the expected date, the remaining period shall be considered unpaid leave. In all cases, the female employee shall have the right to extend this unpaid leave for one month.

**Paragraph 2:** A female employee, in the event of giving birth to a sick child or a child with special needs whose health condition requires continuous accompaniment, shall be entitled to a fully paid leave of one month commencing after the end of the maternity leave period, and she has the right to extend the leave for one month as unpaid leave.

### Article 168: Maritime Employment Definitions

The terms "ship," "shipowner," "master," "seafarer," and "maritime employment contract" as used in this Part shall have the meanings assigned to them under the Commercial Maritime Law.

# **Article 178: Seafarer Employment Regulations**

Without prejudice to the provisions governing the seafarer employment contract under this Law, the Minister shall, in coordination with the General Transport Authority, issue regulations governing the seafarer employment contract. These regulations shall include provisions relating to the rights and obligations of both parties to the contract, living conditions, safety, food, accommodation, and recreational facilities on board the vessel, measures to be taken by the employer to prevent occupational injuries and diseases, healthcare, working hours, rest periods, leave entitlements, training and skill development of seafarers, repatriation of seafarers, issuance of a certificate of compliance with the provisions of this Law, inspection and monitoring mechanisms to ensure vessels' compliance, determination of violations and the penalties imposed for committing them, as well as provisions for the amicable settlement of complaints.

#### Article 182: Contract Termination for Seafarers

The employer may also terminate the contract without prior notice and compensation if the voyage is canceled before its commencement due to circumstances beyond the shipowner's control, provided that the wages are based on a per-voyage agreement unless otherwise stipulated in the contract.

#### **Deleted Articles**

The following articles have been deleted in their entirety:

- Article 195: Labor inspector requirements
- Article 197: Labor inspector pledge and identification
- Article 203: Violation report procedures
- Article 205: Monthly and annual inspection reports
- Article 206: Comprehensive annual inspection report
- Article 207: Standardized forms for violations and inspections
- Article 208: Labor inspector training requirements

### Article 196: Labor Inspector Responsibilities (Modified)

Labor inspectors shall be responsible for:

- 1. Monitoring compliance with the provisions of this Law, its regulations, and the decisions issued in implementation thereof.
- 2. Providing employers and employees with technical information and guidance to help them adopt the best means of implementing the provisions of this Law.
- 3. **MODIFIED:** Notifying the competent authorities within the Ministry of deficiencies in the existing provisions that fail to address certain issues and proposing necessary amendments.
- 4. Recording violations of this Law, its regulations, and the decisions issued in implementation thereof.
- 5. Investigating violations detected by other competent government entities and referred to the Ministry.
- 6. Proposing appropriate fines in accordance with the schedule of violations and penalties.

# Article 198: Labor Inspector Rights (Modified)

Labor inspectors shall have the right to:

- 1. **MODIFIED:** Enter any establishment subject to the provisions of the Labor Law at any time during its working hours without prior notice.
- 2. Conduct any necessary inspection or investigation to ensure compliance with the law. In particular, they shall have the authority to: a. Interview the employer, their representative, or employees—whether individually or in the presence of witnesses —regarding any matter related to the implementation of the law. b. Reviewing all books, records, and other documents required to be maintained under the provisions of this law and the decisions issued pursuant thereto, and obtaining copies or extracts thereof c. Collecting one or more samples of materials used or handled in industrial or other processes subject to inspection, if suspected of having harmful effects on workers' health or safety, for analysis in government laboratories to determine their impact, while notifying the employer or their representative accordingly.

## Article 199: Employer Cooperation with Inspectors

Employers, their representatives, and workplace officials shall provide labor inspectors and designated inspection officers with the necessary facilities to perform their duties. They must furnish any requested information related to the nature of their work, comply with summonses, and appoint a representative if required.

### Article 209: Executive Regulations Authority (Modified)

**MODIFIED:** The Minister shall issue the Executive Regulations for the oversight and organization of inspection activities.

### **Article 229 Bis: New Penalties (NEW ARTICLE)**

Whoever violates the provisions of Paragraph (1) of Article (30) of this law shall be punished with a fine of no less than (SR. 200,000) two hundred thousand riyals and no more than five hundred thousand riyals, without prejudice to the provisions of Article (Two Hundred Twenty-Nine Bis) thereof.

## Article 230: Penalty Implementation and Appeals

**Paragraph 1:** The Ministry, by a decision of the Minister or whomever he delegates, may impose either or both of the penalties stipulated in subparagraphs (A) and (B) of Paragraph (1) of Article Two Hundred Twenty-Nine Bis of this law, provided that neither exceeds half of the maximum prescribed limit for either. The decision imposing the penalty may be appealed before the competent administrative court.

Paragraph 2: The Minister shall issue a schedule specifying the violations and their corresponding penalties, which shall not exceed half of the maximum limit for the penalties mentioned in subparagraphs (A) and (B) of Paragraph (1) of Article Two Hundred Twenty-Nine Bis of this law. The schedule shall take into account the principle of gradual escalation in determining penalty amounts and their proportionality to the severity of the violation.

**Paragraph 3:** The Minister shall issue a schedule specifying the violations for which penalties exceed half of the maximum limit for the penalties mentioned in subparagraphs (A) and (B) of Paragraph (1) of Article Two Hundred Twenty-Nine Bis of this law. This schedule shall also define the violations subject to the penalty provided in subparagraph (C) of Paragraph (1) of the same Article.

Paragraph 4: If a violation requires a penalty exceeding half of the prescribed maximum limit or falls under violations warranting the permanent closure of the establishment, as per the schedule referred to in Paragraph (3) of this article, the Ministry shall file a lawsuit before the competent court to consider the case and impose the appropriate penalty as stipulated in Article Two Hundred Twenty-Nine Bis of this law.

**Paragraph 5:** A settlement may be reached between the Ministry and the violator by agreeing to pay a fine amount determined by the Ministry, provided that a decision approving the settlement is issued by the Minister.