



# HR Record Retention Requirements

## Legal Framework: Saudi Arabia

### Legislative Framework for Record Retention Requirements

As most HR professionals know, document retention for employee-related records—such as personnel files, payroll information, benefits records, and background checks—is a particularly complicated process, required by law, with variations from country to country. Complicating the process further, each document in each country has its own individual retention requirements, and the financial penalties for noncompliance can be significant. A carefully designed and implemented HR record retention policy is a necessary step to support an employer’s robust compliance program.



While disposing of too many records can increase a company's legal exposure, disposing of too few records may also increase legal exposure as well as the cost of storage. Employers must identify which records should be retained, how long records should be retained and the different

formats in which records may be stored. Employers must also determine how to ensure internal HR record retention policies comply with all applicable regulations and local laws.

### General Recordkeeping Requirements

Keeping HR records through a robust document retention policy may be useful to employers for various reasons, including (a) maintaining the corporate memory of the company; (b) satisfying legal or regulatory requirements; (c) preserving documents with an enduring business value to the company; and (d) protecting the company against the risks of litigation and the need to preserve evidence and comply with disclosure obligations as necessary.

However, a balance must often be struck between keeping documents for a sufficiently long period of time, so as to meet an employer’s legitimate business objectives, and not keeping those documents unnecessarily, which could give rise to a breach of data protection laws or otherwise create unnecessary risk.

### Retention Periods

Most countries have minimum and maximum retention periods for certain HR records. Even if there is no statutory minimum retention period for a certain category of records in a particular country, it is often recommended to retain

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records until the expiration of the relevant time limits for bringing legal actions or regulatory investigations (statutes of limitations).

In addition to maintaining minimum retention periods, some countries also have maximum retention periods. A record's survival must often be limited so as to safeguard the privacy of persons whose personal data is contained in that record. In particular, records must be kept for no longer than is necessary for achieving the purposes for which the records were collected or subsequently used. After the maximum retention periods have expired, the documents should be either permanently deleted or anonymized (i.e., all references to data subjects should be redacted so that it is no longer possible to identify those persons).

For most Saudi employment records, there are no statutory retention requirements, though statutes of limitation can be looked to for insight. Under the new Personal Data Protection Law, personal data must be immediately destroyed once no longer needed to achieve the intended purpose for which the personal data was collected.

Courts in Saudi Arabia do not have to follow a binding precedent, and therefore courts have the ability to hear a claim after a relevant statute of limitations has passed. If a court believes it would be unfair to prohibit the claimant based on the specific circumstances of the claim, they may choose to hear the claim regardless of the statute of limitation. Under administrative Resolution No. 999 of 1429 on the Implementing Regulations of the Electronic Transactions Law (ETL Regulation) "Records and data pertaining to any electronic transaction shall be saved in accordance with the requirements of any laws, regulations or procedures regarding determination of the time periods for which records and data should be saved."



## Format of Records

Multiple laws, decisions, and even everyday life

practices apply when assessing the retention period of a document. Under Saudi Arabia's Labor Law (Art. 17), employers are required to retain records, statements and files at the workplace.

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