

Qoyod Report

The Independent Economy in Saudi Arabia: 1.5 Million Modern Work Contracts and Documents

An official-figures read of the independent economy in Saudi Arabia: freelance work, flexible work and remote work, the rise of women's participation in the labour market, the profile of the Saudi freelancer, the benefits of the freelance work document, and the four financial steps that turn irregular income into managed work.

2026

Work in Saudi Arabia no longer has a single shape. Alongside the traditional job, a full ecosystem of modern work patterns has emerged: freelance work, flexible work, and remote work. According to the National Transformation Program Annual Report 2025, the cumulative number of contracts and documents issued on these platforms reached 1,496,698, including 430,739 freelance work documents. This report reads the Saudi independent economy in official numbers: its size, who leads it, how it reshaped women's participation in the labour market, and then answers the question every freelancer faces after their first sale: how do you run your money, your invoices and your tax obligations properly?

430,739

cumulative freelance
work documents
issued

1.5M

total contracts
and documents
across modern
work patterns

35%

women's share
of the workforce
in 2025, up from
21.2% in 2017

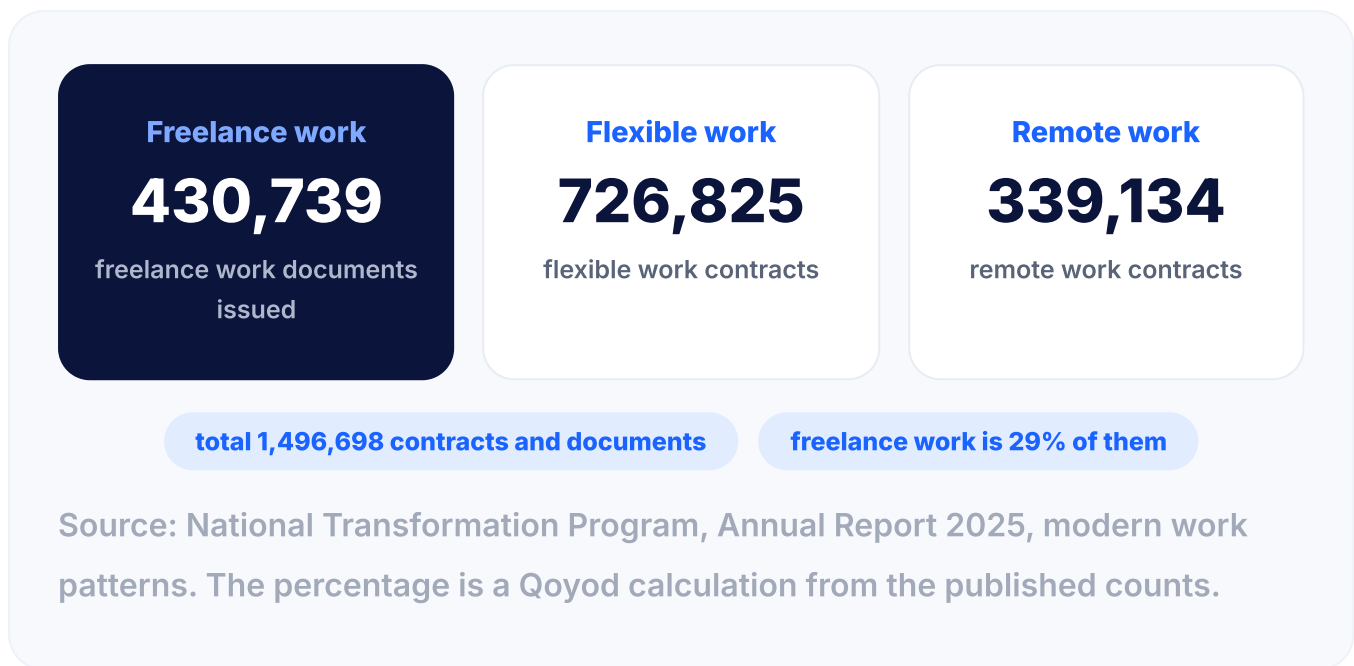
6.4%

Saudi
unemployment
rate in Q1 2026

Three patterns redefining work

The National Transformation Program, in cooperation with the Ministry of Human Resources and Social Development, worked on developing the legislative and regulatory environment for modern work patterns, with the aim of opening diverse work opportunities suited to different segments of society. The result is an ecosystem of three official platforms, each with its own document or contract.

Cumulative contracts and documents issued on modern work pattern platforms



The differences between the three patterns are substantive. Freelance work gives the individual a document allowing them to practise an independent activity and sell services to more than one client. Flexible work is an hourly contract with an establishment, and remote work is a full employment contract performed away from the workplace. All three share one thing: they open the door to income for groups for whom a traditional full-time schedule was never a practical option, from students to mothers to residents of smaller cities.

A labour market hitting record numbers

This expansion in work patterns comes in the context of a Saudi labour market at its strongest. The unemployment rate among Saudis fell to 6.4% in the first quarter of 2026, down from 7.2% in the fourth quarter of 2025, the lowest level on record. Unemployment among Saudi women fell to 9%, and among Saudi men to 4.9%.

The striking part is that the Saudi Vision 2030 target of reducing unemployment to 7% was achieved early and then surpassed, reaching 6.4%. That is an achievement reflecting the success of an integrated system of programs, with modern work patterns as one of its pillars.

Saudi women: the standout transformation

The independent economy in Saudi Arabia cannot be read in isolation from the most important shift the labour market has seen in eight years: the rise of women's participation. The figures in the National Transformation Program annual report speak for themselves.

The transformation journey in empowering Saudi women, 2017 to 2025

Women's share of the workforce

21.2% to 35%

Female economic participation rate (age 15 and above)

17% to 34.5%

Women in middle and senior management positions

28.6% to 43.9%

economic participation doubled in 8 years

43.9% in leadership roles

Source: National Transformation Program, Annual Report 2025, the transformation journey in empowering women.

Behind these numbers sit tangible empowerment programs: more than 370,000 women benefited from the Wusool transport support program, and more than 52,000 female employees from the Qurrah childcare program. And this is exactly where modern work

patterns prove their value: freelance and remote work remove the transport barrier and the fixed-schedule barrier at once, making them among the fastest routes for women to enter the labour market.

Who is the Saudi freelancer?

Data published by Al-Watan newspaper on the profile of freelance workers indicates that the largest age group is 25 to 34, and that 62% hold a bachelor's degree against 31% with a secondary qualification or below. Riyadh leads the geographic distribution at roughly 27%, followed by Makkah at roughly 22% and the Eastern Province at roughly 14%. Trade and retail lead the activities at roughly 38%, followed by manufacturing and professional services.

So the picture is not one of marginal work, but of educated young people in their productive years building an independent income stream. And this is precisely the group that needs financial tools as professional as their ambition.

What the freelance work document gives you

The freelance work document is a document approved by the Ministry of Human Resources and Social Development that allows individuals to register in a number of activities and to practise work independently in the activities the ministry has approved through the freelance work portal. It is issued electronically and free of charge.

Benefits provided by the freelance work document

Opening a commercial bank account

available

Digital payment solutions

available

Access to income opportunities

available

Social insurance registration

optional

free electronic issuance

ministry-approved activities

Source: Freelance platform, Ministry of Human Resources and Social Development.

It is important to understand the dividing line: the document regulates the practice of an independent activity, and it is neither a commercial register nor a substitute for one. When the activity expands and becomes an establishment with employees and branches, the commercial register becomes the appropriate legal form. And the register base in the Kingdom is widening at a record pace of its own, with active establishment registers reaching 1,280,505 by the end of the second quarter of 2026.

For the full detail on the commercial register base, business forms and the sectors with the most new incorporations, see the [Birth of Business in Saudi Arabia report](#).

The financial side: what a freelancer actually needs

This is where the distance opens between a freelancer whose income grows and one who keeps working without a clear picture of their numbers. Four financial matters decide the difference:

First, separate your accounts. The commercial bank account the document makes available to you is not an administrative luxury, it is the foundation that makes calculating income and expense possible at all. Mixing personal spending with business spending turns any profit calculation into an estimate rather than a number.

Second, invoicing. Many freelancers' clients today are registered businesses that require an invoice for every service and will not pay without one. A structured invoice is not a formality, it is the condition for working with companies and the source of documentation in any dispute.

Third, the tax registration threshold. VAT registration is mandatory once annual taxable supplies exceed SAR 375,000, and optional above SAR 187,500. Tracking that figure monthly rather than discovering it at year end is the difference between registering on time and a costly delay. Once registered, e-invoicing compliant with the Zakat, Tax and Customs Authority becomes part of the daily workflow.

Fourth, optional social insurance. The optional social insurance registration available to document holders is a decision worth calculating rather than deferring, because it builds retirement coverage that the nature of independent work does not provide automatically.

Four financial steps that turn freelance work into managed work

Separate your commercial account from your personal one

the foundation

Issue a structured invoice for every service

condition of doing business

Track the SAR 375,000 threshold monthly

tax obligation

Calculate optional social insurance registration

future protection

from irregular income to a managed number

Prepared by Qoyod based on the published freelance work document benefits and Zakat, Tax and Customs Authority provisions.

This is exactly the need a simple accounting system covers from day one. Qoyod is an Arabic cloud accounting system that records income and expense by line, issues electronic invoices compliant with the Zakat, Tax and Customs Authority, and shows net profit and outstanding receivables at any moment, so a freelancer knows their real number before it becomes a question at year end.

From freelance work to an establishment: the natural path

Many Saudi businesses today started as a small individual project. And the numbers confirm this path is now wide open: the number of small and medium enterprises in the Kingdom exceeded 1.7 million in 2025, compared with 429,026 in 2016, according to the National Transformation Program annual report.

Growth of small and medium enterprises in Saudi Arabia



Source: National Transformation Program, Annual Report 2025, growth of small and medium enterprises in partnership with the Small and Medium Enterprises General Authority (Monsha'at).

For the full picture of the SME sector and its contribution to GDP and employment, see [Saudi SMEs in 2026](#), and for labour market wage levels see [Payroll Trends in Saudi Arabia](#).

Recommendations

Five practical steps for anyone working independently in Saudi Arabia:

- Issue your freelance work document before your first commercial transaction. It is free and electronic, and it lets you open a commercial bank account and access digital payment solutions.
- Separate your commercial account from your personal account from day one. Without that separation there is no real profit figure to rely on.
- Issue an invoice for every service. Your registered business clients need it to pay, and you need it for documentation.
- Track the SAR 375,000 ceiling of annual taxable supplies. Crossing it makes VAT registration mandatory.
- Plan for the expansion stage early. When the activity becomes an establishment with employees, the commercial register is the next step, and organised books make that transition smooth.

1.5 million contracts and documents across modern work patterns, women's participation doubled in eight years, and unemployment at its lowest level: these are the marks of an economy that has opened the doors of work in many forms. And the freelancer who builds their financial system with the same seriousness they bring to their craft is the one who turns irregular income into a sustainable business.

Sources

- 1 National Transformation Program: Annual Report 2025, modern work patterns (430,739 freelance work documents, 726,825 flexible work contracts and 339,134 remote work contracts), the transformation journey in empowering women, and the growth of small and medium enterprises.
- 2 Freelance platform, Ministry of Human Resources and Social Development: definition of the freelance work document, program goals and the benefits provided.
- 3 Ministry of Human Resources and Social Development: issuance of documents for freelance work service.
- 4 General Authority for Statistics: Labour Market bulletin, Saudi unemployment down to 6.4% in Q1 2026 from 7.2% in Q4 2025, with unemployment among Saudi women at 9% and Saudi men at 4.9%.
- 5 Ministry of Commerce: Quarterly Business Sector Bulletin, Q2 2026, active establishment commercial registers at 1,280,505.
- 6 Al-Watan newspaper: the profile of freelance workers in Saudi Arabia, age group, education level, geographic distribution and leading activities.
- 7 Zakat, Tax and Customs Authority: mandatory VAT registration threshold of SAR 375,000 and voluntary threshold of SAR 187,500, and compliant e-invoicing.

Run your independent work on a clear number

Qoyod is an Arabic cloud accounting system that records income and expense by line, issues electronic invoices compliant with the Zakat, Tax and Customs Authority, and shows net profit and outstanding receivables at any moment.

[**qoyod.com**](https://qoyod.com)