

Labour Law Factsheet



United Arab Emirates

This factsheet provides a review of existing laws and regulations pertaining to employment of migrant workers in the United Arab Emirates (UAE) and has been written by the International Labour Organization Regional Fair Migration in the Middle East Project with support from DLA Piper. It was developed to increase accessibility to country-specific laws for a wide variety of stakeholders. Building Responsibly does not endorse this fact sheet as best practice, and it should not be used as a substitute for legal or labor counsel. Instead, it is intended to be a practical reference point and a tool to support the work of Building Responsibly as it seeks to raise standards and employ best practices on worker welfare issues worldwide. For more information, please see the Building Responsibly Principles.

This summary is based on the provisions of the Federal Law 8/1980 (referred to hereafter as the "Labour Law") and has been supplemented by various ministerial resolutions and decrees. It should be noted that some UAE free zones, e.g., Dubai International Financial Centre (DIFC), Abu Dhabi Global Market (ADGM) Free Zones, Jebel Ali Free Zone, fall outside the Labour Law's scope and therefore separate employment regulations apply. Furthermore, the Labour Law does not apply to certain categories of workers, including employees of the federal government and government departments of the UAE, employees of municipalities and federal and local public authorities and corporations, employees recruited for federal and local government projects, and domestic workers. This summary does not cover specific provisions relating to employment of minors and provides only limited information on the specific requirements around the employment of Emirati or GCC nationals.



1. RECRUITMENT AND WORK PERMITS

1.1 Are workers allowed to pay recruitment fees?

No. A licensed "labor mediator or supplier" may not request or accept any fees¹ from any worker, whether prior or subsequent to their admission to employment, or charge the worker for any expenses unless it is provided for or approved by the Ministry of Human Resources and Emiratization (MOHRE).²

1.2 How are recruitment agencies regulated?

Recruitment agencies are required to be licensed by the MOHRE, as per Ministerial Resolution No. 1205 of 2013 on Licensing and Regulation of Private Recruitment Agencies. A recruitment agency is considered to be any organization which mediates between workers or their representatives and negotiates on their behalf in relation to the conditions of the contract and the employment; which matches workers with job opportunities;³ and/or provides "temporary employment" by using the worker for the purpose of enabling a third party (employer) to execute a job under the supervision and management of that employer. In both circumstances, workers recruited from abroad or initially present in the country are covered. Visa service centers have been established in Sri Lanka, Indonesia, Kenya, and Bangladesh.⁴ Under the latter category of agency (i.e. manpower supply), the workers will enter into employment contracts with the agency (which are lodged with the authorities) and will likely be sponsored by the same.

1.3 Is there a requirement for written contracts?

Yes. As part of the approval process with the MOHRE/the relevant free zone authority and the immigration authorities, foreign workers must submit a completed offer letter and/or employment contract signed by both parties. The employment contract shall be made in duplicate, one copy to be given to the worker and the other to the employer,⁵ and the

MOHRE's approved standard form employment contract ("Approved Standard Employment Contract") must be used for companies under the MOHRE's jurisdiction.⁶ The contract must exactly match the terms of the employment offer and must be signed by the worker before it is registered with the MOHRE. No alteration or substitution may be entered unless it benefits the worker and is approved by both the worker and the MOHRE. Any additional clauses to the contract must have prior approval from the MOHRE.

1.4 Is there a requirement for the written contract to be in a language that the worker understands?

No. The Approved Standard Employment Contract is dual language (English and Arabic), but the Arabic version of the contract prevails. As of 2016, the MOHRE offers labor contracts and other employment documentation in an additional nine languages, including Bengali, Chinese, Dari, Indian, Malay, Nepalese, Sri Lankan, Tamil and Urdu. Employers can be subject to an AED20,000 fine if a worker is made to sign a contract which they have not read and understood.⁷

Employment contracts and records in the DIFC and ADGM must be in English. The other free zones do not usually enforce the Arabic language requirement, although some have dual language standard form templates. Employment documentation must be in a language that the worker can understand. In the event of a dispute, any document used in the Dubai Courts must be translated into Arabic (excluding the DIFC and ADGM).

1.5 Is it legal for an employer to keep a worker's passport?

No. It is considered an illegal action to confiscate a passport except by the official authorities. $\ensuremath{^{8}}$

1.6 What is the process for securing a work permit for a new migrant worker?

The Ministries involved in securing an entry, work, and residency permit

for the UAE are the MOHRE (or the applicable free zone authority) and the General Directorate of Residency and Foreign Affairs (GDRFA) of the Emirate where the person is employed. The process starts with procuring a work permit for a migrant worker from the MOHRE (or free zone authority). The job offer letter, given to workers before departure, should be signed and filed with the MOHRE (or free zone authority) prior to the issuing of the work permit.⁹ The work permit allows the holder to enter the UAE for employment, and it is valid for two months from the date of issue. After the worker enters the UAE on the basis of the work permit, the sponsoring company makes arrangements for completing the formalities of medical testing, obtaining a UAE Resident Identity (Emirates ID) Card, a Labour Card and stamping the work residency permit on their passport within 60 days.

1.7 What is the process for securing a work permit for a worker whose contract has expired?

A worker whose employment was terminated because of the expiry of the contract, whether limited or non-limited, is permitted to secure a new work permit. The work permits are issued through the MOHRE or applicable free zone authority.

1.8 What is Emiratization and what are the requirements for companies?

Ministerial Orders 41, 42, and 43 of 2005 impose on private sector employers a quota system, whereby every company with more than 100 workers is obliged to employ the stipulated number of UAE nationals to ensure the minimum percentage of participation of Emiratis in the workforce. For example, all construction facilities with a workforce of 500 or more employees must appoint at least one Emirati Relations Officer and UAE nationals with special needs. Specific Emiratization resolutions also relate to the trade, banking, and insurance sectors. Companies' obligations with respect to Emiratization depends on what category they fall under; they can be categorized according to their Emiratization levels. Those meeting the requirements will receive various incentives, including lower MOHRE and immigration fees and exemptions from providing bank guarantees for workers. Restrictions are also in place when it comes to the termination of employment of Emirati nationals.¹⁰



2. SPONSORSHIP

2.1 How do workers and employers terminate a contract?

In the case of fixed term contracts, either the worker or the employer can terminate unilaterally (irrespective of the period the worker has been in the employment of the employer and irrespective of the date of renewal) provided that (a) necessary notification is given (1-3 months); and (b) the terminating party indemnifies the other party (not to exceed equivalent of three months of gross wages, i.e. early termination compensation). Alternatively, a fixed term contact may terminate by way of expiry.

In the case of unlimited term contracts, the contract can be terminated by mutual consent or resignation by the worker after giving notice or being put on notice by the employer for a valid reason. Both fixed- and unlimited-term contracts can be terminated by either party without notice for the reasons set out in Articles 120 and 121 of the Federal Labour Law 1980 (see below).¹¹

An employment relationship is considered to have ended in some

Grounds for termination without notice by the employer are listed in Article 120 of the Federal Labour Law 1980 and include: if the worker adopts a false identity or submits forged documents, if the dismissal occurs during the probationary period, if the worker violates safety instructions, if the worker fails to perform basic duties, if the worker is found drunk or under the influence of drugs during work hours, if the worker commits an assault, and if the worker is absent from work without a lawful excuse for more than 20 intermittent days or seven successive days in a year.¹³ Grounds for termination without notice by the worker is permissible if the employer does not fulfil their obligations towards the worker as provided in the contract and the Labour Law or if the employer commits an act of assault against the worker.

In the DIFC/ADGM, termination can occur by dismissal with notice, resignation, excessive sick leave or summary dismissal for cause. In the DIFC, the latter is possible where the conduct of one party means it would be reasonable for the other to terminate.¹⁴ In the ADGM, this is possible where a reasonable employer would consider immediate termination to be warranted.¹⁵ In the ADGM, a worker may resign without notice if the employer commits a repudiatory breach of the contract, commits a crime, or materially contravenes the ADGM Employment Regulations in a way that materially and detrimentally impacts the worker.¹⁶

2.2 How do workers transfer to another employer?

There are some limitations on the transfer of migrant workers' immigration permissions between companies. However, these are frequently waived by employers.

In the case of fixed term contracts, a worker can change his or her sponsor (employer), if:

- · the term of the contract has expired;
- no issue is raised by either party and they mutually consent to terminating the contract before completion, assuming that the worker has given requisite notice and has worked more than six months with the employer (exceptions apply for workers categorized under Skill Level 1, 2 or 3);¹⁷
- the employer initiates termination within six months (without noncompliance);
- when the current employer has failed to meet their legal or contractual obligations;
- when the business has closed, provided an inspection report attests it; or
- a worker has a brought about a successful complaint to the Labour Court against their current employer, provided that the final ruling attests that the worker is owed wages for no less than 2 months of work or indemnity for arbitrary or early termination or any other rights violated.¹⁶

The conditions for "indefinite" contracts are similar with some minor differences.

Workers are not automatically transferred between companies. Workers' work permits, residence visas, and employment contracts with the first company need to be cancelled and new contracts entered into with the second company. The second company will need to arrange new work permits and residence visas for the workers. In some circumstances, a "visa transfer" process may be available, e.g., if a

2.3 Can workers leave the country without permission of the employer?

Yes. There is no requirement for workers to apply for an exit visa.



3.1 Is there a minimum wage?

No. MOHRE does not enforce an official wage, though employment contracts may be rejected if the salary is too low. There is no minimum wage for workers under DIFC Employment Law or ADGM Employment Regulations.

3.2 How is payment to be made?

All institutions registered with the MOHRE must pay their workers' wages on the dates specified in the work contract via the Wages Protection System (WPS).¹⁹ Companies must, when requested, present all supporting documents demonstrating that wages have been paid.

3.3 What are the penalties for late payment?

Failure to comply will result in a warning followed by suspension of the company with the MOHRE, i.e., prohibiting the company from obtaining new work permits and potentially suspending all activities of the company with MOHRE.²⁰ The company may also be fined.

3.4 Are deductions from pay permitted?

Yes. Deductions from workers' salaries are permitted for mainland companies in the following circumstances:

- for repayment or advances of amounts paid to the worker in excess of the worker's entitlement, provided that the deduction does not exceed 10 percent of the worker's period pay;
- installments or subscriptions related to social security, insurance, or savings funds;
- fines for offenses committed by the worker. A fine for a single offence may not exceed five days' remuneration in one month.
- any debt payment in execution of court judgement, with provisions for compensation due to loss, damage or destruction of the employer's tools, machines, or equipment. The amount must not exceed one quarter of the worker's monthly remuneration, with exceptions.²¹

Pursuant to the Federal Labour Law 1980, employers may not impose more than one disciplinary penalty at a time, nor are they able to combine a penalty with a deduction.



4. WORKING CONDITIONS AND OCCUPATIONAL HEALTH

4.1 What are the working hours?

Working hours are a maximum of eight hours per day and 48 hours per week (based on a six-day working week). Workers shall not be required to work more than five consecutive hours per day without a period of time allocated for rest, meals, and prayer. Travel to and from work, as well as resting and meal breaks, are not calculated as working hours. Working hours may be increased to nine hours per day for those employed in trades, hotels, cafeterias, and as guards. During Ramadan, the ordinary working hours shall be reduced by two hours (with no reduction in pay).²²

Construction and industrial workers are not permitted to work in direct sunlight during the hottest hours of the day (usually between 12:30 p.m. and 3 p.m.) during the summer months (which are set every year between mid-June and mid-September). Any firm found to have staff working during the designated summer break time will be fined AED5,000 per worker up to a maximum of AED50,000. Employers must post a clear schedule to inform workers of the daily working hours during the midday break period and provide shelter during the resting periods.

Individuals aged 15 to 17 must not work for longer than six hours and must not be at the workplace for more than seven consecutive hours.

4.2 What are the regulations on overtime?

Workers who work overtime are entitled to overtime pay equivalent to their wage pay during ordinary hours plus an additional amount of at least 25 percent of the wage for the overtime period. The additional overtime rate increases to a minimum of 50 percent of the normal wages should the overtime hours fall between 9 p.m. and 4 a.m.²³ Except in the case of extreme circumstances, overtime should not exceed two hours per day.

Friday is the set day of rest for all workers. Workers who complete work on Friday are entitled to request a rest day in lieu which can be taken at a later date or to be paid their basic wage plus an additional rate that is at least 50 percent of the said wage. Unless the worker's wages are calculated on a daily basis, the worker cannot be asked to work two consecutive Fridays.²⁴

The DIFC and ADGM permit overtime provided it is not excessive or detrimental to the worker's health or safety. A worker must not exceed 48 hours a week unless the employer has obtained his written consent (in the ADGM, this consent must be "freely given" and informed).²⁵ There is no statutory entitlement to overtime pay.

4.3 What are the requirements for personal protective equipment?

Every employer is required to provide its workers with suitable means of protection against occupational hazards, such as injury and disease, which may be contracted during work. Workers must be informed of these dangers, and instructions for minimizing such workplace hazards are to be displayed in a permanent and prominent place at every work site (in languages understood by the workers).²⁶

4.4 What are the requirements for access to water, toilets, and washing facilities on site?

There are no specific requirements for on-site access to water, food, and toilets except in the case of remote areas where there is no access to normal means of transportation.²⁷ In such cases, the employer shall provide workers with drinking water and food as well as means of transport, adequate accommodation, medical aid equipment, and entertainment/sports facilities.²⁸ From a health and safety perspective, employers must also provide basins for washing hands that are sufficient and suitable to the number of workers present at the workplaces in general, provide them with the necessary cleaning equipment, and provide a sufficient number of toilets for workers to use, as well as appropriate places for changing and keeping the workers' clothes, taking into account regular cleaning and maintenance, and in all cases, each of the different genders of workers must have independent facilities.²⁹

4.5 What are the requirements for labour accommodation?

Companies with 50 or more workers, where the wage of each worker is less than AED2,000 per month, must provide accommodation for its workers.³⁰ The Manual of the General Criteria for the Workers' Accommodation (2009) sets standards for minimum facilities that must be provided to the laborers while adhering to established environment, health, and safety laws. Municipal authorities regularly inspect the accommodations.

4.6 What are the regulations on occupational safety and health?

Every employer should display, in a visible and obvious place at the work site, detailed and clear instructions on fire prevention methods and the protection of workers from the hazards they may be exposed to, the method of prevention, and how to handle any accidents. The instructions must be provided in Arabic as well as other languages understood by the workers when necessary.³¹

Specific rules around health and safety for construction work include: providing the necessary means to prevent fire; taking precautions to protect the workers from the dangers of falling, falling objects, flying debris, sharp materials, caustic liquid materials, hot materials, flammable materials, explosives, or any other materials with a harmful effect; requirements around such tasks as digging, demolition and safety of scaffolds and walkways; requirements around lifting and dragging machines and tools; and limits on carry loads for workers.³²

Every industrial facility that employs at least 150 workers must appoint a full-time industrial security officer who is responsible for ensuring protection from the various hazards and shall supervise the implementation of the provisions of the law.³³



5.1 Are trade unions permitted?

No. Criminal sanctions can be imposed for the setting up of a trade union or engaging in such activities. However, there is no prohibition on committees at a company level, which can include worker representatives.



6. ACCESS TO COMPLAINTS MECHANISMS

6.1 What are the mechanisms for individual complaints?

A worker can submit a complaint to the MOHRE or applicable free zone authority, which will summon both parties of the dispute to a mediation in order to settle the dispute. If there is no amiable settlement, the MOHRE shall—within two weeks from submission of complaint—refer the dispute to the competent court (enclosing a summary of the dispute, allegations of the parties, and the department's observations). The court must, within three days of the date it receives the demand, fix a meeting to hear the suit where the two parties to the dispute are declared. Any claim must be brought within one year of the date on which the entitlement became due.³⁴

In the DIFC and the ADGM, disputes are heard within the courts of that

free zone.

6.2 What are the mechanisms for collective complaints?

Should a dispute occur between the employer and one or more workers and fail to be settled between them, the workers should submit their complaint or claim in writing to both the employer and the Labour Department. The employer shall then reply to both the worker as well as the Labour Department within seven working days. If the employer does not reply within the set period, the Labour Department will mediate a settlement.³⁵ The Supreme Arbitration Committee for settlement of collective labor disputes shall have the power to issue final and conclusive judgements on all disputes referred to it by the concerned parties.³⁶ If a labor dispute occurs because the employer or the workers violated the terms of the agreement resulting from mediation or reconciliation, the labor directorate must take the necessary legal action to guarantee the implementation of the provisions of the law and its executive regulations. The labor directorate is not permitted to halt work or close down the facility because of a labor dispute before exhausting all means and procedures for the settlement of collective complaints.37



7. SUBCONTRACTING REGULATIONS

7.1 How is subcontracting regulated?

Subcontracting regulations³⁸ permit sub-contracting and subsubcontracting through a contracting agreement or subcontracting agreement, which must be written in Arabic, in the construction industry. There are not separate regulations applicable in other industries.

In such cases, the primary contractor and subcontractor are liable for ensuring compliance with the labor law with respect to the workers on site—no liability extends to the "project owner" because these workers do not work under its supervision and authority.

In terms of providing safety equipment:

- Providing industrial safety conditions with respect to the work place and its equipment shall be the responsibility of the employer who owns their use.
- Providing personal protective equipment to the workers shall be the responsibility of who contracts them.³⁹



8.1 What medical care must the employer provide to workers?

- Employers with less than 50 workers in one place (or within a radius of 20 km) must provide first aid at the workplaces.
- Employers with 50-200 workers in one place (or within a radius of 20 km), in addition to providing first aid, shall employ a registered nurse to administer said aid and shall assign a physician to the workers' clinic. Necessary medications for treatment shall be provided for free.⁴⁰
- Employers with more than 200 workers must also provide all other means of treatment in cases where treatment requires specialist physicians, surgeries, or other things, as well as the necessary

For every 100 workers, the employer must provide one medical aid box(s), supplied with medicines, bandages, disinfectants, and other relief aids, to be fixed in a conspicuous place within reach of workers and to be used by a specialist in handling first aid.⁴²

Additional measures may be imposed by the Minister for Human Resources and Emiratization, particularly with respect to safety, illumination, ventilation and dining rooms, as well as supply of potable and cleaning water and measures relating to atmosphere purification of dust and smoke and to stipulate precautionary measures against fire and electric currents.⁴³

The employer must appoint at least one physician to do full medical tests —at least once every six months—for any workers exposed to danger of infection with any of the occupational diseases outlined in the Labour Law.⁴⁴



9.1 Is there mandatory social security for migrant workers?

Companies must pay a refundable bank guarantee of AED3,000 to the MOHRE at the time of applying for their work permit. This is to ensure that the worker receives payment of some entitlements and repatriation

costs on termination of employment in the event that the employer fails to comply with its payment obligations.

As of October 15, 2018, a new system is being rolled out in which companies must pay a mandatory yearly AED60 deposit ("insurance") per worker instead of the one-off refundable AED3,000 payment. The deposit scheme is designed to ensure that workers receive some of the gratuity, holiday, or notice period payments if their company is unable to pay because, for example, the business collapses. The maximum pay-out is capped at AED20,000 per person.⁴⁵

Migrant workers are not entitled to participate in the social insurance scheme that is available for GCC nationals. Migrant workers are entitled to receive the statutory end-of-service gratuity on termination of employment if they have at least one year's continuous service with the company and have not been terminated under article 120 of Federal Labour Law 1980.⁴⁶



10.1 Records and documents

Employers must keep a register of wages, work injuries, and work regulations (particularly regarding daily working hours, weekly holidays, other holidays, necessary measures and precautions to be taken for avoiding work injuries, and fire hazards). These records shall be displayed at a visible place in the premises of business. Any fines imposed must be recorded with the reason or circumstance as to its imposition, as well as the worker's name and salary.⁴⁷

1	Defined as 'any commission or material reward in return for the acquisition of the work by the worker'
2	Federal Labour Law 1980 Art 17.
3	This activity includes the collection and maintenance of a database or information on the employees, work opportunities available, employment requests, and any other related infor-
mation, to be put at the disposal of the interested party.	
4	See for example, http://www.dubaivisa.net/srilanka/, http://www.dubaivisa.net/kenya/contact_us.html
5	Federal Labour Law 1980, Art 35.
6	Ministerial Decree No.764 of 2015 on Ministry of Labour-approved Standard Employment Contracts. According to Article 36 of the Labour Law the contract must, at a minimum,
	date of its conclusion, the date on which work begins, nature and place of work, duration of the contract in the case of contract with limited period and the amount of the remunera-
tion.	
7	https://www.thenational.ae/uae/government/uae-employment-contracts-now-offered-in-11-languages-1.196539.
8	Ministry of Interior Dec. 25, 2002 Circular.
9	Ministerial Decree No.764 of 2015 on Ministry of Labour-approved Standard Employment Contracts.
10	Ministerial Resolution No. 212 of 2018 on Regulation of Employing Nationals.
11	Ministerial Decree No. 765 on Rules and conditions for the Termination of Employment Relations.
12	Ministerial Decree No. 765 on Rules and conditions for the Termination of Employment Relations.
13	Federal Labour Law 1980, Art 120.
14	Employment Law, DIFC Law No. 4 of 2005, Art 59A.
15	ADGM Employment Regulations 2015, Art 57(1).
16	ADGM Employment Regulations 2015, Art 57(1).
17	Pursuant to Resolution 766 of 2015, workers cannot terminate before completion of 6 months without incurring a labor ban of up to one year, unless they qualify as skill level 1 (under-
graduate degree or higher), 2 (diplomas in any field) and 3 (higher-secondary or high-school).	
18	Ministerial Decree No. 766 of 2015 on Rules and Conditions for granting a permit to a worker for a new employment by a new employer.
19	Ministerial Decree No. 739 of 2016 on the Protection of Wages, Art 1.
20	Ministerial Decree No. 739 of 2016 on the Protection of Wages, Arts 2-3.
21	Federal Labour Law 1980, Arts 60, 61 and 104.
22	Federal Labour Law 1980, Arts 65-66.
23	The rules do not apply to those who hold managerial and administrative positions as they are expected to work longer hours without overtime pay (Federal Labour Law 1980, Art
72(1).	
24	Federal Labour Law 1980, Arts 67-70.
25	Employment Law, DIFC Law No. 4 of 2005, Art 21; ADGM Employment Regulations 2015, Arts 16-17.
26	Federal Labour Law 1980, Arts 91-93.
27	This includes twenty-five kilometres away from the nearest city or village and cannot be reached by public transport and all the areas listed in the Ministerial Resolution No. 27/1 of
	termining Remote Areas as Mentioned in the Law Regulation Work Relationships No. 8 of 1980.
28	Federal Labour Law 1980, Art 101.
29	Ministerial Resolution No. 32 of 1982 on Determining Prevention Means and Measures to Protect Workers from Work Hazards, Art 5.
30	Ministerial Resolution No. 32 of 1982 on Determining Prevention Means and Measures to Protect Workers from Work Hazards, Art 5.
31	Ministerial Resolution No. 32 of 1982 on Determining Prevention Means and Measures to Protect Workers from Work Hazards.
32	Ministerial Resolution No. 32 of 1982 on Determining Prevention Means and Measures to Protect Workers from Work Hazards.
33	Ministerial Resolution No. 32 of 1982 on Determining Prevention Means and Measures to Protect Workers from Work Hazards.
34	Federal Labour Law 1980, Art 6.
35	Federal Labour Law 1980, Arts 155-158.
36	Federal Labour Law 1980, Art 161. See also Ministerial Decisions No. 749 or 2018 on Settling Collective Labour Disputes and 750 of 2018 on the Establishment of the Supreme
Arbitration Committee.	
37	Ministerial Resolution No. 307 of 2003 on Collective Labour Disputes.
38	Ministerial Resolution No. 255 of 2010 for Sub-Contracting Construction Contracts.
39	Ministerial Resolution No. 32 of 1982 on Determining Prevention Means and Measures to Protect Workers from Work Hazards.

- 40 If the treatment requires a specialist physician, the facility doctor shall advise in writing to treat the worker at a specialist physician, with the costs of treatment in this case shared equally between the employer and worker.
- Ministerial Resolution No. 37/2 of 1982 Regarding the Level of Medical Attention the Employer is Obliged to Provide his Workers. Federal Labour Law 1980, Art 93. 41 42 43 44 45
- Federal Labour Law 1980, Art 97. Federal Labour Law 1980, Art 95.
- https://www.thenational.ae/uae/government/uae-labour-ministry-low-cost-hiring-insurance-system-for-employees-to-take-effect-this-month-1.776967.
- 46 47 Federal Labour Law 1980, Art 132. Federal Labour Law 1980, Arts 53-54.