

LABOUR & EMPLOYMENT 2023

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United Arab Emirates

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[RETURN TO CONTENTS](#)

Summary

LEGISLATION AND AGENCIES	1079
Primary and secondary legislation	1079
Protected employee categories	1081
Enforcement agencies	1083
WORKER REPRESENTATION	1084
Legal basis	1084
Powers of representatives	1084
BACKGROUND INFORMATION ON APPLICANTS	1085
Background checks	1085
Medical examinations	1086
Drug and alcohol testing	1086
HIRING OF EMPLOYEES	1086
Preference and discrimination	1086
Written contracts	1087
Fixed-term contracts	1089
Probationary period	1090
Classification as contractor or employee	1090
Temporary agency staffing	1091
FOREIGN WORKERS	1091
Visas	1091
Spouses	1091
General rules	1092
Resident labour market test	1092
TERMS OF EMPLOYMENT	1093
Working hours	1093
Overtime pay – entitlement and calculation	1094
Overtime pay – contractual waiver	1095
Vacation and holidays	1095
Sick leave and sick pay	1096
Leave of absence	1097
Mandatory employee benefits	1097
Part-time and fixed-term employees	1098
Public disclosures	1098

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POST-EMPLOYMENT RESTRICTIVE COVENANTS	1099
Validity and enforceability	1099
Post-employment payments	1099
LIABILITY FOR ACTS OF EMPLOYEES	1100
Extent of liability	1100
TAXATION OF EMPLOYEES	1101
Applicable taxes	1101
EMPLOYEE-CREATED IP AND CONFIDENTIAL BUSINESS INFORMATION	1101
Ownership rights	1101
Trade secrets and confidential information	1102
DATA PROTECTION	1102
Rules and employer obligations	1102
Privacy notices	1103
Employee data privacy rights	1104
BUSINESS TRANSFERS	1104
Employee protections	1104
TERMINATION OF EMPLOYMENT	1105
Grounds for termination	1105
Notice requirements	1106
Dismissal without notice	1107
Severance pay	1108
Procedure	1109
Employee protections	1109
Mass terminations and collective dismissals	1110
Class and collective actions	1110
Mandatory retirement age	1110
DISPUTE RESOLUTION	1111
Arbitration	1111
Employee waiver of rights	1111
Limitation period	1111
UPDATE AND TRENDS	1112
Key developments and emerging trends	1112

LEGISLATION AND AGENCIES

Primary and secondary legislation

1 | What are the main statutes and regulations relating to employment?

Onshore legislation

Following substantive legislative reform in 2021, the United Arab Emirates overhauled the private sector's employment legislation and subordinate legislation.

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Public sector employees are governed by separate legislation (eg, Federal Decree-Law No. (11) of 2008 on Human Resources in the Federal Government, as amended) and each emirates' own public service laws. The applicable legislation and subordinate executive regulations governing private sector labour and employment in the United Arab Emirates include, among others:

- Federal Decree-Law No. (33) of 2021 Regarding the Regulation of Employment Relationships (the Labour Law), which repealed Federal Law No. (8) of 1980 and came into force on 2 February 2022;
- Cabinet Resolution No. (1) of 2022 implementing the Labour Law, which is subordinate legislation to the Labour Law;
- Cabinet Decision No. (43) of 2018 on the Support of Employment of Persons with Disabilities;
- Federal Decree-Law No. (29) of 2021 on Entry and Residence of Foreigners (the Foreigners Law), which repealed Federal Decree-Law No. (6) of 1973 and came into force on 26 October 2021;
- Federal Decree-Law No. (30) of 2021 containing the Penal Code;
- Federal Decree-Law No. (47) of 2021 on Standard General Rules of Work in the United Arab Emirates, which came into force on 2 February 2022; and
- Federal Decree-Law No. (14) of 2022, which amends certain provisions of the Labour Law.

The above UAE onshore legislation applies to every individual authorised by the Ministry of Human Resources and Emiratisation (MOHRE) to work for a licensed establishment in the United Arab Emirates, which includes foreign nationals. However, it does not apply to the following categories of employees:

- those employed by a company registered in the Dubai International Financial Centre (DIFC);
- those employed by a company registered in the Abu Dhabi Global Market (ADGM);
- public officials;
- employees working for governmental departments or appointed for government projects;
- public sector employees;
- domestic workers;
- security officers; and
- agricultural employees.

The above employees are governed by specific legislation (eg, civil service laws that apply to emirate-level and federal government bodies, and Federal Law No. (10) of 2017 on Domestic Workers).

DIFC legislation

Employees employed by a company registered in the DIFC are governed by DIFC Employment Law No. (2) of 2019, as amended (the DIFC Employment Law) and the DIFC Employment Regulations 2020.

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ADGM legislation

Employees employed by a company registered in the ADGM are governed by the ADGM Employment Regulations 2019.

Protected employee categories

2 | Is there any law prohibiting discrimination or harassment in employment? If so, what categories are regulated under the law?

The UAE onshore jurisdiction, the ADGM and the DIFC all have specific provisions that prohibit discrimination and harassment in employment.

Discrimination

Onshore

The United Arab Emirates is a signatory to the United Nations Convention on the Rights of Persons with Disabilities and has implemented those provisions in article 4 of the Labour Law, Federal Decree-Law No. (47) of 2021 on Standard General Rules of Work in the United Arab Emirates and Federal Decree-Law No. (2) of 2015 on Combating Discrimination and Hatred, which expressly prohibit discrimination in the workplace on the basis of:

- race;
- skin colour;
- gender;
- religion;
- nationality;
- social origin; and
- disability.

Further, there is a prohibition against employers discriminating against female employees who are pregnant. Under article 30 of the Labour Law, an employer may not terminate the service of a female employee or give her notice of termination owing to her pregnancy. Any policies and procedures that are implemented to promote the participation of UAE nationals within the United Arab Emirates will not be considered discrimination.

Cabinet Decision No. (43) of 2018 on the Support of Employment of Persons with Disabilities and Dubai Law No. (3) of 2022 include specific protections against discrimination towards persons with disabilities. Abu Dhabi Circular No. (1) of 2021 Concerning the Disability Classification Manual of the Emirate of Abu Dhabi sets out the manner in which disabilities should be treated in the workplace and in education.

DIFC

Pursuant to article 59 of the DIFC Employment Law, DIFC employees are afforded discrimination protections to ensure they are not subjected to either:

- less-favourable treatment based on one of the protected classes; or
- the application of practices that place an employee at an immediate disadvantage.

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Part 9, article 59(2) of the DIFC Employment Law specifically prohibits an employer from discriminating against an employee on the following grounds (the protected classes):

- gender;
- marital status;
- race;
- nationality;
- age;
- pregnancy and maternity;
- religion; and
- mental or physical disability.

However, in accordance with article 59(7) of the DIFC Employment Law, discrimination is permitted if there is a genuine need for an employee to meet certain operational requirements (eg, a role requires proper sensory or physiological abilities).

ADGM

Article 54 of the ADGM Employment Regulations 2019 specifically prohibits employers from discriminating against employees on the grounds of:

- gender;
- marital status;
- race;
- nationality;
- skin colour;
- religion;
- age; and
- disability.

Unlike the DIFC Employment Law, pregnancy and maternity are not protected characteristics under the ADGM Employment Regulations 2019. However, article 36 prevents an employee from being terminated because of pregnancy, paternity or requiring maternity leave.

Similar to the DIFC, employers in the ADGM would not be found to be engaged in discriminatory treatment if they require employees to meet genuine occupational requirements.

Harassment

Onshore

Article 14(2) of the Labour Law imposes specific prohibitions against harassment in the workplace, specifically sexual harassment, bullying, or any verbal, physical or psychological violence against an employee by their employer, superiors or colleagues. Sexual harassment is a criminal offence punishable by imprisonment under article 413 of Federal Decree-Law No. (30) of 2021 containing the Penal Code.

Pursuant to article 45(2) of the Labour Law, where an employer its legal representative has subjected an employee to an assault or harassment in the workplace and this has been reported to the MOHRE within five working days of the incident, the employee is entitled to

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end their employment agreement without notice, reserving all contractual entitlements, including any end-of-service gratuities.

DIFC

Pursuant to article 59(2)(c) of the DIFC Employment Law, employers must provide and maintain a workplace that is free from harassment, is safe and does not risk the health of employees. An employer must not threaten, intimidate or coerce an employee due to complaints or investigations.

ADGM

In accordance with article 37 of the ADGM Employment Regulations 2019, employers are required to provide and maintain a workplace that is free of harassment, is safe and does not risk the health of employees.

Enforcement agencies

3 | What are the primary government agencies or other entities responsible for the enforcement of employment statutes and regulations?

The MOHRE, the Federal Authority for Identity, Citizenship, Customs and Port Security (ICP), and the Public Prosecutor are responsible for the enforcement of employment legislation and regulations for companies onshore in the United Arab Emirates.

The Public Prosecutor has exclusive jurisdiction in the United Arab Emirates to initiate and prosecute criminal proceedings, and is part of the judicial body. The Public Prosecutor assumes authority over investigations, imposes charges and makes the necessary referrals to competent courts if charges are imposed.

The MOHRE issues work permits and residency visas, regulates employer conduct, and issues penalties for those breaching their obligations.

The ICP has the right to exercise all powers of the Ministry of Interior in relation to the nationality, passports, entry and residency of expatriates. It may also issue administrative deportation orders where deportation is required for the sake of public interest, security, morals or health, or where an expatriate does not have an apparent means of living.

The Foreigners Law contains the framework for the processing of visas, renewals and cancellations, and sets out the applicable penalties for violations of certain immigration-related regulations. The Foreigners Law applies to all expatriate employees in the United Arab Emirates, other than those in the DIFC and the ADGM, and prevents expatriate employees from conducting work activities without the approval of the MOHRE. The ICP is responsible for the enforcement of the Foreigners Law.

The DIFC Authority is the authority responsible for the enforcement of the DIFC Employment Law.

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The ADGM Authority is the authority responsible for the enforcement of the ADGM Employment Regulations 2019.

WORKER REPRESENTATION

Legal basis

4 | Is there any legislation mandating or allowing the establishment of employees' representatives in the workplace?

There is no legislation or ability for the establishment of employees' representatives or trade unions in the United Arab Emirates applicable to private sector employees.

Onshore

The establishment of employees' representatives, trade unions and workers' councils or committees is not permitted. However, collective labour disputes are permissible under article 56 of Federal Decree-Law No. (33) of 2021 Regarding the Regulation of Employment Relationships (the Labour Law) and article 32 of Cabinet Resolution No. (1) of 2022 implementing the Labour Law in certain circumstances. Notification of a collective dispute must be submitted to the Ministry of Human Resources and Emiratisation (MOHRE) within two weeks of the date of the dispute by the affected group of employees.

The MOHRE can impose a precautionary attachment upon the employer's funds to guarantee the rights of the employees where a dispute relates to unpaid salaries.

Dubai International Financial Centre and Abu Dhabi Global Market

The establishment of employees' representatives, trade unions and workers' councils or committees is not provided for under any of the laws of the Abu Dhabi Global Market (ADGM) or the Dubai International Financial Centre (DIFC).

Powers of representatives

5 | What are their powers?

The establishment of employees' representatives, trade unions, and workers' councils and committees is not provided for under any of the laws of the United Arab Emirates, the DIFC or the ADGM.

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BACKGROUND INFORMATION ON APPLICANTS

Background checks

- 6** | Are there any restrictions or prohibitions against background checks on applicants? Does it make a difference if an employer conducts its own checks or hires a third party?

There are no restrictions on an employer conducting a background check in the United Arab Emirates in the private sector, provided that the privacy and data protection laws in the relevant jurisdiction are adhered to. This often involves securing the express consent of the employee.

Onshore

There are no restrictions or prohibitions against carrying out background checks on applicants. Employers are entitled to conduct their own background checks or hire a third party to do so, provided that any such checks are conducted in accordance with the provisions of Federal Decree-Law No. (45) of 2021 on Personal Data Protection (the Data Privacy Law).

The Data Privacy Law requires employers to secure their employees' specific, clear and unambiguous consent to collect, store and process their personal data in the form of a positive statement of action, subject to the following exemptions:

- Processing personal data to:
 - perform a contract to which the data subject is a party;
 - taking actions at the data subject's request to conclude, amend or terminate a contract;
 - fulfil the data controller's obligations under applicable laws;
 - carry out the obligations and exercise the rights of the data subject; or
 - defend a legal claim.
- The data controller is acting in the public interest.
- The personal data was made public by the data subject.

Dubai International Financial Centre

Employers in the Dubai International Financial Centre (DIFC) are entitled to conduct their own background checks or hire a third party to do so, provided that any such checks are conducted in accordance with the provisions of DIFC Data Protection Law No. (5) of 2020.

Abu Dhabi Global Market

Employers in the Abu Dhabi Global Market (ADGM) are entitled to conduct their own background checks or hire a third party to do so, provided that any such checks are conducted in accordance with the provisions of the ADGM Data Protection Regulations 2021.

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Medical examinations

7 | Are there any restrictions or prohibitions against requiring a medical examination as a condition of employment?

An employer is entitled to refuse to hire an applicant who does not submit to a medical examination, as this is a prerequisite for any residency visa and the granting of a work permit.

Pursuant to article 4 of Federal Decree-Law No. [29] of 2021 on Entry and Residence of Foreigners, it is mandatory for all expatriate employees to submit for a medical examination as part of the residency visa process. Passing the medical examination is a condition for receiving a residency visa and the right to employment in the UAE onshore jurisdiction. Individuals are screened for covid-19, HIV, hepatitis B and C, leprosy and tuberculosis. It is therefore impossible for an employer to employ any candidate who either refuses to undertake or fails the medical examination.

The same rules apply to employees in the DIFC and the ADGM.

Drug and alcohol testing

8 | Are there any restrictions or prohibitions against drug and alcohol testing of applicants?

There are no restrictions or prohibitions on employers requiring drug or alcohol testing of candidates or staff under UAE federal legislation, nor are there any under DIFC Employment Law No. (2) of 2019, as amended, or the ADGM Employment Regulations 2019.

HIRING OF EMPLOYEES

Preference and discrimination

9 | Are there any legal requirements to give preference in hiring to, or not to discriminate against, particular people or groups of people?

The legislative provisions (set out in Ministerial Resolutions, Ministry of Human Resources and Emiratisation (MOHRE) Ministerial Orders, Federal Decree-Law No. [33] of 2021 Regarding the Regulation of Employment Relationships (the Labour Law) and Cabinet Resolution No. (1) of 2022 implementing the Labour Law (the Executive Regulations)) that provide a positive obligation on some employers to employ a minimum number of UAE nationals in the private sector include those set out in the table below.

Legislation	Requirement
Ministerial Resolution No. (635) of 2008 on Public Relations Officers	Any company that employs more than 100 workers must employ a UAE national as a public relations officer.

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Legislation	Requirement
MOHRE Ministerial Orders No. 41, No. 42 and No. 43 of 2005	<p>Every private sector company with more than 50 employees (100 employees for banks) is obliged to recruit and retain on the payroll a stipulated percentage of UAE nationals as follows:</p> <ul style="list-style-type: none"> • 2 per cent for commercial entities; • 4 per cent for banks; and • 5 per cent for insurance companies. <p>Companies that do not meet these requirements are required to file mandatory financial guarantees, the amount of which will depend on the category of the employer.</p> <p>Expatriates may only be employed in the private and public sectors if there are no suitable UAE nationals available.</p> <p>If there are no candidates who are UAE nationals, preference must be given to nationals of neighbouring Gulf Cooperation Council states (ie, Bahrain, Kuwait, Oman, Qatar and Saudi Arabia) over expatriates from other countries.</p>
Article 32 of the Labour Law and article 21 of the Executive Regulations	<p>As UAE national employees are required to undertake compulsory national service training, they are entitled to national military service leave with full pay pursuant to article 32 of the Labour Law and article 21 of the Executive Regulations.</p>

In addition to the legislative provisions, the UAE government has implemented a number of [Emiratisation initiatives](#) to encourage both the public and private sectors to implement policies to actively recruit, train and employ UAE nationals.

Written contracts

10 | Must there be a written employment contract? If yes, what essential terms are required to be evidenced in writing?

All UAE onshore, Dubai International Financial Centre (DIFC) and Abu Dhabi Global Market (ADGM) employment agreements must be in writing and meet the requirements specified in each applicable piece of legislation.

Onshore

Pursuant to article 8(1) of the Labour Law, all employees – whether in a free zone or onshore – must have written employment contracts.

To complete the UAE residency visa application, an employee must receive a written job offer from their prospective employer. The parties must enter into a standard bilingual employment contract, as provided by the MOHRE, which stipulates the minimum employment conditions as per the Labour Law.

Under the provisions of article 8 of the Labour Law and article 10 of the Executive Regulations, the MOHRE contract must specify the following:

- the start date and duration of the employment, which must be for a definite period;
- the job title;

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- the place of employment;
- the salary, including benefits and allowances;
- the name and address of the employer;
- the employee's name, nationality and date of birth;
- confirmation as to what is necessary to prove the employee's identity, qualification or job or profession;
- work hours and rest days;
- the probationary period;
- the period of accrued annual leave;
- the period of warning; and
- termination procedures.

The employer and employee may also enter a supplementary employment contract that provides for any allowances that are in excess of the minimums provided by the Labour Law.

Dubai International Financial Centre

Pursuant to article 14 of DIFC Employment Law No. (2) of 2019, as amended (the DIFC Employment Law), DIFC employers must provide their employees with a written contract that must specify the following:

- the parties' names;
- the start date;
- remuneration;
- the applicable pay period;
- hours and days of work; and
- the terms and conditions relating to:
 - vacation leave and pay;
 - national holidays and pay;
 - sick leave and pay;
 - the notice period for termination of employment;
 - the employee's job title;
 - the term of employment;
 - the place of work;
 - applicable disciplinary rules and grievances procedures;
 - the probation period;
 - a reference to any applicable policies and procedures (including any codes of conduct) and where these can be accessed; and
 - any other matter that may be prescribed in any regulations issued under the DIFC Employment Law.

Abu Dhabi Global Market

Article 5(4) of the ADGM Employment Regulations 2019 stipulates that ADGM employment contracts must include:

- the parties' names;
- the start date;

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- remuneration;
- the applicable pay period;
- hours and days of work;
- the employee's job title;
- the term of employment;
- the place of work;
- any disciplinary rules or grievance procedures applicable to the employee;
- any terms and conditions relating to:
 - vacation leave and pay;
 - national holidays and pay;
 - sick leave and pay; and
 - the notice period for termination of employment; and
- any other matter that may be prescribed by the employer.

Fixed-term contracts

11 | To what extent are fixed-term employment contracts permissible?

Fixed-term contracts are permissible in every UAE jurisdiction. Most importantly, article 8(3) of the Labour Law mandates that all onshore employment contracts shall revert to fixed-term contracts.

Onshore

Pursuant to article 8(3) of the Labour Law (as amended by article 1 of Federal Decree-Law No. (14) of 2022), limited, fixed-term contracts are the only form of employment contract permitted in the United Arab Emirates. The contract tenure may be agreed upon between the parties; however, there must exist a definitive end date to the employment relationship. The employment contract can be renewed for shorter or similar periods with the agreement of both parties.

Pursuant to article 68(2) of the Labour Law, any existing unlimited employment contracts must be updated by 31 December 2023 (this has been amended, as the original date was 2 February 2023).

Pursuant to article 7 of the Labour Law, UAE employment contracts can include the following patterns of work:

- full-time employment;
- part-time employment;
- temporary employment; and
- flexible employment.

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Dubai International Financial Centre

Pursuant to article 14(2)(i) of the DIFC Employment Law, fixed-term contracts are permitted. However, there is no specified maximum or minimum duration and contracts can be for less than six months.

Abu Dhabi Global Market

Pursuant to article 5(4) of the ADGM Employment Regulations 2019, fixed-term contracts are permitted; however, there is no specified maximum or minimum duration.

Probationary period

12 | What is the maximum probationary period permitted by law?

Onshore

Pursuant to article 9 of the Labour Law, probation periods may not exceed six months and must be specifically referred to in the employment contract.

Dubai International Financial Centre

Pursuant to article 14(2) of the DIFC Employment Regulations 2020, any applicable probation period must not exceed six months. Where the employee is on a fixed-term contract, the probation period must not be more than half of the term of the contract.

Abu Dhabi Global Market

Pursuant to article 9 of the ADGM Employment Regulations 2019, probation periods in the ADGM may not exceed six months.

Classification as contractor or employee

13 | What are the primary factors that distinguish an independent contractor from an employee?

The primary factors that distinguish an independent contractor from an employee under UAE law relate to the visa type, visa status and visa sponsor of the worker.

A work permit system has been established under article 6(l) of the Executive Regulations that allows for permits to be granted to individuals wishing to engage in self-employment:

- without the requirement of having the sponsorship of a specific employer or body in the country;
- without the requirement of a valid employment contract through which a worker achieves direct income; and
- that allows for such workers to not be employees of individuals or facilities.

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All other workers who do not hold such a permit will be considered employees, in line with article 1 of the Labour Law, and subject to the operation of the Labour Law.

Temporary agency staffing

14 | Is there any legislation governing temporary staffing through recruitment agencies?

The Labour Law and the Executive Regulations provide a legislative regime to govern temporary staffing through recruitment agencies. Temporary staffing agencies are heavily regulated commercial operations in the United Arab Emirates and can only be owned and operated by UAE nationals.

Pursuant to article 6 of the Labour Law, it is not permissible to carry out the activity of recruitment or employing workers without a licence from the MOHRE, in accordance with the conditions and procedures specified in the Executive Regulations.

FOREIGN WORKERS

Visas

15 | Are there any numerical limitations on short-term visas? Are visas available for employees transferring from one corporate entity in one jurisdiction to a related entity in another jurisdiction?

In the private sector, under some circumstances, employers are subject to numerical limitations on short-term visas, but these limitations depend on the employer's business activities and the size of the space that they occupy. Separate visas are often obtained for staff in the Abu Dhabi Global Market (ADGM) and the Dubai International Financial Centre (DIFC), and employers have numerical limits based on the size of the premises.

There is no express ability for an employer to transfer employees into the United Arab Emirates from a related corporate entity, as such a transfer requires the employer to seek a new UAE residence visa and labour permit for the transferee.

Visa transfers within the United Arab Emirates are permissible where the transfer is from one corporate entity in one jurisdiction to a related entity in another jurisdiction. The specific requirements of the jurisdiction that the employee is transferring to must be complied with, which ordinarily involves obtaining a new residence visa and work permit.

Spouses

16 | Are spouses of authorised workers entitled to work?

Spouses of authorised workers are entitled to work if a work permit has been obtained by the spouse's prospective employer. Article 6 of Cabinet Resolution No. (1) of 2022 implementing Federal Decree-Law No. (33) of 2021 Regarding the Regulation of Employment

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Relationships (the Labour Law) specifically provides for work permits for individuals who are registered under the residency of their sponsored relatives.

General rules

17 | What are the rules for employing foreign workers and what are the sanctions for employing a foreign worker who does not have a right to work in the jurisdiction?

The rules for employing foreign workers are contained within the Labour Law and Federal Decree-Law No. (29) of 2021 on Entry and Residence of Foreigners (the Foreigners Law), which specify that an employee must:

- apply for approval to work from the Ministry of Human Resources and Emiratisation (MOHRE);
- obtain a work permit and then apply for an employment visa from the Immigration Authority;
- obtain a residence permit for the employee;
- hold a MOHRE-issued employment contract;
- have a valid and approved passport that authorises the employee to return to the country of issuance; and
- be sponsored by an employer and pass the medical check required pursuant to the provisions of article 4 of the Foreigners Law.

Pursuant to the Foreigners Law, the following sanctions are applicable to an expatriate who is employed without adhering to the above requirements:

- Article 25: an employer who fails to arrange an employee's residency visa may be subject to a fine of up to 50,000 UAE dirhams and a custodial sentence in the case of reoffending. This fine is multiplied by the number of violations.
- Article 27: where an employee fails to obtain a residency visa, that employee may be subject to a custodial sentence of up to three months and a fine of up to 10,000 dirhams, and may be subject to a deportation order, as may any family member sponsored by that employee.
- Article 28: managers or employees who have contributed to the commission of any such contravention of items (1) to (6) therein are also subject to a fine of up to 50,000 dirhams and the court may order the closure of the employer's office for a period of up to six months.

Resident labour market test

18 | Is a labour market test required as a precursor to a short or long-term visa?

Under the Emiratisation initiatives, UAE nationals are given priority over expatriate employees in filling vacant employment positions.

The DIFC Employment Law No. (2) of 2019 and ADGM Employment Regulations 2019 do not require labour market tests.

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TERMS OF EMPLOYMENT

Working hours

19 | Are there any restrictions or limitations on working hours and may an employee opt out of such restrictions or limitations?

In all jurisdictions in the United Arab Emirates, there are limits on the working hours an employee can undertake in the private sector.

Onshore

UAE onshore private sector employees may work a maximum of eight hours per day or 48 hours per week, pursuant to the provisions of article 17 of Federal Decree-Law No. (33) of 2021 Regarding the Regulation of Employment Relationships (the Labour Law). Article 15(2) of Cabinet Resolution No. (1) of 2022 implementing the Labour Law (the Executive Regulations) requires these hours to be reduced by two hours per day during the Islamic holy month of Ramadan.

Further, in accordance with article 15(3) of the Executive Regulations, the employer may only require a worker to work for an additional two hours per day unless the work is necessary to prevent the occurrence of a serious loss or accident. However, in all cases, total working hours must not exceed 144 every three weeks.

Pursuant to article 15(4) of the Executive Regulations, the following categories are excluded from the working-hour provisions:

- chairs of boards of directors and board members;
- persons occupying supervisory positions;
- workers at sea;
- businesses whose technical nature requires continuation of work through successive shifts, provided that the average working hours do not exceed 56 hours per week; and
- preparatory or complementary works that must be carried out outside of time limits generally established for work in the facility.

Dubai International Financial Centre

Pursuant to article 22 of Dubai International Financial Centre (DIFC) Employment Law No. (2) of 2019 (the DIFC Employment Law), an employee's weekly hours must not exceed 48 hours unless the employer has received the employee's prior and express written consent. However, the employee is entitled to at least one rest day per week.

Abu Dhabi Global Market

Pursuant to article 16 of the Abu Dhabi Global Market (ADGM) Employment Regulations 2019, weekly working hours must not exceed an average of 48 hours. An employee is entitled to at least one rest day per week.

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Overtime pay – entitlement and calculation

20 | What categories of workers are entitled to overtime pay and how is it calculated?

Onshore

The majority of onshore private sector employees are entitled to overtime hours. However, pursuant to article 15(4) of the Executive Regulations, overtime is not payable for the following categories:

- chairs of boards of directors and members of these boards;
- persons occupying supervisory positions, if such positions would enable their occupants to enjoy the powers of the employer;
- workers who make up the crew of naval vessels, and workers who work at sea and enjoy special conditions of service due to the nature of their work;
- businesses whose technical nature requires continuation of work through successive shifts or tours, provided that the average working hours do not exceed 56 hours per week; and
- preparatory or complementary works that must necessarily be carried out outside the time limits generally established for work in the facility.

Pursuant to article 19 of the Labour Law, overtime is calculated as follows:

- working between 4am and 10pm: a minimum increase of 25 per cent of the employee's basic salary;
- working between 10pm and 4am: a minimum increase of 50 per cent of the employee's basic salary; and
- working on a rest day: the employee is entitled to a day off in lieu or a 50 per cent increase to their basic salary.

Dubai International Financial Centre

In the DIFC, there are no express overtime provisions. However, pursuant to article 22 of the DIFC Employment Law, the working hours of an employee must not exceed 48 in one week, unless the employee has given their written consent.

Abu Dhabi Global Market

In the ADGM, pursuant to article 16 of the ADGM Employment Regulations 2019, where an employee works in excess of a 48-hour working week (save for employees in managerial or supervisory positions), overtime must be paid in monetary compensation or compensated by time off in lieu (to be decided by the employer). Overtime compensation rates are either 25 or 50 per cent of an employee's hourly rate, depending upon when the overtime occurs).

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Overtime pay – contractual waiver

21 | Can employees contractually waive the right to overtime pay?

There is no ability in any of the three UAE jurisdictions to waive the right to overtime. However, there are statutory exclusions that limit the circumstances in which employees can claim overtime.

Onshore

Under the Labour Law, there is no ability for employees to contractually waive the right to overtime pay.

Dubai International Financial Centre and Abu Dhabi Global Market

There are no provisions that allow for overtime payments to be contractually waived under the ADGM Employment Regulations 2019 or the DIFC Employment Regulations 2020.

Vacation and holidays

22 | Is there any legislation establishing the right to annual vacation and holidays?

In all jurisdictions in the United Arab Emirates, employees hold a statutory right to annual vacation and holidays.

Onshore

Pursuant to article 29 of the Labour Law, employees are entitled to 30 calendar days of annual leave in addition to any official UAE public holidays.

Pursuant to article 19 of the Executive Regulations, an employee is entitled to carry over up to half of their annual leave into the following year or the parties can mutually agree to the payment of cash in lieu of the employee's annual leave entitlement.

Dubai International Financial Centre

Pursuant to article 27(1) of the DIFC Employment Regulations 2020, employees are entitled to 20 days of annual leave per year. Pursuant to article 27(3), they are entitled to carry over five of these vacation days into the following year.

Abu Dhabi Global Market

Pursuant to article 22(1) of the ADGM Employment Regulations 2019, employees are entitled to a minimum of 20 days of annual leave each year. Pursuant to article 22(2), they are entitled to carry over five of these vacation days into the following year.

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Sick leave and sick pay

23 | Is there any legislation establishing the right to sick leave or sick pay?

In all jurisdictions in the United Arab Emirates, an employee has a right to sick leave and sick pay after the conclusion of the employee's probation period.

Onshore

Pursuant to article 31(2) of the Labour Law, during a probation period, employees are not entitled to paid sick leave. Employers may grant sick leave during the employee's probation, without pay, upon the issuance of a medical report.

Pursuant to article 31(3), following the probationary period, employees are entitled to sick leave as follows:

- first 15 days with full pay;
- following 30 days with half pay; and
- any subsequent period without pay.

Where an employee takes in excess of 90 consecutive or intermittent days of sick leave per year, an employer is entitled to terminate the employment relationship pursuant to the provisions of article 31 of the Labour Law.

Where sick leave is the result of an employee's consumption of alcohol or drugs (and there is a report from authorities to confirm consumption of the same), or the violation of safety instructions in accordance with UAE legislation, the employee is not entitled to paid sick leave in accordance with the provisions of article 20 of the Executive Regulations.

Abu Dhabi Global Market

Pursuant to article 29 of the ADGM Employment Regulations 2019, employees are entitled to a maximum of 60 days of sick leave per year. Pursuant to article 30, employees are entitled to sick pay as follows:

- first 10 days with full pay;
- following 20 days with half pay; and
- 30 days without pay.

Pursuant to article 31, where an employee takes in excess of 60 working days as sick leave in a 12-month period, an employer is entitled to terminate the employment relationship.

Dubai International Financial Centre

Pursuant to article 34 of the DIFC Employment Regulations 2020, employees are entitled to a maximum of 60 days of sick leave per year. Pursuant to article 35, employees are entitled to sick pay as follows:

- first 10 days with full pay;

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- following 20 days with half pay; and
- 30 days without pay.

Pursuant to article 36, where an employee takes in excess of 60 working days as sick leave in a 12-month period, an employer is entitled to terminate the employment relationship.

Leave of absence

24 | In what circumstances may an employee take a leave of absence? What is the maximum duration of such leave and does an employee receive pay during the leave?

There is no statutory right for an employee to take a leave of absence and any such leave would need to be negotiated with the employer in all UAE jurisdictions.

Mandatory employee benefits

25 | What employee benefits are prescribed by law?

Onshore

The Labour Law sets out the minimum employee benefits, which include:

- the right to:
 - paid medical insurance;
 - a harassment-free workplace;
 - overtime (subject to certain exempted classes of workers);
 - certain paid leave; and
 - annual leave;
- protection:
 - from the dangers of occupational injuries at the workplace;
 - from discrimination and
 - of privacy;
- remuneration paid on time;
- maintenance of sponsorship and residency;
- termination benefits when service has lasted for longer than one year;
- repatriation benefits; and
- access to a grievance procedure in which fees are waived for employees.

Dubai International Financial Centre and Abu Dhabi Global Market

Similar benefits are prescribed in DIFC and ADGM legislation. Employees in the DIFC are also entitled to obtain a written notice explaining the rationale behind any termination.

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Part-time and fixed-term employees

26 | Are there any special rules relating to part-time or fixed-term employees?

All UAE jurisdictions have specific provisions in place for fixed-term employment contracts and the Labour Law mandates that all employment contracts revert to fixed-term agreements not exceeding three years before 31 December 2023.

Onshore

Article 8(3) of the Labour Law only allows for fixed-term employment contracts for UAE onshore employees. These fixed-term contracts must be for a definite, renewable period.

The Labour Law and the Executive Regulations provide for additional flexible working options within fixed-term employment contracts, which include:

- full-time employment;
- part-time employment;
- temporary employment;
- flexible employment;
- remote employment; and
- job-sharing employment.

Part-time and fixed-term employees are required to obtain work permits in accordance with the provisions of article 6 of the Executive Regulations.

Part-time employees are entitled to annual leave based on their total working hours converted to working days, divided by the number of working days in a year and multiplied by the legally prescribed leave. All part-time employees enjoy a minimum of five working days of annual leave per year.

Dubai International Financial Centre and Abu Dhabi Global Market

Employment contracts in the DIFC and the ADGM can be either limited or unlimited in duration.

In the ADGM, part-time employees are given their leave entitlement on a pro rata basis.

Part-time employees in the DIFC are entitled to annual leave on a pro rata basis and are not entitled to a written contract or an itemised pay statement if the employment lasts for less than 30 days.

Public disclosures

27 | Must employers publish information on pay or other details about employees or the general workforce?

There are no requirements in the UAE onshore jurisdiction, the DIFC or the ADGM for any employer to publish any information about its workforce.

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POST-EMPLOYMENT RESTRICTIVE COVENANTS

Validity and enforceability

28 | To what extent are post-termination covenants not to compete, solicit or deal valid and enforceable?

In the private sector, post-termination restrictions that are valid may not be enforceable without consideration in the United Arab Emirates.

Onshore

Pursuant to article 10 of Federal Decree-Law No. (33) of 2021 Regarding the Regulation of Employment Relationships (the Labour Law) and article 12 of Cabinet Resolution No. (1) of 2022 implementing the Labour Law, non-compete restrictions are valid. However, they must be limited in terms of geographic scope, length of time (a maximum of two years) and type of work so that they can be said to only go as far as necessary to protect an employer's legitimate business interests.

Non-compete restrictions will not be enforced where:

- compensation of up to three months of the employee's wage in their last contract is paid by the employee or the employee's new employer, and the previous employer gives prior written approval;
- a contract is terminated during a probationary period; or
- the role falls within any occupational category pursuant to the needs of the local labour market, which is based on a decision from the Ministry of Human Resources and Emiratisation.

Dubai International Financial Centre and Abu Dhabi Global Market

Injunctive relief may be available in the Dubai International Financial Centre (DIFC) and Abu Dhabi Global Market (ADGM). Enforcement would be limited to within the applicable free zones.

Post-employment payments

29 | Must an employer continue to pay the former employee while they are subject to post-employment restrictive covenants?

While employment laws are silent on payment, for a restrictive covenant to be enforceable, consideration should be paid by employers that enforce restrictive covenants on employees so as not to prevent their ability to earn.

Onshore

An employer may be required to continue to pay a former employee while they are subject to post-employment restrictive covenants. It is common for employers to consider additional measures to ensure that employees are properly restricted (eg, gardening leave is

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commonly used to require an employee to spend all or part of the notice period at home while continuing to receive their usual remuneration).

Dubai International Financial Centre and Abu Dhabi Global Market

Enforcement of restrictive covenants is limited in the DIFC and ADGM free zones, so where there is a risk that an employee will seek to take up employment with a competitor in the United Arab Emirates, employers may still wish to consider additional measures, such as gardening leave. However, employees will need to be paid throughout such a period.

LIABILITY FOR ACTS OF EMPLOYEES

Extent of liability

30 | In which circumstances may an employer be held liable for the acts or conduct of its employees?

Onshore

In the private sector, in the United Arab Emirates, there are certain instances where an employer may be held vicariously liable for the acts of its employees. For example, pursuant to the provisions of Federal Law No. (5) of 1985 on the Civil Transactions Law of the United Arab Emirates, employees are sponsored by the employers; therefore, unless the employee acts in a way that is ultra vires, as the employer effectively controls the actions of the employee, the employer can be held liable for employee's acts.

Dubai International Financial Centre

Article 54 of Dubai International Financial Centre Employment Law No. (2) of 2019 prescribes that an employer is liable for the acts of an employee during the course of the employee's employment unless it can show that it took reasonable steps to prevent the employee from carrying out the act or omission (eg, in cases of discrimination).

Where vicarious liability relates to a claim for compensation, it must be established that the employee's act was sufficiently connected to the employee's employment.

Abu Dhabi Global Market

The Abu Dhabi Global Market Employment Regulations 2019 do not contain provisions specifically dealing with the vicarious liability of an employer. However, vicarious liability would arise under the common law of England and Wales, depending on the circumstance.

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TAXATION OF EMPLOYEES

Applicable taxes

31 | What employment-related taxes are prescribed by law?

There is no payment or withholding of employment-related taxes prescribed by UAE law to the private sector. However, the UAE government has recently announced plans to impose a new 9 per cent federal corporation tax as of 1 June 2023, which may also lead to the introduction of personal income taxation in the future.

EMPLOYEE-CREATED IP AND CONFIDENTIAL BUSINESS INFORMATION

Ownership rights

32 | Is there any legislation addressing the parties' rights with respect to employee inventions?

In the UAE private sector, ownership of the copyright in a work product lies with the creator, who remains the default owner of the copyright in the work created in the absence of any agreement between the parties to the contrary. This default right remains throughout the duration of any employment, where:

- the work product is not related to the scope of the creator's employment;
- the work is not related to the business or activities of the employer; and
- the work is created or achieved without utilising the employer's documents, experience and resources.

Unless the parties have agreed otherwise, an employer has the right to apply to patent any invention created by an employee pursuant to the provisions of article 10 of Federal Law No. (11) of 2021 (the Patents Law). The employee has the right to compensation if the economic value of the invention was not anticipated when the employment contract was entered into, a factor which may be determined by a court in the absence of any agreement between the parties.

Dubai International Financial Centre

Pursuant to the provisions of Dubai International Financial Centre (DIFC) Law No. (4) of 2019 (the DIFC IP Law), ownership of copyright is presumed in favour of the employer when it comes to works created by an employee within the scope of their employment or while using the employer's resources. The DIFC IP Law also provides for employer ownership of patents subject to the invention being created within the scope of the employee's employment. If the invention is created outside of the scope of employment but relates to the employer's business and is created using the employer's resources, the invention still belongs to the employer.

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The employee is entitled to fair compensation for the invention, taking into consideration the employee's salary, the economic value of the invention and the economic benefits gained by the employer from the invention.

Trade secrets and confidential information

33 | Is there any legislation protecting trade secrets and other confidential business information?

Article 16 of Federal Decree-Law No. (33) of 2021 Regarding the Regulation of Employment Relationships (the Labour Law) obliges employees to protect trade secrets and other confidential business, a position that is supported by the Patents Law. The Labour Law specifically provides for the enforceability of post-employment restrictive covenants.

Article 432 of Federal Decree-Law No. (30) of 2021 containing the Penal Code provides an express penalty for any employee that breaches the trade secrets of their employer.

In addition, article 62 of the Patents Law protects confidential information, or 'undisclosed information', that:

- is secret in that it is not generally known among or readily accessible to persons within the circles that normally deal with that kind of information;
- has commercial value because it is secret; and
- has been subject to reasonable steps by the person lawfully in control thereof to keep it secret.

Dubai International Financial Centre

The DIFC IP Law protects trade secrets. It recognises UAE-registered intellectual property rights in the DIFC, which extend to trade secrets.

Abu Dhabi Global Market

Pursuant to article 10(g) of the Abu Dhabi Global Market Employment Regulations 2019, an employee holds an express duty not to disclose confidential information of the employer to a third party both during and after employment. Any breach would allow for civil action to be taken by the employer.

DATA PROTECTION

Rules and employer obligations

34 | Is there any legislation protecting employee privacy or personnel data? If so, what are an employer's obligations under the legislation?

Federal Decree-Law No. (45) of 2021 on Personal Data Protection (the Data Privacy Law) protects employees' personal data in the UAE private sector. The Data Privacy Law applies

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to all data subjects who reside in or work in the United Arab Emirates and seeks to protect personal data.

The Data Privacy Law prohibits the processing of employees' personal data without their specific, clear and unambiguous consent in the form of a positive statement of action. Exceptions to this need for consent exist where, for example, the processing relates to personal data that:

- is necessary for the performance of a contract to which the employee is a party;
- where it relates to the processing of personal data that has already been made public by the employee; or
- where it is necessary for the fulfilment of the employer's obligations under applicable UAE laws.

The Data Privacy Law provides that personal data must be processed for specific purposes, and any processing must be adequate and limited to what is necessary in relation to the purposes for which the employer is processing that data.

Under the Data Privacy Law, data subjects will have a number of rights, including the right to:

- access their personal data from a controller;
- request the transfer of their personal data;
- restrict the processing of personal data in certain cases;
- have their personal data corrected or erased (ie, the right to be forgotten);
- object to certain types of data processing (eg, if it is for the purpose of direct marketing or scientific and statistical research); and
- object to automated processing of their personal data.

As data controllers, employers must:

- implement necessary standards for the protection and security of personal data;
- preserve the confidentiality and privacy of personal data;
- ensure that personal data is not breached, damaged, altered or tampered with; and
- maintain a record of personal data.

Dubai International Financial Centre (DIFC) Data Protection Law No. (5) of 2020 and the Abu Dhabi Global Market (ADGM) Data Protection Regulations 2021 contain similar provisions for the protection of employees' personal data in the applicable free zones.

Privacy notices

35 | Do employers need to provide privacy notices or similar information notices to employees and candidates?

Under the Data Privacy Law, employers have an obligation to process data in a transparent manner. As data controllers, employers are required in all cases, and prior to the commencement of processing, to provide employees with information regarding:

- the purposes of the processing;

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- the targeted sectors or establishments with which the personal data will be shared, both within and outside the United Arab Emirates; and
- the protection measures in cases of cross-border processing.

Executive regulations to the Data Privacy Law have not yet been published, similar to the situation in other jurisdictions adopting data privacy laws. They were initially expected to be published in March 2022. It is hoped that they will contain further details as to what should be included in any data privacy notice. These executive regulations are expected to include the express provision that employees be given a detailed right of access (without charge) to certain types of information that an employer holds (namely, information that contains their personal data).

Both DIFC Data Protection Law No. (5) of 2020 and the ADGM Data Protection Regulations 2021 require employees to form a privacy notice or policy setting out the purposes for which data is collected and making it publicly accessible. It is good practice to make this policy available in simple terms as part of the information provided to an individual when seeking their agreement to process their personal data for specific purposes in a contract or otherwise.

Employee data privacy rights

36 | What data privacy rights can employees exercise against employers?

As data subjects, employees have the following rights and are not required to pay for any of them to be honoured:

- to receive information from their employers on personal data held (ie, a right to access);
- to request the transfer of their personal data;
- to have their personal data corrected or erased;
- to restrict the processing of their personal data in certain cases; and
- to object to certain types of data processing (eg, automated processing).

BUSINESS TRANSFERS

Employee protections

37 | Is there any legislation to protect employees in the event of a business transfer?

In the UAE private sector, employees are not automatically transferred within an internal transfer with a company. Instead, the original company would need to treat each individual's employment contract as being terminated and cancel all of their employee's visas in accordance with Federal Decree-Law No. (33) of 2021 Regarding the Regulation of Employment Relationships. The company receiving the transferee or transferees would need to process new visas and enter into new employment contracts.

Upon termination of employment prior to a transfer, employees must be paid any end-of-service gratuity accrued up until the date of termination. Given that end-of-service gratuities

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are based on length of service, some companies agree with their employees that transferees will not receive their end-of-service gratuities at the time of transfer, but liability for the gratuity will move to the new employer and will be included in the new contract, allowing their continuity of service to remain intact. This can only be done with the consent of the employee.

Employees are entitled to receive notice prior to termination in accordance with the provisions of their employment contract unless they have agreed to waive such notice in acknowledgement of the transfer and new employment. Employees are also entitled to be paid for accrued but untaken benefits at the time of termination, such as accrued annual leave (although this can be rolled into the new employment contract) or opt to receive a payment in lieu of these benefits.

TERMINATION OF EMPLOYMENT

Grounds for termination

38 | May an employer dismiss an employee for any reason or must there be 'cause'? How is cause defined under the applicable statute or regulation?

In the UAE private sector, to dismiss an employee, there must be a legitimate reason. If an employer does not have a legitimate reason, compensation must be paid.

Onshore

To terminate an employment contract under Federal Decree-Law No. (33) of 2021 Regarding the Regulation of Employment Relationships (the Labour Law), pursuant to article 43(1), there must be a legitimate reason. Article 42 of the Labour Law sets out that UAE employment contracts may be terminated:

- by mutual agreement of the parties;
- through the expiration of the fixed term of the employment contract;
- by written notice (served by either party);
- upon the death of the employer;
- upon the death or permanent disability of the employee;
- where the employee is convicted of a crime and served with a custodial sentence of longer than three months;
- upon the permanent closure of the employer; or
- where the employer becomes bankrupt or insolvent, or is unable to continue business for economic or other reasons.

Dubai International Financial Centre

Pursuant to article 63 of Dubai International Financial Centre (DIFC) Employment Law No. (2) of 2019 (the DIFC Employment Law), an employee can only be terminated for cause in circumstances where the conduct of the employee warrants termination and where a reasonable employer would have terminated the employment.

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Abu Dhabi Global Market

Pursuant to article 56 of the Abu Dhabi Global Market (ADGM) Employment Regulations 2019, an employment contract can only be terminated for cause.

Notice requirements

39 | Must notice of termination be given prior to dismissal? May an employer provide pay in lieu of notice?

In all UAE jurisdictions, notice of termination must be provided, except in circumstances where there has been a material breach of the employment agreement.

Onshore

Unless dismissal takes place in accordance with the limited provisions set out in article 44 of the Labour Law, a notice of termination, including a valid reason, must be given to an employee prior to dismissal. Pursuant to article 43(1) of the Labour Law, parties can agree to any notice period if it is between one month and three months.

Parties can agree to waive the notice period with pay in lieu of notice.

Dubai International Financial Centre

Pursuant to article 62 of the DIFC Employment Law, the minimum notice period to which an employee is entitled depends on their length of service with their employer:

- less than three months: seven days;
- between three months and five years: 30 days;
- more than five years: 90 days.

All notices of termination must be supplied in writing.

Employers and employees in the DIFC can both agree to longer or shorter periods of notice, for notice periods to be waived and for payments to be made in lieu of notice.

Abu Dhabi Global Market

Pursuant to article 55 of the ADGM Employment Regulations 2019, an employee who has completed less than three months of service is entitled to at least seven days of notice and employees who complete more than three months of service are entitled to at least 30 days of notice. All notices of termination must be supplied in writing.

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Dismissal without notice

40 | In which circumstances may an employer dismiss an employee without notice or payment in lieu of notice?

Onshore

Pursuant to article 44 of the Labour Law, an employer may only dismiss an employee without notice if that employee:

- impersonated another person or submitted forged documentation;
- committed a mistake that resulted in a serious material loss to the employer;
- damaged the employer's property and acknowledged the same;
- violated the employer's safety instructions;
- continued to fail to perform their basic duties according to their employment contract and:
 - the employer previously conducted a written investigation; and
 - issued at least two warnings to the employee;
- disclosed an employer's secret related to industrial or intellectual property that resulted in:
 - losses to the employer;
 - the loss of an opportunity for the employer; or
 - a personal benefit to the employee;
- during working hours:
 - was in a state of drunkenness; or
 - was under the influence of a narcotic or psychotropic substance;
- committed an act against public morals in the workplace;
- assaulted the employer, the employee's manager, a superior or colleagues at the workplace;
- is absent without a legitimate reason or excuse accepted by the employer for more than 20 days in one year, or for more than seven consecutive days;
- illegally exploited their position to obtain results and personal gains; or
- began work with another company without complying with the rules and procedures prescribed by law.

Dubai International Financial Centre

Pursuant to article 63(1) of the DIFC Employment Law, employers in the DIFC may terminate an employee with immediate effect for cause in circumstances 'where the conduct of the employee warrants termination'.

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Abu Dhabi Global Market

Pursuant to article 56(1) of the ADGM Employment Regulations 2019, employers in the ADGM may terminate an employee with immediate effect for cause in circumstances 'where a reasonable employer would consider immediate termination to be warranted'.

Severance pay

41 | Is there any legislation establishing the right to severance pay upon termination of employment? How is severance pay calculated?

Onshore

Pursuant to article 51 of the Labour Law, all UAE private employees, regardless of the reasons for termination, are entitled to an end-of-service gratuity (severance pay) that must be paid to the employee within 14 days of termination. The amounts are:

- 21 days' basic wages for each of the first five years of service; and
- 30 days' basic wages for each subsequent year of service.

UAE nationals

UAE and other Gulf Cooperative Council state nationals are entitled to state pensions and are, therefore, not entitled to end-of-service gratuities on termination.

Abu Dhabi Global Market

In accordance with article 59 of the ADGM Employment Regulations 2019, employees are entitled to end-of-service gratuities in the amounts of:

- 21 days' basic wages for each of the first five years of service; and
- 30 days' basic wages for each year of service thereafter.

Dubai International Financial Centre

Pursuant to article 66 of the DIFC Employment Regulations 2020, DIFC employees are entitled to a mandatory workplace savings scheme whereby the end-of-service gratuities for employees are calculated and paid monthly by employers into a workplace savings fund. The rates for these contributions are set out in the Labour Law. Upon termination or resignation of employment, employees may choose to cash out their benefits or leave them to remain invested in the fund, regardless of whether they leave the United Arab Emirates.

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Procedure

42 | Are there any procedural requirements for dismissing an employee?

Onshore

Article 44 of the Labour Law provides for the dismissal of an employee without notice after an employer has conducted a written investigation with the employee, and the dismissal is justified and is made in writing. The decision must be based on one of the 10 justifications set out in article 44 of the Labour Law.

If an employee is being terminated without cause, pursuant to the provisions of article 43 of the Labour Law, the employee must be provided with the minimum notice period as stipulated by the Labour Law and, pursuant to article 43(3), compensation would need to be paid.

Abu Dhabi Global Market

Upon termination of an employee, employers must cancel or transfer sponsorship of that employee's residence visa and labour card (or identity card if the employee is employed in the DIFC, the ADGM or another UAE free zone) within 30 days.

Employees are required to sign a final settlement form confirming that they have received all due legal entitlements before the authorities cancel their residence visa and labour card (or identity card if the employee is employed in the DIFC, the ADGM or another UAE free zone).

UAE nationals

Ministerial Decree No. (212) of 2018 on Regulation of Employing Nationals in the Private Sector prohibits the termination of UAE nationals from their private sector roles, without the prior approval of the Ministry of Human Resources and Emiratisation (MOHRE), unless they have committed one of the actions prescribed in article 44 of the Labour Law.

Employee protections

43 | In what circumstances are employees protected from dismissal?

Onshore

All employment contracts in the onshore UAE jurisdiction are fixed-term employment contracts that must be for a definite period. At the expiration of the fixed-term agreement, there is no protection for the employee. However, the employee is protected from termination prior to the expiration of the fixed term unless there is a legitimate reason and provided that the notice period is adhered to.

Under the Labour Law, it is not permissible to terminate the service of a female worker or to give her notice because of pregnancy, eligibility for maternity leave or because she is absent from work in accordance with the provisions of article 30.

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Dubai International Financial Centre and Abu Dhabi Global Market

Pursuant to article 63 of the DIFC Employment Law and article 57 of the ADGM Employment Regulations 2019, employment contracts cannot be terminated without cause.

Mass terminations and collective dismissals

44 | Are there special rules for mass terminations or collective dismissals?

Termination of employment contracts must take place on an individual basis, as there are no specific provisions in the Labour Law, the DIFC Employment Law or the ADGM Employment Regulations 2019 that allow for mass terminations or collective dismissals.

When a company is being sold, each employee must be terminated individually by the seller and then provided with a new contract of employment by the purchaser. There is no automatic provision for transfer.

Class and collective actions

45 | Are class or collective actions allowed or may employees only assert labour and employment claims on an individual basis?

Class actions are not permitted under UAE law. However, there are different dispute resolution provisions in each jurisdiction that allow for collective complaints and group litigation.

Onshore

Pursuant to the provisions of articles 54 and 56 of the Labour Law, in the case of a dispute between the employer and a group of employees where an amicable settlement is not possible, the employer or the collective employees are entitled to file a complaint with the MOHRE for resolution.

Dubai International Financial Centre and Abu Dhabi Global Market

Neither the DIFC Employment Law nor the ADGM Employment Regulations 2019 provide for class or collective employment actions. However, the DIFC and ADGM courts can make group litigation orders where claims can be said to relate to common issues of fact or law.

Mandatory retirement age

46 | Does the law in your jurisdiction allow employers to impose a mandatory retirement age? If so, at what age and under what limitations?

Onshore

Neither the Labour Law nor Cabinet Resolution No. (1) of 2022 implementing the Labour Law specify a particular age at which to terminate the employment contract. However, the MOHRE charges additional fees for approval of a work permit for employees over the age of 65.

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There are no mandatory retirement ages in the DIFC or the ADGM.

DISPUTE RESOLUTION

Arbitration

47 | May the parties agree to private arbitration of employment disputes?

In the UAE private sector, private arbitration of employment disputes is not provided for by Federal Decree-Law No. (33) of 2021 Regarding the Regulation of Employment Relationships (the Labour Law), Dubai International Financial Centre (DIFC) Employment Law No. (2) of 2019 or the Abu Dhabi Global Market (ADGM) Employment Regulations 2019.

Employee waiver of rights

48 | May an employee agree to waive statutory and contractual rights to potential employment claims?

An employee in the UAE, DIFC and ADGM jurisdictions can agree to waive statutory rights to a potential claim by entering a settlement agreement or settlement deed. However, a consideration must be paid by the employer.

Limitation period

49 | What are the limitation periods for bringing employment claims?

Onshore

Pursuant to article 54(7) of the Labour Law, the time limitation for bringing employment claims is one year.

Dubai International Financial Centre

Pursuant to article 10 of the DIFC Employment Regulations 2020, the time limitation for bringing employment claims is six months. This can be extended at a courts' discretion in cases of discrimination and victimisation.

Abu Dhabi Global Market

Under the ADGM Employment Regulations 2019, there is no limitation period imposed on the courts. However, the ADGM has adopted English legislation regarding limitation periods that would be applied.

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UPDATE AND TRENDS

Key developments and emerging trends

50 | Are there any emerging trends or hot topics in labour and employment regulation in your jurisdiction? Are there current proposals to change the legislation?

Legislative changes

The first quarter of 2022 saw the most substantive changes to the labour laws of the United Arab Emirates since 1980. In the first year of operation of this new regulatory regime, there has only been a limited amount of legislative change. The introduction of Federal Decree-Law No. (14) of 2022, which amends the fixed-term contract provisions of Federal Decree-Law No. (33) of 2021 Regarding the Regulation of Employment Relationships (the Labour Law), is the most notable.

The updated provisions act to replace the text of article 8(3) of the Labour Law to state that 'the employment contract shall be concluded for a definite period, renewable, based upon the parties' agreement'. The effect of this change sees the abolishment of the requirement for all employment contracts to have a maximum fixed term of three years.

The announcement of Federal Decree-Law No. (14) of 2022 coincided with the Ministry of Human Resources and Emiratisation announcing that employers would now have until 31 December 2023 to revert all employment agreements to fixed-term contracts, extending the initial 2 February 2023 deadline.

Emerging trends

The primary identifiable trend surrounding the updated UAE labour laws is the move towards affording greater flexibility for both employers and employees regarding the types of contracts that are permitted and the need to revert all onshore employment agreements to fixed-term contracts. The need to implement fixed-term contracts has created logistical challenges for both employers and employees; however, the extension of the deadline for compliance has eased the immediate pressure.

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