

New Employers' Awareness Kit





Introduction

The Ministry of Human Resources and Emiratization (MoHRE) in the United Arab Emirates strives to achieve a national vision aimed at providing a stable and secure work environment that supports professional development, enhances productivity, and promotes ease of doing business. This is pursued through a balance in the contractual relationship between the two parties of the employment contract – the employee and the employer – in a manner that guarantees their respective rights, embodying the principles of justice and transparency.

In this context, we present this awareness kit, which highlights the key topics you, as an employer, need to understand within the framework of your contractual relationship with your employees. We hope this kit will contribute to clarifying your legal rights and obligations.



Employer

Know your obligations in the contractual relationship pursuant to Federal Decree by Law No. (33) of 2021 Concerning Regulating Labour Relations, which are as follows:

Leaves:



Annual Leave:

The employee is entitled to an annual leave of 30 days for each year of service. If the period of service is more than six months but less than one year, the employee is entitled to two days of leave for each month. The employee is entitled to a cash payment in lieu of his/her annual leave not taken, upon the termination of the contractual relationship.



Maternity Leave:

A female employee is entitled to a maternity leave of 60 days in the event of childbirth after completing six months of pregnancy, of which 45 days are at full pay and 15 days are at half pay. The employer may not terminate the female employee's services or issue her with a notice of termination due to her pregnancy or her taking maternity leave.



Sick Leave:

During the probationary period, the employee is entitled to unpaid sick leave, provided a medical report is submitted from an approved medical entity.

- The first 15 days at full pay
- The next 30 days at half pay
- The subsequent 45 days without pay

You may refer to Article 32 of Federal Decree by Law No. (33) of 2021 Concerning Regulating Labour Relations for details on various types of leave.



Various holidays

Holiday kind	Who deserves?		Duration
 Study	- The worker may be granted a study leaves for a period for exams. - Service term two years.	 Worker	10 working days
 National Service	Sabbatical paid leave	 National worker	According to the laws and regulations in force in the country
 Bereavement	Case of death	 grandparents - brothers - children - grandchildren	Starting from the date of death One of the spouses 5 days 3 days
 Parental	Within 6 months of birth	 Couple	5 days



Wages:

As an employer, you and the employee must determine the monthly wage and include it in the employment contract. Accordingly, you are obligated to pay the agreed-upon wage on its due date in accordance with the applicable regulations. The employee's wage shall be in UAE Dirhams or as otherwise agreed upon.



End-of-Service Gratuity:

A foreign employee is entitled to an end-of-service gratuity after completing one year of continuous service with you as the employer, calculated as follows: 21 days' basic wage for each of the first five years of service, and 30 days' basic wage for each subsequent year. The end-of-service gratuity is calculated based on the employee's last basic wage received. A national employee is entitled to an end-of-service gratuity in accordance with the applicable regulations in the State.



Air Tickets:

It is one of your obligations to bear the expenses of the employee's return to his/her point of origin or any other place agreed upon by both parties, unless the employee has joined the service of another employer, or if the reason for contract termination is attributable to the employee, in which case the latter shall bear such expenses.



Work Permits:

As an employer, and in agreement with the employee, you may choose any of the work permits provided by the Ministry, in addition to selecting the appropriate work model. It is one of the employer's obligations not to allow the employee to work for a third party except in accordance with the provisions of the Federal Decree by Law Concerning Regulating Labour Relations, its Implementing Regulations, and the ministerial decrees implementing them.



Non-Compete Clause:

As an employer, you may include a non-compete clause in the employment contract if the work performed by the employee enables him/her to know your clients or access your trade secrets. The duration of the non-compete clause shall not exceed two years from the contract termination date, and the employer must specify the temporal and geographical scope of the non-compete clause. The non-compete clause shall not apply if the reason for contract termination is attributable to the employer.



Recruitment – Employment Fees:

As an employer, you shall bear the costs of recruiting the employee from his/her home country, in addition to the government fees related to the employee's employment with the establishment, as well as insurances, contributions, and guarantees specified by the applicable legislation in the State.



Training and Qualification:

Investing in the development of employees' skills and providing the minimum tools and programmes for training, qualification, and empowerment in accordance with the provisions of the Federal Decree by Law Concerning Regulating Labour Relations and its Implementing Regulations.

Taking necessary measures to ensure the employee is aware of his/her rights and obligations at work, using tools and methods appropriate to the nature of the work and the employees.



General Obligations



Maintaining employee files and records in accordance with the conditions, controls, and procedures issued by a ministerial decision, provided that the employee's file is kept for a period of not less than two years after the termination of the employee's service.



Upon the employee's request at the end of the employment contract, providing the employee with an experience certificate, free of charge, stating his/her start date, end date, total service period, job title or type of work performed, last wage received, and the reason for the termination of the employment contract. The certificate shall not include anything that may harm the employee's reputation or reduce his/her employment opportunities.



Not withholding the employee's official documents or forcing him/her to leave the country upon the termination of the employment relationship.

Establishment Classification

Establishments subject to the provisions of Federal Decree-Law No. (33) of 2021 are classified into three categories:

- Category I
- Category II
- Category III

The Ministry of Human Resources and Emiratisation may reclassify establishments from one category to another based on their fulfilment of the criteria and controls of the category to which they will be moved, as stipulated in Cabinet Resolution No. (18) of 2022 concerning the Classification of Private Sector Establishments subject to the provisions of the Labour Relations Law.

You may refer to Cabinet Resolution No. (18) of 2022 concerning the Classification of Private Sector Establishments subject to the provisions of the Labour Relations Law for further details.

You can learn about the benefits provided to establishments based on the category (service fees)



Emiratisation



Emiratisation Targets for Private Sector Establishments

Establishments have 50 or more employees:

If your establishment has 50 or more employees, you must expedite the increase of Emiratisation targets by 2% of skilled jobs, starting from 2022, to reach a rate of 10% by 2026. Establishments are required to achieve a 1% growth in skilled jobs semi-annually, resulting in a total annual growth rate of 2%.

Please note that monthly financial contributions shall be imposed on non-compliant establishments, amounting to AED 6,000 for each national employee who was not appointed in 2022. These monthly contributions will increase by AED 1,000 annually until 2026.

Establishments that successfully achieve triple the Emiratisation target and maintain a record free of any violations of the Federal Decree by Law Concerning Regulating Labour Relations qualify for an upgrade to Category I within the Establishment Classification System and for membership in the Tawteen Partners Club. Through this membership, the establishment can receive discounts of up to 80% on services provided by the Ministry.

Establishments have 20-49 employees in selected economic activities

If your establishment has between 20 and 49 employees and operates within the specified economic activities, it must appoint at least one national employee during 2024, and at least one additional national employee during 2025.

Please note that financial contributions shall be imposed on non-compliant

establishments, amounting to AED 96,000 for the national employee who was not appointed in 2024, and AED 108,000 for the national employee who was not appointed in 2025.

Compliance with Emiratisation Regulations:

Ensure compliance with Emiratisation regulations. Establishments are prohibited from: Posting any misleading job advertisements that do not represent an available and genuine job opportunity, or that advertise for non-skilled professional levels. Referring to government Emiratisation policies or their benefits when advertising jobs without obtaining prior permission from the Ministry. Including government support benefits and incentives related to nationals in the private sector in job advertisements.

You may refer to the relevant resolutions by visiting the following link:

Ministerial Resolution No. (279) of 2022 concerning the Monitoring Mechanisms for Emiratisation Rates in the Private Sector and the Contributions Imposed on Non-Compliant Establishments.

Ministerial Resolution No. (455) of 2023 concerning the Implementation Mechanisms of the Cabinet Resolution on Emiratisation Targets for Private Sector Establishments have 20 to 49 Employees in Selected Economic Activities.

Ministerial Resolution No. (663) of 2022 concerning Compliance with Emiratisation Regulations in the Private Sector.

The background of the slide features a blurred image of a construction site with scaffolding. In the lower right foreground, there is a close-up of a white and yellow safety helmet. A semi-transparent blue rectangle covers the top half of the image, and a tan-colored banner is positioned on the left side of this rectangle.

Occupational Health and Safety



To achieve the occupational health and safety standards and conditions in establishments to which these conditions apply in the United Arab Emirates, the establishment must provide the following:



Providing suitable accommodation, licensed by the competent authorities, in accordance with the rules, conditions, and standards applicable in the State; or paying a cash allowance for housing; or its inclusion in the wage.



Providing the necessary preventive measures to protect employees from the risks of occupational injuries and diseases that may occur during work, and ensuring the provision of instructional and awareness guidelines.



Providing appropriate training to employees to avoid such risks, and conducting periodic assessments to ensure that all parties involved comply with occupational health and safety requirements.



Bearing the costs of medical care for the employee in accordance with the applicable legislation in the State.



Providing a safe and enabling work environment for the employee.

Mechanism for Registering Companies in the Labour Accommodation System

- All establishments have 50 or more employees, where such employees earn a wage of AED 1,500 or less, must register their labour accommodation data in the designated electronic system. It is required that the accommodation complies with the approved requirements and standards that ensure the comfort and safety of the employees in accordance with applicable legislation. Registering the accommodation in the system reflects the establishment's commitment to laws and regulations, enhances its professional reputation, and supports the stability of the work environment.
- Labour accommodation must be registered, whether such accommodation is owned by the establishment or leased, through the official website of the Ministry of Human Resources and Emiratization.



You can access the Labour Accommodation System via the following link

You may refer to Ministerial Resolution No. (44) of 2022 concerning Occupational Health and Safety and Labour Accommodation.



Occupational Heat Stress Prevention Policy

The Occupational Heat Stress Prevention Policy is a key cornerstone of labour market legislation in the United Arab Emirates. This aims to provide a safe work environment that complies with the best practices and requirements of occupational health and safety, thereby protecting the workforce from injuries and damages that may result from working in high temperatures during the summer months.



Application Period:

June 15 - September 15 of each year.



Timing:

From 12:30 PM to 3:00 PM.



Prohibited Activities:

All work performed under direct sunlight and in open places.



Wage Protection System (WPS)





What is the benefit of the Wage Protection System?

The Wage Protection System (WPS) ensures that employees receive their wages in full and on time. This system allows employers to pay their employees' wages electronically through banks, exchange houses, and financial institutions authorised and licensed by the Central Bank of the UAE to provide wage payment services.

Understand the mechanism of the Wage Protection System:

- On the third and tenth day after the due date, an electronic reminder notice is sent to the establishment that has not complied with paying its employees' wages.
- On the seventeenth day after the due date, the issuance of new work permits for the establishment is suspended, the establishment owner is notified of the reason for the suspension, and wage restrictions are imposed on the establishment.
- The establishment owner is notified of the mechanism to lift the restriction from the establishment if the client wishes to do so.

We urge you to commit to paying wages within the first 15 days of the due date to ensure your compliance with policies and legislation and to avoid violations.



Savings Scheme

“The Optional Alternative System to the End-of-Service Gratuity System”

This is an optional system, alternative to the end-of-service gratuity system applicable under Federal Decree by Law Concerning Regulating Labour Relations and its Implementing Regulations. Under this savings scheme, the employer pays a monthly contribution to an investment fund. In return, upon the termination of his/her service, the beneficiary receives his/her entitlements from the allocated basic contribution amount and any investment returns accrued thereon, as an alternative to his/her end-of-service gratuity entitlements.

Key advantages offered by the Optional Savings Scheme for companies:

- It enhances the principle of ease of doing business and serves as a driver in strengthening the UAE's position as one of the preferred destinations for living and working.
- Benefiting from the robust infrastructure of investment funds and service providers licensed under the system to manage employees' end-of-service entitlements.
- Focusing on commercial and developmental activities and capital building, instead of operational matters related to managing and disbursing end-of-service gratuities.
- Increasing employee loyalty, satisfaction levels, and productivity at work by safeguarding their interests and preserving their financial entitlements.
- The medium-term cost incurred by the employer, if subscribed to the savings scheme, is considered lower than the cost of the current end-of-service gratuity.



You can obtain more information about the system, how to subscribe to it, and learn about the approved savings funds through:

Mohre.gov.ae

By visiting the Ministry's website at Mohre.gov.ae and then clicking on “The Optional Alternative System to the End-of-Service Gratuity System”.

Employee Protection Program

The background image shows a man in a blue industrial work jacket and safety glasses, pointing towards a piece of machinery. He is holding a clipboard. Another person is partially visible on the left, also in profile. The scene is set in an industrial environment with various equipment and structures in the background. The entire image has a blue color overlay.



The program provides insurance coverage for all the employee's financial entitlements, including unpaid wages, under an insurance policy to cover the employee's entitlements in the event the employer fails to pay such entitlements, up to a ceiling of AED 20,000 and for a period of 30 months. This policy also covers the expenses of repatriating the employee's remains. The employer must purchase an insurance policy for all employees to guarantee their financial entitlements, as a primary requirement for the issuance of a work permit.

Insurance Packages within the Employee Protection Insurance System

View the price list:

Insurance Product	Document value	Policy value per year
Skilled Worker	AED 137.50	55 dirhams
Limited-Skill Worker	AED 180	72 dirhams
Worker in a High-Risk Establishment	AED 250	100 dirhams
Assistant Worker	AED 100	40 dirhams



Unemployment Insurance System

This is a system aimed at compensating the insured employee with 60% of his/her subscription salary in the event of service termination. The insurance premium is paid according to the value of the basic salary, based on the following two categories:

- **Category I:** Not exceeding AED 5 per month if the basic salary is AED 16,000 or less.
- **Category II:** Not exceeding AED 10 per month if the basic salary is more than AED 16,000 per month.



Please click here for more information

:Subscription and insurance premium payment channels include



The website of the
Unemployment Insurance service
provider.



The smart application of the
Unemployment Insurance
service provider.



The call center of the
Unemployment Insurance
service provider.



Smart applications of banks.



Business service centers specified
by the Ministry.



ATMs - Kiosk machines.



Licensed exchange houses.



Text messages or bills from
approved telecommunication
companies in the State.



Health Insurance Package

In implementation of the Cabinet Resolution concerning the inclusion of private sector employees and domestic workers across all emirates of the State in the health insurance system, effective from January 1, 2025, a health insurance policy for the employee has become a fundamental requirement for the issuance or renewal of a residency visa. Employees with work residencies issued before January 1, 2025, are exempted from this, whereby they are required to purchase insurance upon renewing their residency.

To facilitate for employers, the Ministry of Human Resources and Emiratisation, in cooperation with the Federal Authority for Identity, Citizenship, Customs & Port Security and the Ministry of Health and Prevention, in coordination with a number of insurance companies, has launched a basic health insurance package for employees in private sector companies and domestic workers. This package features competitive prices and a nominal treatment cost, providing a suitable option for employers to insure their employees under this package.



To learn more, visit the Ministry's website

[Mohre.gov.ae](https://mohre.gov.ae)





Know Violations and Administrative Penalties

Your compliance with regulations and laws helps you avoid paying financial fines for the following violations:

- Delay in paying the wages of employees in the establishment.
- An establishment that does not conduct its actual activity.
- Failure of the establishment to provide labour accommodation.
- The establishment exploiting or misusing the electronic powers granted to it.
- Sham Emiratization.
- Submitting incorrect data and documents.
- Failure to renew documents.
- Failure of a national to join work or discontinuation of work.
- Terminating the service of a national and reappointing him/her in the same company.
- Failure to report changes that occur to the conditions of benefit.
- Failure of the company to appoint the trainee after the end of the training period.



**To learn more, you may visit the
Ministry's website, "Laws and
Legislations" section**

Laws | Laws and Legislations | Ministry of Human
Resources and Emiratization - UAE - MOHRE

A man and a woman, both smiling, are seated at a desk in an office. They are looking down at some papers or a laptop. The man is on the right, wearing a light blue suit, and the woman is on the left, wearing a light blue blouse. The background shows office shelves and glass partitions. The entire image has a blue tint.

The Investor's Journey in the United Arab Emirates

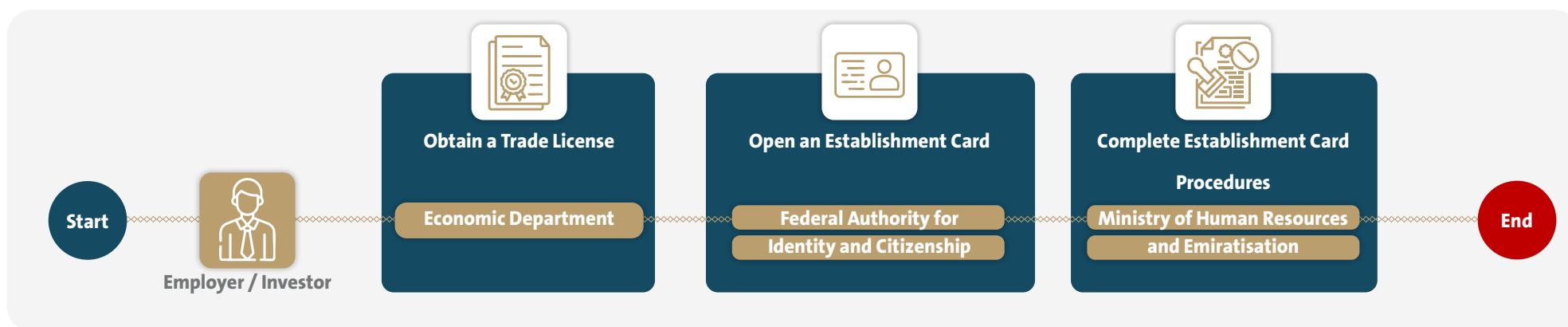
We are pleased to welcome you to the United Arab Emirates, the ideal destination for investment opportunities and sustainable growth. Your choice of the UAE as an investment destination reflects your confidence in an advanced and stable economic environment, characterized by strong growth indicators and innovative facilities to support investors. The UAE boasts world-class infrastructure, in addition to a flexible legal system that enhances the ease of doing business, making it an ideal destination for achieving your investment visions. We are confident that your investment here will contribute to achieving exceptional results and sustainable successes. We are always ready to provide full support to ensure the achievement of your goals.



Dear Investor, to start your project in the United Arab Emirates, you need to go through the following stages:

- Obtain a trade license.
- Open an establishment card with the Federal Authority for Identity, Citizenship, Customs & Port Security.

You must complete your procedures with the Ministry of Human Resources and Emiratization as follows:



Opening an Establishment Card with the Ministry of Human Resources and Emiratization:

Required Documents:

1. A copy of the Emirates ID (both sides) for citizens and residents, or a copy of the visa showing the Unified Number for non-residents.
2. A copy of the license: Valid, showing the activity / address / P.O. Box / telephone / fax. If the activity is a fishing boat, a boat license issued by the Ministry of Climate Change and Environment must be attached. If the activity is an “Abra,” a license issued by the Roads and Transport Authority must be attached. If the activity is a public benefit association, a license from the Community Development Authority must be attached.
3. An addendum with the names of the partners: Issued by the Economic Department if the names of the license owners are not present in the trade license.
4. A copy of the establishment card from the Federal Authority for Identity, Citizenship, Customs & Port Security: A clear copy containing the data of the owners and authorised signatories.
5. A valid and attested tenancy contract; instant licenses are exempted from this.



Know the steps for recruiting an employee to the establishment

- Issuance of the job offer and the employee's signature on the issued job offer.
- Subscription to the Protection Insurance.
- Issuance of the work permit.
- Issuance of the employment contract.
- The employee's completion of the orientation session, followed by the issuance of the employment contract.
- Subscription to the Unemployment Insurance.
- Purchase of the health insurance policy.
- Issuance of the residency visa and Emirates ID.



Application Submission Channels

Economic Department:

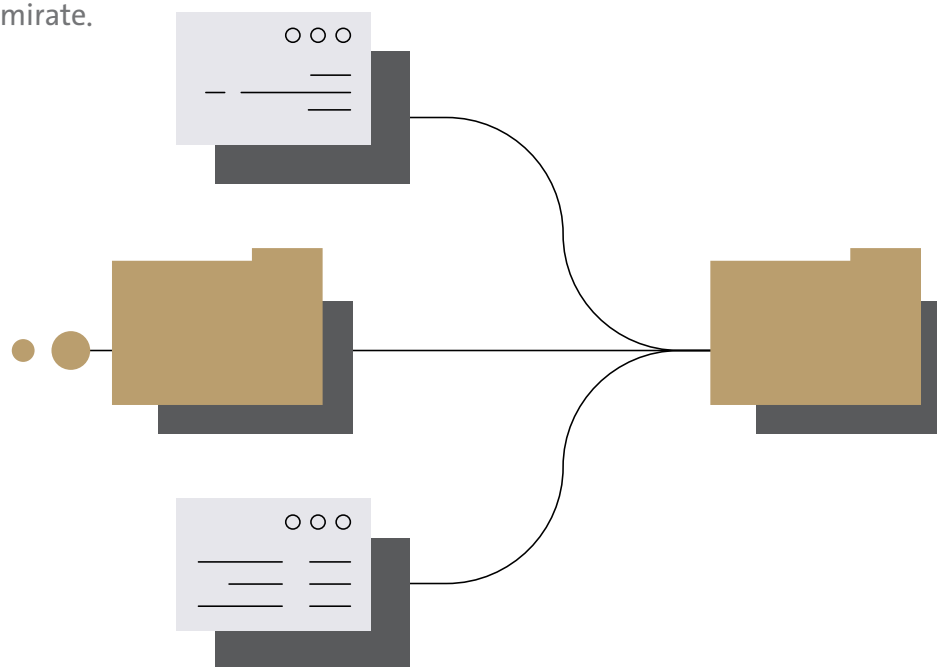
- The official website of the Department of Economic Development for each emirate.
- TAMM Centers.
- Approved Business Service Centers.

Federal Authority for Identity, Citizenship, Customs & Port Security:

- The official website and smart application of the Federal Authority for Identity, Citizenship, Customs & Port Security.
- Amer Centers.
- TAMM Centers.
- Customer Happiness Centers.

Ministry of Human Resources and Emiratisation:

- The official website and smart application of the Ministry of Human Resources and Emiratisation.
- TAMM Centers.
- Approved Business Service Centers.





To learn about the requirements of the entities, you can check the following links



Department of Economic
Development - Abu Dhabi



دائرة التنمية الاقتصادية
DEPARTMENT OF ECONOMIC DEVELOPMENT



TAMM



Department of Economy and
Tourism - Dubai



Department of Economic
Development - Sharjah



حكومة الشارقة
دائرة التنمية الاقتصادية



Department of Economic
Development - Ajman



Department of Economic
Development - Umm Al
Quwain



GOVERNMENT OF UMM ALQUWAIN

دائرة التنمية الاقتصادية
DEPARTMENT OF ECONOMIC DEVELOPMENT



Department of Economic
Development - Ras Al
Khaimah



دائرة التنمية الاقتصادية
Department of Economic Development



Department of Economic
Development - Fujairah



الإمارات العربية المتحدة
حكومة الفجيرة
دائرة الصناعة والاقتصاد



Ministry of Economy



وزارة الاقتصاد
MINISTRY OF ECONOMY



Ministry of Human Resources and
Emiratisation



وزارة الموارد البشرية
والتوظيف