

**Cabinet of Ministers Resolution no (26) of 2010**

**On regulating labour relations and determined**

**Banking guarantees**

**The cabinet:**

- Upon consulting the Consulting the constitution and law no . (1) of 1972 on the competences of ministries and powers of ministers, as amended:
- Federal law no (8) of 1980 regulating labour relations, as amended
- Cabinet of Ministers Resolution no (18) of 2005 on transfer of sponsorship and secondment of sponsored employees and determined fees:
- Cabinet of Ministers Resolution no (19) of 2005 on the system for fees and banking guarantees : and
- Based on the motion the minister of labour and approval of the cabinet ,

**Resolved as follows:**

**Article (1)**

The firms governed by the provisions of the aforementioned Federal law no. (8) of 1980 shall be grouped into categories :

- 1- Category (1);
- 2- Category (2) which is subdivided into (A), (B) and (C)
- 3- Category (3). the classification referred to in clause (1) hereof shall be made according to the extent of compliance of such firms with legislations and legal regulations and standards stated herein, particularly:

- a. Adhering to cultural diversity stipulated in the decision of the minister of labour made in this regard .
- b. Abiding by the payment of wages on its duly fixed or agreed dates according to the prescribed procedures.
- c. Providing labour accommodation as per the standards and requirements approved in this regard.
- d. Adhering to the emiratization percentages defined by the concerned bodies.
- e. Complying with the law and ministry's policies by small and medium enterprises sponsored by youth business supporting establishments.
- f. Any such other standards conditions, curbs and periods as may be issued by the minister of labour.

#### **Article (2)**

Subject to Article (4) hereof, fishing boat firms of UAE nationals shall be classified in category (a).

#### **Article (3)**

Subject to articles (2) & (4) hereof, firms employing more than three workers shall fall under category (2/b).

#### **Article (4)**

Firms may be transferred from a category to or from another level per the standards stipulated in article (1) hereof.

#### **Article (5)**

**Firms that are subject to the labour law shall pay the bank guarantee before the employee's recruitment as follows:**

1. Firm classified under category “2-A”: three thousand dirhams per employee at a maximum of one million and half dirhams.
2. Firm classified under category “2-B”: three thousand dirhams per employee at a maximum of three million dirhams.
3. Firm classified under category “2-C”: three thousand dirhams per employee at a maximum of five million dirhams.
- 1- Firm classified under category “3”: three thousand dirhams per employee at a maximum of ten million dirhams.

#### **Article (6)**

**The following entities shall be excluded from the payment of the bank guarantee set forth in article (5) hereof:**

1. Firms falling under category “A” hereof;
2. Industrial projects licensed under an industrial license issued by the ministry of Economy, which have priority to privileges and exemptions under Federal Law No (1) of 1979 regulating Industry affairs;
3. Companies or firms established or co-owned by the Federal Government or local governments :
4. Public utility societies , cooperative societies and national private institutions operating under the supervision of the Ministry of Social Affairs; and
5. Any other firms governed by the rules, curbs and standards by the minister of labour in coordination with Minister of Finance.

**Mohamed bin Rashid Al Maktoum**

**Prime minister**

**Date of signature: 11/08/2010: 01 Ramadan 1431 a.h.,**

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