

**MINISTERIAL DECREE NO. (703) OF 2013 ON
THE RULES AND REGULATIONS GOVERNING THE SUSPENSION
OF EMPLOYER'S ESTABLISHMENTS**

The Minister of Labor:

- HAVING REVIEWED FEDERAL LAW NO. (1) OF 1972 ON THE COMPETENCIES OF THE MINISTRIES AND POWERS OF THE MINISTERS AND ITS AMENDMENTS,
- FEDERAL LAW (8) OF 1980 AND ITS AMENDMENTS GOVERNING LABOR RELATIONS,
- MINISTERIAL DECREE NO. (851) OF 2001 CONCERNING THE SUSPENSION OF DEALING WITH VIOLATING ESTABLISHMENTS, AS AMENDED BY DECREE NO. (589) OF 2007,
- MINISTERIAL DECREE NO. (721) OF 2006 CONCERNING THE PROCEDURES OF RUNAWAY COMPLAINTS,
- MINISTERIAL DECREE NO. (724) OF 2006 CONCERNING THE ADMINISTRATIVE CANCELLATION OF THE SPONSORSHIP,
- MINISTERIAL DECREE NO. (757) OF 2006 CONCERNING THE AMENDED ESTABLISHMENT CARD SYSTEM,
- MINISTERIAL DECREE NO. (488) OF 2007 CONCERNING INDIVIDUAL AND GROUP WORK PERMIT APPLICATIONS,
- MINISTERIAL DECREE NO. (788) OF 2009 CONCERNING THE PROTECTION OF WAGES,
- MINISTERIAL DECREE NO. (255) OF 2010 CONCERNING SUBCONTRACT AGREEMENTS AND
- AT THE ENTAILMENTS OF COMMON INTEREST,

Decrees:

Article 1

Without prejudice to the decrees regulating the ban on dealing with violating establishments themselves, for the purposes hereof, suspension shall mean the Ministry shall refrain from rendering the following services, unless the context otherwise requires:

- 1- The granting of any type of work permits issued by the Ministry.
- 2- Amending the details of the establishment such that their owners whose details are registered with the Ministry may change.

Article 2

A) A sole proprietorship shall be suspended if it owned by the owner of a sole proprietorship that commits any of these violations:

1. Ceasing its activities without the settlement of the positions of its employees.
2. Failure to pay a worker's wage for two months or more.
3. Failure to pay the administrative fines due to the Ministry of Labor for 4 months from the due date thereof.
4. Failure to issue or renew the work permit of any of its workers for 4 months from date of the worker's entry to the country or from the date of expiry of his work card, as the case may be.
5. Failure to renew the establishment's license with the Ministry for 4 months from its expiry date.

Companies of the partners in the company that commits any of the above violations shall also be suspended.

B) The suspension set out in item (a) above shall be effected with the approval of the Undersecretary for Inspection Sector, for violations set out in items (1) and (2), and the approval of the Assistant

Undersecretary for Labor Affairs, for violations set out in items (3), (4) and (5), provided the following shall be taken into consideration before effecting the suspension:

1. Periods of failure to pay wages and the number of the workers affected by the violation.
 2. Within two months following the times set out in items (A)2, 3, 4 and 5 of this Article two notices shall be served to the competent parties to the effect that the Ministry shall suspend the establishment should the violation not be remedied during the said two-month period.
- C) The suspension shall be cancelled with the approval of the competent assistant undersecretary upon the remedy of the violation that caused the same, except for the suspension arising out of the violation set out in item (A)(1) above, in which case the suspension shall be cancelled only after three months from the date of correcting the violation, upon the approval of the Minister based on the recommendation of the Assistant Undersecretary of Inspection Sector. In this case, the correcting of the violation shall mean the settlement of the non-compliant conditions of the establishment workers.

Article 3

Sole proprietorships owned by any of the partners in a company that commits any of the violations set out in item (A) above may be suspended only with the approval of the Minister based on the recommendation of the competent assistant undersecretary.

Article 4

In all cases in which suspension is decided hereunder, no new establishment may be opened for the persons whose establishments are suspended. This ban shall continue in parallel with the suspension.

Article 5

The Labor and Inspection Sectors shall issue a manual of the executive regulations hereof and shall provide the Minister's Technical Office with a detailed quarterly statistical statement of suspensions effected hereunder.

Article 6

This Decree shall be published in the Official Gazette and become effective on 1/7/2013. All provisions in conflict hereof shall be cancelled. The competent parties shall execute this Decree.

**By Saqr Ghobash,
Minister of Labor**

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