



Ministerial Resolution No. (255) for 2010

Sub-Contracting Construction Contracts

Minister of Labour:

- After reviewing Federal Law No. (1) for 1972 and the amendments thereto regarding ministry competencies and ministerial powers,
- Federal Law No. (8) for 1980 regarding the regulation of work relationships and the amending laws thereto,
- Federal Law No. (5) for 1985 and the amendments thereto regarding civil transactions,
- Ministerial Resolution No. (496) for 2002 regarding construction contracts and sub-contracting,
- And in the interest of labour;

It was decided:

Article (1)

Definitions:

In the implementation of the provisions of this Resolution, the following words and phrases shall have the following definitions unless otherwise specified in the context:

Ministry: The Ministry of Labour

Local Authorities: Economic Development Directorates and Municipalities.



Contracting: A contract signed between a project owner and a contractor, wherein the latter pledges to manufacture something or perform work in exchange for the compensation promised by the former.

Subcontracting: A contract signed between the primary contractor and a secondary contractor, wherein the latter pledges to perform work for the former in exchange for the promised compensation, with the approval of the project owner.

Sub-subcontracting: A contract concluded between the subcontractor and another subcontractor, under which the latter pledges to perform work for the former in exchange for the promised compensation, with the approval of the primary contractor or the project owner.

The Competent Department: The Department of Labour Inspection at the Ministry.

The Activity in Question: Construction Activity or any other activity specified by the Ministry.

Article (2)

The project owner may conclude a contractual agreement with an primary contractor whereupon the latter pledges to manufacture something or perform work, and the primary contractor may assign all or some of the jobs assigned to him to a subcontractor under a subcontracting agreement, and the subcontractor may assign all or some of the jobs assigned to him to a sub-subcontractor.

In all cases, subcontracting is not permitted if prevented by a stipulation of the contract or if the agreement depends on the personal sufficiency of the primary contractor.

Article (3)



No person may employ any worker, under any capacity, unless that employment is in accordance with the rules and regulations in force and approved by the Ministry.

Article (4)

The contracting agreement or subcontracting agreement must be written in Arabic. In the event of the presence of a foreign language in addition to the Arabic, the Arabic text shall be the officially recognized text.

Article (5)

The subcontracting agreement must include a description of the subject of the contract, showing its type, value, method of execution, phases of execution if any, the necessary duration for completion, the beginning and end, and method of payment.

Article (6)

The subcontractor must be licensed to practice the activities in the contracting agreement in accordance with the terms and details of the license to practice the activity, which shall be in agreement with the contracting works for implementation, taking into account the type and significance of the activity.

Article (7)

The primary contractor and subcontractor shall be liable alone for their workers who are carrying out the job at the site, with respect to all commitments as stipulated in the law regulating work relationships and the work contracts signed between the two



parties, without extending the liability to the project owner, as these workers do not work under the supervision and authority of the latter.

Article (8)

In case the primary contractor assigns all or part of his works to a subcontractor, the former shall be prohibited from applying for work permits for workers to work on the same subcontracted works.

Article (9)

If the Ministry becomes aware of the presence of any manipulation of information in the contracts submitted to it, for example: if the contracts contain falsified data, the labour force is found to have been hired by illegal means, or the use of a fictitious subcontracting contract, the issuing of any new work permits to the establishment where the violation took place shall be halted, referring all those responsible for the said violation to the competent authorities to take punitive measures. The suspension shall continue until the case is settled or for the period specified by the Ministry.

Article (10)

Ministerial Resolution No. (496) for 2002 is null and void, as is any other resolution contrary to or inconsistent with the provisions of this Resolution.

Article (11)



The contract shall be revised and the authenticity of the signatures shall be verified in accordance with the Undersecretary of the Ministry's decision in this respect.

Article (12)

The Undersecretary of the Ministry shall issue any decrees necessary to implement the provisions of this resolution, including the review procedures and verification of the authenticity of contracts.

Article (13)

This Resolution shall be published in the Official Gazette and shall be put into force as of its publication date.

Saqr Ghobash

Minister of Labour

Issued by us in Abu Dhabi

Date: 30/3/2010