

Mo/2019/0102

UNITED ARAB EMIRATES

MINISTRY OF HUMAN RESOURCES & EMIRATISATION

OFFICE OF THE MINISTER

MINISTERIAL DECREE NO. 242 OF 2019

**CONCERNING CASES IN WHICH
ADMINISTRATIVE FINES CAN BE EXEMPTED
FROM AND INSTALLED**

The Minister of Human Resources and Emiratisation:

Having reviewed

- Federal Law No. (1) of 1972 on Competences of the Ministries and Powers of Ministers and the laws amending it,
- Federal Law No. (8) of 1980 on the Regulation of Labor Relations and its amendments;
- Cabinet Resolution No. (15) of 2017 on The Service Fees and Administrative Fines in the Ministry of Human Resources and Emiratisation;
- After coordination with the Minister of Finance and
- Based on the presentation of the Undersecretary for Human Resources Affairs,

Decreed

Article (1): Definitions

In the implementation hereof, the following phrases shall have the meanings assigned next to each, unless otherwise required by the context:

- Establishment: wherever it occurs in this Decree, the term “establishment” shall have the meaning assigned to it in Article (10) of the said Cabinet Resolution No. (15) of 2017, namely, “a technical, industrial or commercial business unit that employs workers and whose aim is to produce or market goods or provide any kind of services” and is governed by Federal Law No. (8) of 1980 referred to above.
- Minister: The Minister of Human Resources and Emiratisation.
- Ministry: The Ministry of Human Resources and Emiratisation.
- First-degree relatives: the parents, wife/husband and children.

Article (2)

It shall be permissible, by a decision from the Minister, to exempt and establishment from paying administrative fines established for violations set out in Article (3) of the above Cabinet Resolution No. (15) of 2017 totally or partially or allow these fines to be paid in instalments, according to the provisions hereof.

Article (3)

a- The Minister may issue a decision to exempt an establishment from paying the amount of the administrative fine totally or partially in the following cases:

- 1) If the establishment's shares or stocks are totally or partially held by any of the martyrs of the UAE at the time of his martyrdom.
- 2) If the establishment's shares or stocks mentioned in paragraph (1) above are transferred to one or more of the martyr's first-degree relatives within one year of the date of his martyrdom.
- 3) If the establishment's shares or stocks are totally or partially held by one or more of the martyr's first-degree relatives at the time of his martyrdom.
- 4) If the establishment conducts the business of fishing using (traditional) fishing boats.
- 5) If the owner of a trade establishment incurs an injury that makes him totally or partially unable to continue his trade.
- 6) If the establishment undergoes economic or material circumstances that played a major role in its financial insolvency and if it is established that exempting the establishment totally or partially from the administrative fee will enable it to restore its fiscal balance.

7) If the establishment applies for transferring the establishment administrative fine to the competent court to pay any of the dues of its works, after commencing mandatory execution procedures against it.

8) If the establishment commences restructuring, bankruptcy, compromise procedures under Decree Law No. 9 of 2016 concerning bankruptcy.

b- In case of partial exemption, the respective decision shall determine the amount of exemption according to the circumstance and facts on a case-by-case basis.

Article (4)

(1) The Minister may issue a decision allowing an establishment to pay the established administrative fee in instalments in any of the following cases:

a. If the establishment is indebted to third parties due to its commercial, vocational or trade activities, if it is established that paying the administrative fines in instalments will enable the establishment to reach a compromise with its creditors to reschedule the payment of these debts.

b. If the establishment's owner, general manager or acting manager executes a freedom-limiting sentence or is subject to any physical coercion procedures by a

competent court order to pay any debt owed by the establishment.

- c. If the establishment's legal or acting officer is unable to take the required actions or fails to take these actions in a timely manner, thereby making the establishment subject to the administrative fine. This shall include if the said officer is obliged to travel abroad or becomes under any factual or legal circumstances that makes him unable to exist in the establishment's premises.
- d. If the establishment proves that paying the administrative fine in instalments will contribute to supporting any actions decided by the establishment to avoid inability to pay debts or releasing its staff or stopping the payment of their dues.
- e. If any other circumstances occur and the Minister finds that the nature thereof justifies instalment.

(2) The administrative fines instalment decision shall provide for the minimum amount of each instalment, the number and dates of these instalments.

Article (5)

An establishment shall submit an application for exemption from or installing administrative fines according to the "Application for Exemption" or "Application for Installing" form prepared by the Ministry

for this purpose, accompanied by all supporting documents. The Ministry shall consider the application and raise its recommendation thereon to the Minister. The Ministry may require the establishment to submit the originals of any documents the establishment submitted in support of its application or to submit any other documents or information.

Article (6)

- (1) The competent entity in the Ministry shall decide on the application referred to in Article (5) hereof within ten (10) business days from the date of submitting all supporting documents, by a recommendation to be raised to the Minister.
- (2) The Minister shall issue its decision on exemption or paying in instalments (as the case may be) or disapproval of the application within fifteen (15) business days from the date of receiving the recommendation of the said competent entity.

Article (7)

An establishment may object to the Minister's decision to partially or totally disapprove its application, within ten (10) business days from informing the establishment of the said decision. Such objection must be reasoned and must be accompanied by all supporting documents.

The Minister shall decide on the objection within fifteen (15) business days from the date of its submission.

Article (8)

Subject to the provisions related to exemption or payment in instalments of administrative fines hereunder:

- (1) The Ministry shall establish a paper or electronic register to keep and enter all documents, procedures and Ministerial decisions issued in implementation of the provisions hereof.
- (2) The documents kept in the register referred to in (1) above shall be maintained for the legal time for keeping documents with ministries and government entities.

Article (9)

The Undersecretary for Human Resources shall:

1. Issue the guide on exemption and payment in instalments of administrative fines set out herein. Such guide may contain additional provisions to those provided for herein.
2. Take all required actions to implement this Decree.

Article (10)

This Decree shall cancel any and all decrees and provisions in conflict herewith.

Article (11)

This Decree shall be published in the Official Gazette and shall enter into force as of the date following its publication.

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Nasser Thani Al Hameli

Minister of Human Resources and Emiratization

Issued by us on 14/3/2019