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# UAE enacts extensive private-sector labor reforms

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Measures to ensure a safe, healthy, and business-conducive environment for all employees in the United Arab Emirates' private sector are included in Federal Decree-Law No. 33 of 2021 issued by the president and effective 2 Feb 2022. The Ministry of Human Resources and Emiratisation said the law responds to the rapidly changing workplace, technological advancements and the COVID-19 outbreak. The Ministry will release implementation regulations.

## Highlights

- Employers may not force employees to work for them or provide a service against their will.
- Sexual harassment, bullying or any form of verbal, physical or psychological violence against employees by the employer, supervisors or colleagues is prohibited.
- All forms of discriminations based on race, color, sex, religion, national or social origin or disability that would reduce equal opportunity possibilities, prejudice equal access to or continuation of employment and employment of rights is prohibited.
- Employers must provide equal employment rights for women, with an emphasis on granting women the same wage as men if they are doing the same work or work of equal value — to be determined by a Cabinet decision.
- New types of work will be introduced, such as part-time, temporary and flexible work, and employers are allowed to hire those whose work contracts have expired, but who are still in the country, through easy and flexible procedures. Executive regulations will determine the conditions and control of work patterns and employer and employee obligations.
- Employers can pay wages in Emirati Dirhams or any other currency, according to the agreement between the two parties in the work contract.

- Employers can impose noncompete restrictions on employees, provided those restrictions are specified in terms of time, place and type of work — to the extent necessary to protect legitimate business interests. The period of noncompetition shall not exceed two years from the date of contract expiration.
- Fixed-term employment contracts cannot exceed three years, but it is permissible, upon agreement, to extend or renew these contracts for a similar or lesser duration.
- The decree-law shall apply to employment contracts of indefinite durations concluded in accordance with Federal Law No. 8 of 1980.
- Unlimited employment contracts must be converted to fixed-term employment contracts within one year of the effective date of the existing contract and may be extended by the Cabinet for further periods.
- Private-sector employees are entitled to a paid, weekly rest day, with the possibility of increasing the weekly rest day at the employer's discretion. Employees are also entitled to compassionate leave ranging from three to five days, according to the degree of the employee's relationship with the deceased. In addition, paternity leave of five days will be granted. Any other leave will be decided by the Cabinet.
- Employees cannot work more than five consecutive hours without at least one-hour break, and no more than two hours of overtime are allowed in one day.
- Employers must pay recruitment costs and cannot charge recruitment fees.
- Employers are prohibited from withholding official documents, such as employee passports, and forcing employees to leave the country at the end of an employment contract. Employees will also have the right to obtain wages on the due date in accordance with the regulations approved by the ministry and according to the conditions and procedures specified by the Executive Regulations of this decree-law.
- Probationary periods cannot exceed six months, in accordance with the law's executive regulations.
- Employees are entitled to an end-of-service gratuity, in accordance with legislation regulating pensions and social security in the country.
- A foreign full-time employee who has completed one year or more of continuous service with an employer will be paid end-of-service benefits calculated using the basic wage, with a wage of 21 days for each of the first five years of service and 30 days for each subsequent year.
- Judicial fees up to AED 100,000 are waived in all stages of litigation, execution and requests made by employees or their heirs.
- Employers are required to provide adequate accommodation, protection and prevention, and train workers to help them develop their skills.

- The decree-law regulates the controls and conditions for terminating work contracts to guarantee the rights of both parties. The amendments also strengthen controls for the employment of juveniles, as well as the entitlements of deceased workers, and the requirements for occupational safety and other controls that guarantee the rights of both parties in a balanced manner.

## Related resource

- [Press release](#) (Ministry of Human Resources and Emiritisation, 15 Nov 2021)

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