

inBrief



Further measures implemented by the UAE authorities in response to COVID-19

By Charles Laubach and Kanan Kasuya | 3 April 2020

The UAE continues to implement new measures on a daily basis to curb the spread of COVID-19. Those measures are being adopted, announced and implemented at a very rapid pace. For ease of reference, we present here a summary of the key measures that have been implemented by various UAE authorities between 18 March 2020 and the time of this inBrief, 9:00 a.m. on Friday, 3 April 2020.

Remote Working System

Government:

The Federal Authority for Government Human Resources (**FAHR**) has activated the remote working system for all governmental authorities with effect from 29 March 2020, such that a maximum of 30% of the total workforce are physically present in the premises.

It has therefore become a new norm for UAE governmental authorities to close its doors to the public and adopt (if such means were not available already) electronic means for receiving applications of, and processing, governmental services. For instance, the UAE Ministry of Foreign Affairs and International Cooperation (**MOFA**) no longer accepts physical submissions of documents to be attested. Such attestation services must now be applied for online, and Emirates Post will arrange the delivery of documents between the applicant and MOFA.

Inquiries to governmental authorities are now generally by phone call or emails. Where governmental officials are required to witness signatures, the common practice is the use of video conferencing (as is the case for DIFC Wills Service Centre for the execution of wills, and the Abu Dhabi Judicial Department, for the notarisation of documents).

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This FAHR restriction however does not apply to certain sectors, such as (but not limited to) energy, telecommunications, health, security, postal services, and identity and citizenship.

Private Sector:

The Ministry of Human Resources and Emiratisation (**MOHRE**) promulgated *Ministerial Resolution 281 of 2020 regulating the Remote Work in Private Establishments during the Period of Application of Precautionary Measures to Curb the Spread of Novel Coronavirus*, which sets out guidelines that private entities must adhere to. Such guidelines include (among others):

- ensuring that a maximum of 30% of the total employees are physically present at the workplace and applying remote working system to all employees that are not required to be physically present at the workplace;
- restricting customers to 30% of the total seating capacity;
- having screening devices at the entrance to take the temperature and check symptoms of employees on a daily basis twice (when entering the premises and when exiting the premises); and
- the requirement for private entities to report any workers with COVID-19 or suspected cases.

Similarly, pursuant to Circular 14 of 2020 issued by the Abu Dhabi Global Market (**ADGM**), ADGM – registered entities are required to ensure that a maximum of 30% of the total employees are physically present at the workplace and apply remote working system to all employees that are not required to be physically present at the workplace. Certain businesses however are exempt from this restriction, which include (among others): supermarkets, grocery stores, pharmacies, hospitality and food establishments (delivery only) and cleaning services.

Notwithstanding MOHRE’s resolution above, the Dubai Department of Economic Development (**DDED**) has directed that all private entities implement remote working system for 80% of the total employees until 9 April 2020, which DIFC, JAFZA and DMCC free zones have also required of their respective registered entities.

Penalties

To curb the spread of COVID-19, the UAE authorities have promulgated laws, and issued official statements, clarifying the penalties for those who do not comply with the preventative measures imposed by the concerned authorities.

Cabinet Resolution 17 of 2020 requires a person to not violate such preventative measures. Article 2 of this Cabinet Resolution authorizes the UAE Ministry of Interior and the Police (among others) to ensure that the public complies with such measures and apprehend violators.

Violators will be subject to penalties set out in *Attorney General Resolution 38 of 2020, Cabinet Resolution 17 of 2020, Federal Law 14 of 2014 on Combating Communicable Diseases* (as COVID-19 is declared by the UAE Ministry of Justice to be a communicable disease), and any other law which may be applicable.

To date, the Dubai Police has arrested a European national for posting a video that defied UAE authorities’ instructions for social distancing. This case has been referred to the Federal Public Prosecution for Information Technology Crimes.

Furthermore, the UAE authorities have been targeting entities that have taken advantage of the COVID-19 situation and carried out business practices to the detriment of the consumers.

The DDED has so far issued 35 warnings, nine violation notices on shops, fines on nine pharmacies and two pharmaceutical suppliers for inflating the prices of products (such as hand sanitizers, masks and detergent products).

Based on the results from accredited lab tests conducted on 102 samples of hand sanitizers, the Dubai Municipality has withdrawn six hand sanitizers from the market after discovering that they were not compliant with the approved specifications.

The Abu Dhabi Department of Economic Development (**ADDED**) has issued a decision to take disciplinary actions against companies that increased the prices of food and medical equipment without justification. Such actions include (amongst others) imposing a fine of AED 250,000 (for the first violation) to AED 2 million (for repeated violations), temporarily closing down violating facilities, as well as temporarily and permanently suspending licenses.

Labour-Related Matters

To provide some relief for employers facing diminishing revenues, MOHRE promulgated *Ministerial Resolution 279 of 2020 on Employment Stability in Private Sector during the Period of Application of Precautionary Measures to Curb the Spread of Novel Coronavirus*. This resolution details a number of measures which employers in the private sector may progressively resort to during the current period, and only applies to employers registered with MOHRE with respect to their non-UAE national employees. Measures that are permitted by the Resolutions are: working remotely, paid leave, unpaid leave, temporary salary reduction during the relevant period; permanent salary reduction. An employer with a surplus of non-UAE national employees may register the details of these employees in an online Virtual Labour Market maintained by the MOHRE to inform potential employers of their availability.

UAE citizens in the private sector that are affected by the COVID-19 situation will be subject to *Ministerial Resolution 280 of 2020 establishing the Committee concerned with the Stability of the Situation of UAE Citizens in the Private Sector*, also promulgated by the MOHRE. The Committee shall develop a set of support packages to ensure that UAE citizens remain in the labour market. It will also examine termination cases between UAE citizens and their employers received by the Customer Happiness Centres to determine an appropriate support mechanism for such UAE citizens.

Functioning of the Courts

It appears that the Execution Court in Abu Dhabi will suspend eviction actions, attachment of bank accounts, and other specific measures for two months. This appears to be a move designed to give temporary relief to debtors.

Travel Restrictions

The entry of all of valid UAE visa holders currently outside of the UAE shall remain suspended for a further renewable period of two weeks from 2 April 2020.

All inbound and outbound passenger flights and transit of airline passengers in the UAE remain suspended. In spite of these restrictions, on 2 April 2020, Emirates Airlines have received approval to fly passengers outbound from the UAE to certain destinations from 6 April 2020. Initial flights are to commence from Dubai to London (Heathrow), Frankfurt, Paris, Zurich and Brussels.

Visa-Related Matters

The UAE Cabinet has approved the extension of residence permits expiring on 1 March 2020, for a renewable period of three months without any additional fees upon renewal. The Cabinet has also waived the administrative fines associated with the infractions relating to services provided by the Federal Authority of Identity and Citizenship (**FAIC**) for a renewable period of three months, with effect from 1 April 2020.

The UAE Ministry of Health and Prevention (**MOHAP**), MOHRE and FAIC have exempted employees with expired work permits from carrying out medical tests in order to renew their UAE work permits and residence visas.

DIFC:

At present, original passports will not be required for the visa application, visa renewal and visa cancellation process as UAE residence visas will not be stamped on applicant's passports.

DMCC:

- DMCC Authority has de-activated the option to apply for a visa outside the country.
- For the purpose of visa cancellation, original passports will no longer be required for employees who are outside the UAE for more than three months, outside the UAE with an expired visa or inside the UAE.

Economic Stimulus

Various stimulus packages have been announced to alleviate businesses in the UAE to date:

1. HH Sheikh Mohammed Al Maktoum approved an additional AED 16 billion stimulus package, raising the total to AED 126 billion.
2. As of 25 March 2020, the UAE Cabinet approved the following measures (among others) that seek to alleviate retail, hotel and industrial sectors:
 - Reduction of water and electricity bill of shopping malls, commercial shops, hotels, hotel apartments and plants by 20% for a period of 3 months starting from April 2020, which would amount to AED 86 million.
 - Deferred payments for paying water and electricity connection installation fees up to six months.
 - A waiver of 20% of the electricity connection fees for a period of three months from April 2020.
3. The UAE Central Bank has launched a comprehensive Targeted Economic Support Scheme of AED 100 billion (TESS) to contain the repercussion of COVID-19, with immediate effect. The purpose of TESS is to provide temporary relief from payments of principal and interest on outstanding loans for all companies and retail customers in the UAE affected by COVID-19.
4. The ADDED has recently waived the payment of fines for violations committed by entities registered in Abu Dhabi amounting to AED 246,653,900. Such fines are fees associated with carrying out economic activities such as (but not limited to): late license renewal fees, penalties for non-compliance with terms and conditions of a facility, penalties for carrying out activities outside the scope of the licensed activity.
5. The DMCC has announced the roll-out of a Business Support Package to support DMCC-registered entities, with effect from 1 April 2020. The Package will apply until 30 June 2020 (unless stated otherwise) and shall include (among others):
 - 100% waiver for late license renewal penalties;
 - 100% waiver of all penalties imposed in relation to Flexi Desk and DMCC Business Centre (applicable until the end of 2020); and
 - 30% discount on license renewal fees.
6. The DIFC will introduce a series of fiscal easing initiatives over the next three months from 1 April 2020 to 30 June 2020, such as (but not limited to):
 - Waiver of annual licensing fees on new registrations during the next three months.
 - 10% discount of renewal fees for existing license holders in the DIFC that are due for license renewal between 1 April 2020 to 30 June 2020.
 - Deferred payments for all properties owned by DIFC Investments Ltd for a period up to six months from 1 April 2020.

Measures were also taken by developers to alleviate costs associated with real estate, such as deferring or waiving lease payment and waiving administrative fines. To date, Nakheel, Al Zarooni Group and Wasl Asset Management Group have implemented relief measures for their customers.

Sterilisation

MOHAP has implemented the National Disinfection Programme, with effect from 26 March 2020 and ending on 5 April 2020 (unless stated otherwise). Sterilisation has been taking place in public areas from 8pm to 6am the following day (the **Sterilisation Period**). The public is urged to stay home during this period; individuals can only leave their homes if:

- (i) it is absolutely necessary to buy essential supplies, such as food and medicine (**Essential Tasks**), or
- (ii) they work in vital sectors, such as (among others) energy, telecommunications, health, security, law enforcement,

and will have their personal and work ID verified and checked.

Restrictions and Temporary Suspension on Businesses

The temporary suspension on certain businesses remain, which include (among others) commercial centres, shopping malls, restaurants and cafes (except takeaway services), gyms, etc. However, online stores and e-commerce options can remain operational.

Food retail outlets (such as supermarkets, cooperatives, grocery stores) and pharmacies, bakeries, car workshops, laundries, technical and electrical service providers, food delivery and transport services, and banks can remain open. These businesses are required to place clear signage on the floor to ensure that individuals stand 1.5 metres apart.

As stated above, new measures are expected to continue to be adopted, announced and implemented at a very rapid pace. Afridi & Angell has been following and will continue to follow official sources for further updates.■

Afridi & Angell

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