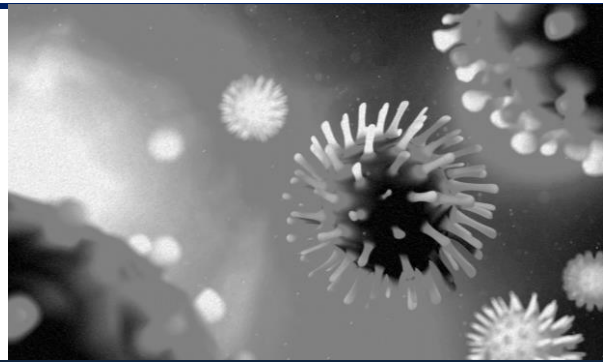


inBrief



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

By Charles Laubach | 7 May 2020

Below is a summary of key new measures that have been implemented by various UAE authorities since 30 April 2020 and the time of this inBrief, 12:00 noon on Thursday, 7 May 2020.

I. Economic Relief Measures

A. Dubai Healthcare City Authority (DHCA) announces business relief package

On 4 May 2020, the DHCA announced a business relief package for its free zone community consisting of waivers and discounts for directly-impacted segments, additional benefits for businesses operating in DHCA-owned properties, and waivers and discounts in regulatory fees for hospitals, clinics, education providers, research institutions, retail stores, hotels, F&B outlets, consultancies, and support services among businesses.

Relief measures include:

- for directly-impacted segments: 25 percent to 100 percent discount on commercial and clinical fees. This segment includes certain outpatient clinics, education providers, hospitality and support services, all of which have had to close or significantly reduce operations to comply with national precautionary and preventative measures, resulting in reduced revenues and customer footfall.
- for businesses operating in DHCA-owned properties: 25 percent to 50 percent discount on commercial and clinical fees. These businesses exclude pharmacies and supermarkets which have been following regular operations.

The reduced regulatory fees can be availed for a period of three months with the exception of certain fees related to commercial licenses and clinical operating permits, which can be availed until the end of 2020.

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B. Abu Dhabi Customs launches a package of economic incentives

On 5 May 2020, the General Administration of Abu Dhabi Customs launched a package of economic incentives to support importers in Abu Dhabi and to mitigate the consequences of the current exceptional circumstances as a transit gateway for all vital sectors. The incentives include:

- Postponement of payment of customs duties of importers for 90 days, from the date of the customs statement.
- Accepting institutional guarantees instead of bank guarantees for customer accounts.
- Pre-clearance services prior to shipment arrival through the customs operations system, which results in saving time and costs on companies.
- Self-clearance services that allow companies to clear their shipments themselves without resorting to customs clearance under the controls Customs licences.
- Licensing bond warehouses with no fees.
- Extension of the transit period from three to five days for the purposes of arrival of goods to their destination.
- Cancellation of the insurance refund fee for the temporary entry insurance.

C. Dubai South economic stimulus package

On 3 May 2020, Dubai South Free Zone announced economic stimulus incentives to individuals and companies in its free zone consisting of:

- Flexible payment plans with easy instalment schemes.
- Waiver of penalties on late renewals and cancellations of contracts and licenses.
- A 20 percent reduction on licence fee renewals.
- Waiver of first year license fees for new clients in the aviation, logistics and e-commerce sectors and the Business Park.
- The opportunity to apply for a lease deferral request of up to six months for clients operating in the Business Park Free Zone.
- A reduction of up to 25 percent on the renewal fees for Dubai South Business Centre clients renewing their contracts between now and October 2020, as well as the flexibility to settle annual rental fees in up to four instalments.
- A reduction of up to 25 percent of rental fee for individuals and companies looking to establish a new business.

D. Ruler of Umm Al Quwain Emiri Decree on economic incentive package

On 30 April 2020, the Ruler of Umm Al Quwain issued Emiri Decree No. 2 of 2020 (**Decree**) regarding an economic incentive package to support businesses and individuals. The Decree became effective on the date of its issuance.

The Decree stipulates the following incentives:

- A discount of 50 percent on fees related to new business licences and commercial, industrial and professional licence renewals at the Department of Economic Development.

- Cancellation of fines for expired licences of commercial, industrial and professional companies and economic establishments in the Emirate.
- A 50 percent fee reduction on fees on activities related to Umm Al Quwain Chamber of Commerce and Industry.

In a related measure, Resolution No. 3 of 2020 exempts companies that halted their services due to the coronavirus crisis from fees and fines.

E. Fujairah waives licensing and tax fees for current year

On 30 April 2020, the Ruler of Fujairah issued Resolution No. 4 of 2020 regarding exemption from local licensing fees and taxes for the current year.

Businesses exempted from licensing fees include various professions in the market, the Friday Market, meat and poultry stores, tailors, cinemas, gaming centres and stores located in shopping malls, hotels, fitness centres, health clubs, wedding halls, and men's and women's salons.

Resorts, hotels, and hotel apartments shall be exempted from the prescribed local tax.

Exemption will be for the whole year starting from 1 January 2020 until 31 December 2020.

II. Labour-related Matters

Ministry of Human Resources and Emiratisation (MOHRE) stated that employee wages must be safeguarded and paid on time

In a statement issued on 30 April 2020, the MOHRE noted that employers must adhere to Ministerial Resolution No. 739 of 2016 concerning the protection of wages and must commit to ensuring employee wages are paid on time via the Wages Protection System. MOHRE affirmed that private-sector employers' commitment to pay wages on time, as well as documenting early leave and the reduction in employee wages, whether temporary or permanent, would guarantee the rights of both parties in the business relationship. It emphasised that adherence by employers towards fulfilling their legal obligations to their employees, particularly with regards to remuneration, is of the utmost importance in ensuring the stability of the working relationship, employee productivity, and business continuity.

III. Precautionary Measures

A. New measures implemented by the Abu Dhabi Department of Economic Development (ADDED)

On 1 May 2020, ADDED issued a circular to the managers and owners of shopping malls and centres, food retailers and pharmacies operating within Abu Dhabi to provide thermal inspection devices and cameras at the main entrances of their facilities.

This measure is in addition to shopping malls' adherence to all guidelines and regulations that were set as conditions for their reopening. These guidelines include keeping the capacity of shoppers inside a mall up to a maximum of 30 percent; ensuring social distancing and spacing between individuals while shopping; and ensuring that general service companies operating in malls conduct frequent cleaning and sterilisation of escalators, elevators, washrooms and other places that are mostly used by shoppers.

Later in the week, on 5 May 2020, ADDED affirmed that owners of restaurants, cafeterias and food outlets across Abu Dhabi, whether located inside or outside malls and shopping centres, should not receive

customers without prior coordination with local departments with regards to compliance with the guidelines related to the health practices and preventive measures aimed at stopping the spread of COVID-19.

B. Reopening of commercial centres in Sharjah

On 3 May 2020, Sharjah Economic Development announced that malls, salons and eateries in the Emirate will be allowed to reopen from 12:00 noon to 9:00 p.m. Food stores and pharmacies will be allowed to open 24 hours a day. Reopening of all establishments is contingent on their compliance with anti-Coronavirus measures in line with Circulars issued by the Department. Shoppers will have to wear face masks and gloves at all times.

C. People over the age of 60 and children below the age of 12 are prohibited from entering shopping malls and retail stores

In a joint announcement issued on 6 May 2020, the Ministry of Health and Prevention and the National Emergency Crisis and Disaster Management Authority stated that people over the age of 60 and children below the age of 12 are prohibited from entering shopping malls, cooperative societies, supermarkets, as well as retail stores located outside shopping centres.

D. Three people or more from same family can travel together in the same car

On 3 May 2020, the Dubai Police clarified that members of the same family as well as first-degree relatives are exempt from the limitation on the number of people who may travel in the same vehicle. Such persons will no longer be subject to fines for exceeding the three-person limit. ■

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