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The cover features several large, dark green leaf-like shapes scattered across the background, creating a natural, organic feel. The leaves vary in size and orientation, with some pointing upwards and others downwards.

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Employment

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Afridi & Angell has an employment team that consists of five partners, two senior associates and four associates. The key areas of practice are corporate and commercial, M&A, dispute resolution, restructuring, joint ventures, commercial contracting, cross-border transactions, banking and finance, real estate, capital markets, shipping, international trade controls and sanctions. In addition to the head office in Jumeirah Emirates Towers in Dubai, Afridi & Angell has offices in Abu Dhabi, Sharjah and the Dubai International Financial Centre (DIFC). Afridi & Angell is the exclusive UAE member of a number of the world's top legal networks and associations, including Lex Mundi and World Services

Group. The team advises on a range of non-contentious and contentious employment matters, including employee transfers and workforce reductions arising from corporate restructurings and related M&A transactions, pensions, HR policies, employment contracts, employee handbooks, compensation and incentive schemes, enforcement of non-compete clauses, and negotiating settlements in the event that a matter proceeds to court or arbitration. The team focuses mainly on employer-side representation, advising local and international companies to ensure compliance with UAE and DIFC labour and immigration laws. The firm also has experience representing departing executives.

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1. Terms of Employment

1.1 Status of Employee

This article discusses Federal Law No 8 of 1980 Concerning the Regulation of Labour Relations, as amended (the Labour Law), which governs the employment of personnel in the private sector in the United Arab Emirates (UAE). It does not discuss the separate employment rules that apply in the many Free Zones of the UAE (except where expressly noted), nor does it discuss military or civilian public sector employees (who are subject to separate sets of employment rules), domestic servants or agricultural labourers.

The Labour Law does not draw a distinction between blue-collar and white-collar employees, except in one respect. The daily and weekly working hours of an employee are prescribed by law, as discussed in more detail under **1.3 Working Hours**, and an employee who works in excess of normal working hours becomes entitled to overtime compensation. However, these rules on working hours and overtime do not apply to persons working in high-ranking managerial or supervisory positions.

Several other distinctions are made. The first distinction is between personnel who are subject to the provisions of the Labour Law and personnel who are not. As noted above, public sector employees, domestic servants and agricultural labourers are not subject to the Labour Law. In addition, employees in the many Free Zones of the UAE may be subject to separate regulations, depending on the particular Free Zone, which could differ significantly from the Labour Law; these Free Zone employment regulations are outside the scope of this chapter.

A second distinction is between UAE national employees and foreign employees. The employment of UAE nationals is strongly encouraged, and there are significant restrictions on the termination of their employment.

Third, the Labour Law gives preference to the hiring of nationals of the Arab League member states; although the practical impact of this preference is slight.

Fourth, the Labour Law contains protections for juvenile and female employees that are not extended to other employees. These are discussed under **6.5 Protected Employees**.

1.2 Contractual Relationship

The Labour Law provides for two types of employment contracts: specified-term employment contracts and unspecified-term employment contracts.

A specified-term employment contract has a term equal to a number of years, not in excess of four years, while an unspecified-term employment contract has a term of unspecified duration. Either type of contract may be renewed. The most important difference between the two is that a specified-term contract may be terminated during its term only for a limited set of reasons that are detailed in the Labour Law, while an unspecified-term contract may be terminated with written notice for a “legitimate reason”. Further details are presented under **6. Termination of Employment**.

In the UAE, a contract of employment must be entered into between the employer and the employee in order to regulate the employment arrangement. In accordance with the Labour Law, such contracts must be in writing and in Arabic; where a contract is in a foreign language in addition to Arabic, the Arabic would take precedence. The employment contract must state the start date and duration of the employment (which may be for an unspecified term), the job title, the location of the employment and the salary payable to the employee.

The written employment contract is registered with the labour and immigration authorities in support of the employer’s application for a labour permit and residence visa for the employee.

Nevertheless, the Labour Law states that an employment relationship and the terms of employment may be established by any means of proof, leaving scope for unwritten terms to form part of the employment arrangement.

1.3 Working Hours

The maximum working hours are eight hours per day and 48 hours per week. For employees in trade, hotels, cafeterias, security and other jobs, the daily working hours may be increased to nine hours after approval from the UAE Ministry of Human Resources and Emiratisation (the Ministry). For strenuous or hazardous jobs, the daily working hours can be reduced by a resolution taken by the Ministry. During Ramadan, the ordinary working hours for employees are reduced by two hours.

Employees may work for no longer than five consecutive hours without a break to rest, eat or pray, with such break(s) totalling at least one hour. As an exception, the Ministry may (by resolution) make other provisions for employees who

work shifts at facilities that operate continuously. Employees working outdoors during the summer months must be allowed to rest out of the sun between 12:30 pm and 3:30 pm.

Friday is the designated day of rest for employees, except for those who are paid daily. An employee cannot be required to work for more than two consecutive Fridays, except for those who are paid daily. An employee who is required to work on a Friday would be eligible for overtime compensation, as discussed below.

There are separate rules on working hours that are specific to women and juveniles. No woman may be required to work at night, which means a period of at least 11 consecutive hours that includes the hours from 10:00 pm to 7:00 am. This restriction does not apply to female employees in administrative or technical positions of responsibility, or in health services or other occupations designated by the Ministry, nor does it apply when an employer’s business is interrupted by force majeure. Female employees may not be hired to engage in jobs that are hazardous, strenuous or harmful to health or morals, or in other jobs designated by resolution of the Ministry.

Special rules apply to persons under 21 years of age, who are classified as “juveniles” under the Labour Law. An employer cannot employ a juvenile below the age of 15. A juvenile cannot be hired to work at night, which for a juvenile means a period of at least 12 consecutive hours that includes the hours between 8:00 pm and 6:00 am. Juvenile employees may not be hired to engage in jobs that are hazardous, strenuous or harmful to health. A juvenile may be required to work a maximum of six hours per day, and may not be required to remain at the workplace for more than seven hours per day. A juvenile may be required to work for no longer than four consecutive hours without at least one break for rest, meals or prayer, with such break(s) totalling at least one hour. A juvenile cannot be required to work overtime or on Fridays.

There is some flexibility in scheduling working hours within the foregoing criteria. For example, an ordinary working day could be from 6:00 am to 3:00 pm with an hour’s break, or from 9:00 am to 6:00 pm with an hour’s break. Either would be possible as long as it was expressly agreed between the employer and the employee. In contrast, an arrangement that would have the effect of reducing an employee’s statutory rights would not be possible, even if the employee consented to it. For example, a nine-hour work day combined with a five-day work week (yielding a work week of only 45 hours) would nevertheless entitle the employee to five hours of overtime compensation each week.

Part-time employment contracts are subject to the same rules that apply to full-time employment contracts. The only difference is that a part-time contract provides for a lower number of working hours.

Some employees wish to work for multiple employers. In general, this is not permissible, particularly for non-UAE national employees, as an employee may work only for the employer that sponsors the employee's labour permit. However, some scope for working for multiple employers was introduced in 2018, when the Ministry promulgated Ministerial Resolution No 31 of 2018. This resolution allows employers to hire employees on a part-time basis. A part-time employment contract is available only to a skilled employee, which is defined as a holder of a university degree or higher, or a person who has completed a two or three-year diploma in a technical or scientific field. A part-time employee works for the primary employer for less than eight hours a day, or less than 48 hours a week, such that the working hours are not less than 20 hours a week, and with the approval of the Ministry may take multiple part-time jobs without the approval of the primary employer. The primary employer continues as the sponsor of the part-time employee's labour permit.

The new Resolution requires compliance with the following terms:

- an employee may work for the primary employer for less than eight hours a day, or less than 48 hours a week, such that the working hours are not less than 20 hours a week;
- an employee may work for more than one employer at the same time, without being required to obtain the consent of the primary employer or any other employer for whom the employee works;
- an employee may not work for any secondary employer without obtaining a permit from the Ministry;
- an employer may not require the employee to work for more hours than agreed upon, except with the written consent of the employee;
- an employer may not enforce a non-competition or non-disclosure clause and thereby prevent the employee from working for another employer in the absence of a court judgment ordering compliance with the non-competition or non-disclosure clause;
- the primary employer shall be responsible for the employee's entitlements to annual leave, end-of-service benefits and any other financial obligations, in proportion to the employee's actual working hours and salary; and
- the secondary employer shall be responsible for any benefits granted to the employee by contract.

An employee who works more than the daily or weekly working hours is entitled to overtime compensation equal to the ordinary salary plus a supplement of at least 25% of such salary for the overtime hours. For overtime work between the hours of 9 pm and 4 am, the employee is entitled to the ordinary salary plus a supplement of at least 50% of such salary. An employee cannot be compelled to work more than two overtime hours per day, unless the overtime work is nec-

essary to avoid a material loss or a dangerous accident, or to address the consequences of the same.

An employee who works overtime on Friday is entitled either to a replacement day of rest or to payment of the base salary plus a supplement of at least 50% of such base salary.

Employees are also entitled to additional compensation when they are required to work through annual leave or holidays, as discussed under **1.5 Other Terms of Employment**.

There are generally no restrictions on executive compensation. Employees working in high-ranking managerial or supervisory positions do not benefit from the limitations on working hours stated above, and are not entitled to overtime compensation. Likewise, employees of naval vessels and other employees working at sea are exempt from the rules on working hours and overtime.

1.4 Compensation

There are currently no minimum wage requirements in the UAE.

While not expressly provided for in the Labour Law, the immigration authorities require that an employee must earn a minimum of AED3,000 per month (if the employer provides accommodation) or AED4,000 per month (if the employer does not provide accommodation) in order to sponsor UAE residence visas for the employee's spouse and other dependent family members.

The Labour Law does not contain provisions in respect of bonuses. The granting of bonuses and the conditions under which bonuses are granted would be subject to the agreement of the employer and employee.

1.5 Other Terms of Employment

Vacation and Vacation Pay

An employee is entitled to 30 days of annual leave. The entitlement is earned when the employee completes one year of service with the employer. An employee who has completed six months of service is entitled to two days of leave for each month of service. The employer determines when an employee will take annual leave, and whether it will be divided into two or more periods.

The employee is entitled to receive the basic wage and housing allowance, if any, during the annual leave. If circumstances require an employee to work during all or part of the annual leave, and if the unused leave is not carried forward to the next year, then the employee is entitled to payment of salary for the days of work, in addition to a leave allowance equal to the employee's base salary. An employee may not be required to work during the annual leave for two consecutive years. Upon termination of services, an employee receives payment of salary in respect of any unused annual leave.

In addition, there are seven statutory holidays each year, giving an employee a total of ten more days of paid leave. An employee who is required to work during one of these paid holidays is entitled either to a replacement day off plus a payment equal to 50% of salary, or to a payment equal to 150% of the base salary.

Required Leaves

Employees are entitled to the following leaves.

- *Sick leave*: as discussed under **6. Termination of Employment**, an employer may stipulate a probation period of up to six months in the employment contract. An employee who completes at least three months of service after the probation period may avail of the provisions of the Labour Law on sick leave. The Labour Law grants an employee a maximum of 90 days of sick leave annually. The employee receives salary for the first 15 days of sick leave, half salary for the next 30 days and no salary for the remaining days. Sick leave need not be continuous. An employee would be ineligible for paid sick leave if the condition was caused by the employee's own actions (eg, by use of narcotics or alcohol).
- *Pilgrimage leave*: a Muslim employee is entitled to take leave of up to a maximum of 30 days for the pilgrimage to Mecca (also known as the Hajj). This right applies once only during the term of the employee's employment, and is in addition to all other periods of leave to which the employee is entitled.
- *Maternity leave*: a female employee is entitled to 45 days of maternity leave at full pay for employees in continuous service for at least one year, or half pay for employees in continuous service for less than one year. This period includes pre and post-natal care. If the woman suffers an illness resulting from the pregnancy or delivery that makes her unable to return to work, she is entitled to a further 100 days (whether consecutive or not) of unpaid leave, provided she has a medical certificate confirming such illness. There is no provision for paternity leave in the UAE.
- *Nursing breaks*: for the 18-month period following the birth of her child, a female employee is entitled to two paid breaks each day (up to a maximum of one hour) to nurse her child, in addition to the usual breaks allowed for rest, meals and prayer.

Limitations on Confidentiality

UAE law does not contain any limitations on confidentiality or non-disparagement provisions in employment contracts. However, attempts to enforce such provisions would encounter many of the obstacles that are discussed below in connection with restrictive covenants.

Employee Liability

An employee may become liable to the employer for breach of the terms of the employment contract or the employer's

workplace rules. Employers must post workplace rules in a prominent location in the workplace. The Ministry has promulgated an illustrative set of disciplinary rules that employers may adopt. The penalties that may be imposed on an employee include:

- warning;
- fine;
- suspension from work with reduced pay for a period not exceeding ten days;
- forfeiture or delay of salary increase;
- forfeiture or delay of promotion;
- dismissal from service but reserving the right to end-of-service benefits; or
- dismissal from service with forfeiture of end-of-service benefits in whole or in part.

Each violation must be presented to the employee in writing, recorded with a statement of the employee's defence, if given, and documented with the disciplinary measure imposed. No disciplinary action may be taken against an employee if the offence was committed outside of the workplace, as long as the misdeed was not directly related to work or the employer. Furthermore, only one punishment may be imposed for a single violation, there are limits on the fines that may be deducted from an employee's salary and measures that result in dismissal must comply with the rules for the termination of services, as discussed below.

2. Restrictive Covenants

2.1 Non-competition Clauses

Non-competition clauses are increasingly prevalent in employment contracts in the UAE. Such clauses will only be valid if the employee is at least 21 years old at the date of signing the employment contract. There is no requirement under the Labour Law for independent consideration of a non-competition clause.

A non-competition clause will only be enforceable if it is restricted to a specific time period, location and nature, and only to the extent required to protect the employer's business. In practice, a period of one year is considered acceptable.

2.2 Non-solicitation Clauses - Enforceability/Standards

While the Labour Law provides for non-competition clauses, there is no express provision for non-solicitation clauses. In practice, prevailing in such cases can prove challenging for an employer, especially since local courts in the UAE are often unwilling to grant declaratory or injunctive relief. In a suit for monetary damages, the employer would have to prove to the satisfaction of a local court that the former

employee had acted wrongfully and caused harm to the employer in the amount asserted by the employer.

3. Data Privacy Law

3.1 General Overview

There are no laws in the UAE entitling employees to a right to privacy or protecting employees' personal information. However, there are general data protection laws that apply in the Financial Free Zones (the Dubai International Financial Centre (DIFC) and the Abu Dhabi Global Market (ADGM)), protecting employees' privacy and their personal information.

4. Foreign Workers

4.1 Limitations on the Use of Foreign Workers

The Labour Law states that UAE nationals must be given priority for employment before foreign nationals can be employed. The Labour Law also gives nationals of other Arab League member states priority over foreign nationals, but in practice it is only UAE nationals that take preference. Foreign nationals can only be employed if there are no unemployed nationals capable of carrying out the role.

4.2 Registration Requirements

The employer of a foreign national must obtain a labour permit from the Ministry, and must demonstrate that the employee has a professional or academic qualification that is needed in the UAE and that the employee entered the country legally. The labour permit is accompanied by a residence visa issued by the General Directorate of Residence and Foreigners Affairs of the UAE Federal Ministry of Interior. Once the employer obtains these permits for the employee, the employee may then obtain UAE residence visas for his or her spouse and other dependent family members (subject to the minimum salary requirement noted above).

5. Collective Relations

5.1 Status/Role of Unions

The Labour Law does not permit employees to form trade unions, and accordingly there is no employee representation within the UAE.

5.2 Employee Representative Bodies

Since unions are not permitted in the UAE, there is no employee representation.

5.3 Collective Bargaining Agreements

The Labour Law does not permit employees to form trade unions, and accordingly there is no concept of collective bargaining agreements within the UAE.

6. Termination of Employment

6.1 Grounds for Termination

An employment contract can be terminated in the following circumstances:

- by mutual agreement (provided the employee's consent to the termination is in writing);
- if the term of a specified-term contract has expired and the contract has not been expressly or implicitly extended;
- for an unspecified-term contract, either party may give written notice at least 30 days in advance for a "legitimate reason"; and
- for narrowly defined instances of wrongful conduct, as discussed below.

There are ten grounds upon which an employer may terminate a specified-term or an unspecified-term employment contract with immediate effect, as follows:

- the employee assumes a false identity or nationality, or provides falsified certifications or documents;
- termination is effected during or at the end of the probation period;
- the employee has caused significant material losses to the employer by his acts, provided the employer has notified the Ministry within 48 hours of becoming aware of such act(s);
- the employee violates safety instructions, provided such instructions are in writing and displayed in a prominent location, or notified to such employee in the event that he is illiterate;
- the employee fails to carry out the duties expected of him in accordance with his employment contract, provided he has been given written notice of such failure and has subsequently failed to remedy this;
- the employee discloses any of the employer's secrets;
- the employee is convicted of a crime of honour, honesty or public morals, provided such conviction is final and has been handed down by a competent court;
- the employee is found to be under the influence of alcohol or narcotics during working hours;
- the employee assaults his employer, manager or colleague during working hours; or
- the employee is absent without a valid reason for more than 20 days (whether consecutive or otherwise) in any one year, or for more than seven consecutive days.

In each of these cases, the employee would forfeit any accrued end-of-service gratuity.

In addition, the employer may dismiss the employee with immediate effect (but without forfeiture of end-of-service gratuity) if the employee works for another employer during any period of annual or sick leave.

An employee may resign without notice in the following circumstances: (i) the employer breaches its obligations to the employee (whether under contract or in accordance with the Labour Law), or (ii) the employee is assaulted by his employer or its legal representative.

Termination of employment without notice occurs in only a minority of instances. Most commonly, termination of services is done for a “legitimate reason” with notice, as discussed in more detail below. Note that only an unspecified-term contract may be terminated with notice in this manner. Premature termination of a specified-term contract could result in damage, also discussed below.

There is a special measure that governs the termination of services of UAE nationals: Ministerial Resolution No 176 of 2009 Restricting the Dismissal of UAE National Employees. The termination of such an employee would be improper in the following circumstances:

- the employee is terminated without cause;
- if it can be shown that the employer has kept on a foreign worker to do a similar job;
- if the employer has not given the Ministry at least 30 days’ prior notice of the termination (or if he has failed to otherwise comply with the Ministry’s notification requirements); or
- if it can be shown that the employee was not paid what he was entitled to be paid.

If the employer cannot show that the UAE national was lawfully dismissed, the Ministry can suspend the issue of any new labour permits until the matter is fully and finally resolved by a court. In practice, this has the effect of requiring the consent of the employee before the employer may proceed with the termination of services.

There are no rules regarding collective redundancies in the UAE. The UAE Labour Law does not recognise the concept of redundancy, and provides no provisions for compensation; such terminations would be dealt with under the ordinary dismissal provisions. Termination of an unspecified-term contract with notice for a legitimate reason is permitted, so an employer who wishes to institute a workforce reduction must be prepared to demonstrate that there is a legitimate reason for the termination of services of the affected employees.

6.2 Notice Periods/Severance

Termination by the employer of an unspecified-term employment contract requires at least 30 days’ advance notice in writing to the employee. Termination of a specified-term contract by notice is not permitted.

Either party may terminate a contract of unspecified term for a legitimate reason by giving the other party at least 30

days’ prior notice of termination, in writing. For employees that are paid daily, (i) one week’s notice is required for employees that have been employed for between six months and one year, (ii) two weeks’ notice is required for employees that have been employed for at least one year, and (iii) one month’s notice is required for employees that have been employed for at least five years. The Labour Law allows the parties to agree on notice periods in excess of 30 days, but the 30-day period cannot be reduced or waived. The contract of employment continues to remain in effect throughout the notice period, and the employee receives his or her salary through the final day of the notice period.

An employee who has completed at least one year of service is generally entitled to an end-of-service gratuity upon the termination of services. This is calculated as being equal to 21 days’ salary for each of the first five years of employment and 30 days’ salary for every year thereafter, subject to a maximum of two years’ salary. Partial years of service are counted pro rata. The employer is entitled to deduct from the gratuity any amounts owed to it by the employee. The end-of-service gratuity is calculated on the basis of the last salary due to the employee, but excluding any payments such as housing, transport and travel allowances, overtime pay, children’s education allowance and any other in-kind payments or allowances.

If an employee terminates his unspecified-term contract between the first and third years of his employment, he would be entitled to one third of the gratuity; if he terminates between the third and fifth years of his employment, he would be entitled to two thirds of the gratuity; and if he terminates after the fifth year of his employment, he would be entitled to the full gratuity.

If an employee terminates a specified-term contract, he would be entitled to the gratuity only if he had completed at least five years’ service.

If an employer terminates an employment contract in breach of the Labour Law then the employee is entitled to claim compensation. The level of compensation is capped at a figure equal to the employee’s salary for the remainder of the employment contract or three months’ salary, whichever is lower, for an employee serving under a specified-term contract, and at three months’ salary for an employee serving under an unspecified-term contract, unless a higher figure is stated in the employment contract.

If an employee terminates the contract in breach of the Labour Law then the employer is entitled to claim compensation. The level of compensation is capped at one half the level for termination of services by the employer stated in the preceding paragraph.

The employer is responsible for the expenses of the employee's repatriation to his home country upon the termination of services, unless the employee transfers to a new job in the UAE, or unless termination was because of the employee and the employee has sufficient funds to cover his repatriation.

The Labour Law does not require an employer to follow a set procedure in respect of implementing the termination of an employment contract, aside from the requirement that notice of at least 30 days must be given in writing to an employee serving under an unspecified-term employment contract. The employer must then proceed with the cancellation of the employee's labour permit and residence visa. This cancellation process might be delayed if the employee files a wrongful dismissal claim (discussed below).

6.3 Dismissal for (Serious) Cause (Summary Dismissal)

If the employer initiated the termination of services in a manner contrary to the requirements of the Labour Law, the aggrieved employee would be allowed by law to proceed with a claim for wrongful dismissal. Such a claim would be based on procedural matters such as failure to provide written notice of termination, or substantive matters such as an alleged lack of a legitimate reason for termination of services, or for termination done for an arbitrary or discriminatory reason.

6.4 Termination Agreements

The Labour Law does not provide for termination agreements. The benefits paid to a departing employee must be calculated in accordance with the Labour Law. The process for cancellation of an employee's labour permit and residence visa usually requires the employee to sign a form acknowledging receipt of all employment entitlements. However, an employee who can demonstrate that some entitlements were withheld or improperly calculated could still file a claim, even after the cancellation of the labour permit and residence visa. An employee's right to file a case in court against the employer becomes time-barred one year after the termination of services.

6.5 Protected Employees

As discussed above, Ministerial Resolution No 176 of 2009 places restrictions on the dismissal of UAE nationals.

There are no employee representatives in the UAE, so there are no special protections from dismissal for such personnel.

7. Employment Disputes

7.1 Wrongful Dismissal Claim

This section discusses the provisions of the Labour Law as they apply to employment claims. The majority of employment-related disputes relate to unpaid salary or wrongful

termination, and hence these matters are discussed first. Discrimination and retaliation claims are comparatively less common.

The Labour Law would allow an employee to proceed with a claim for wrongful dismissal if the employer initiated the termination of services in a manner contrary to the requirements of the Labour Law. Such a claim could be based on procedural matters such as a failure to provide written notice of termination, or on substantive matters such as an alleged lack of a legitimate reason for the termination of services, or for termination done for an arbitrary or discriminatory reason.

7.2 Anti-discrimination Issues

The Labour Law recognises claims for workplace discrimination to a limited extent. As noted above, the termination of services for a discriminatory reason would be treated as arbitrary termination under the Labour Law, entitling the employee to claim compensation. Short of outright termination, a claim for constructive termination by an employee could be asserted in principle if the employee could prove that discriminatory actions by the employer created a hostile work environment, but such a claim would not be typical of the types of workplace complaints that are normally encountered.

There is no express doctrine of protected classes of employees in the Labour Law. However, the Labour Law does provide that a woman must be paid the same as a man if she is doing the same job. Moreover, it provides that an employee who has suffered a partial disability must be allowed to undertake another role if such employee is capable of performing that role, and wants to do so; in this case, the employee must be paid the same as a non-disabled employee doing the same role. In addition, as discussed above, there are several provisions of law that encourage the hiring and retention of employees who are UAE nationals.

Some acts might constitute offences under statutes other than the Labour Law. Some types of sexual harassment could rise to the level of criminal offences. In addition, a discriminatory act could constitute an offence under Federal Decree-Law No 2 of 2015 On Combating Discrimination and Hatred, which states that it is a crime for anyone to discriminate against another person and defines the term "discrimination" as "any distinction, exclusion, restriction or preference among individuals or groups based on the ground of religion, creed, doctrine, sect, caste, race, colour or ethnic origin." This law could apply to discrimination in the workplace as well as discrimination in hiring.

Aside from the Labour Law, some of the Free Zones of the UAE (eg, the DIFC, the ADGM and the Media Free Zone in Abu Dhabi) have their own employment rules and regu-

lations preventing discrimination both before and during employment.

8. Dispute Resolution

8.1 Judicial Procedures

The Ministry has a special labour disputes section (the Section), which handles all employment disputes in the first instance.

The Labour Law allows for collective labour disputes if multiple employees have the same dispute arising with their employer. If the dispute cannot be settled amicably, the employees must submit a written claim to their employer, with a copy to the Section. If the employer does not come up with a satisfactory resolution, the claim of the employees will proceed. Strictly speaking, this would not be a class action but instead a claim with multiple claimants.

A labour dispute is first handled by the Section. This initiates a mandatory conciliation process; the parties cannot proceed directly to court. The parties then appear before the Section and state their positions. The parties may appear without counsel; indeed, legal counsel are formally prohibited from attending proceedings before the Section. One or more attendances might be required. If an amicable resolution cannot be found within two weeks, the Section will issue a letter to the complainant that would allow that party to file a case with the local Civil Court of First Instance. The Section can only encourage the parties to reach a settlement; it cannot impose a settlement or issue an award in favour of either party.

After the case is filed in court, the court schedules its first hearing in the matter and thereafter attempts to proceed rapidly. Court fees are waived for labour plaintiffs (although, in Dubai, court fees are only waived for plaintiffs with claims of less than AED100,000). A labour plaintiff can appear on his or her own behalf, without the need for legal representation. The courts will generally assume that the employee is in a weaker position than the employer, and will accordingly often resolve the dispute in the manner that is most protective of the employee's interests. The charges of legal counsel, if any, are borne by the parties, and are not reversed in favour of the prevailing party.

8.2 Alternative Dispute Resolution

The Labour Law does not permit the resolution of labour disputes by arbitration.

A pre-dispute arbitration agreement would not be enforceable.

8.3 Awarding Attorney's Fees

UAE courts do not award legal costs except in a token sum, usually not exceeding AED2,000.

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