

International Labour and Employment Compliance Handbook

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Edited by Salvador del Rey and Robert J. Mignin

Labour and Employment Compliance in the United Arab Emirates

Second Edition

Sara Khoja



Wolters Kluwer

Law & Business

International Bar Association

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About the International Labour and Employment Compliance Handbook

From 1976 through 1988, the International Bar Association and Kluwer Law International published the groundbreaking International Handbook on Contracts of Employment. This Handbook provided one of the first global overviews of the law of the employment relationship.

Since publishing the first edition, globalization of business has created an increased demand for knowledge of labor and employment laws throughout the world. Therefore, along with Kluwer, we decided to publish an updated Handbook which we have titled the International Labour and Employment Compliance Handbook.

This new Handbook is intended to be a practical guide by providing a general overview of key labor and employment issues in multiple jurisdictions. Each chapter is written so that it is easy to understand by lawyers and non-lawyers alike. Each country author has also followed a standard outline to assist readers in analysing employment issues in each country.

For the first edition of this new Handbook, we have included nineteen (19) different countries. In future editions, we will add new countries.

This Handbook would not have been possible without the help and assistance of many people. Most importantly, the individual country authors are all distinguished legal practitioners who spent considerable time drafting and revising their chapters to meet difficult deadlines. We thank each of them. Our friends at Kluwer, especially Ewa Szkatula, have done a wonderful job in keeping the editors and the authors on schedule. We are also indebted to Ginny Faber who has helped edit each chapter. Finally, we want to also express our gratitude to Elisabet Calzada and Sandra Peris of Cuatrecasas, Gonçalves Pereira, and Meagan C. LeGear and Rhonda Jones of Baker & McKenzie LLP in Chicago for their valuable assistance in the coordination and organization of each of the chapters. Our warmest thanks to each of them.

ABOUT THE INTERNATIONAL LABOUR AND EMPLOYMENT COMPLIANCE HANDBOOK

We hope this Handbook will be a helpful and useful resource. We look forward to input and suggestions for future editions of the Handbook.

The Editors

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March 2013

United Arab Emirates

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UNITED ARAB EMIRATES

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Legal Compliance in United Arab Emirates

1. LEGAL FRAMEWORK: EMPLOYMENT LAWS IN UNITED ARAB EMIRATES

The main legislation that applies to all businesses operating in the United Arab Emirates (UAE) with respect to employment matters is UAE Law No. 8 of 1980, as amended (*the Labour Law*).

This is a federal law and applies to each Emirate within the UAE and, with a few minor exceptions, covers all UAE employees in the private sector. Thus, its application is mandatory to all individuals carrying out work in the UAE. Other laws of note in the labour field are the UAE Penal Code, the UAE Civil Code and Commercial Code.

Some of the free trade zones in the UAE have their own employment regulations, but with the exception of the Dubai International Financial Centre (*the DIFC*), ultimately all employees, whether employed by a business operating within a free zone or 'onshore' in the UAE, are subject to the Labour Law. Within the DIFC, employment matters are governed by DIFC Law No. 4 of 2005 (as amended by DIFC Law No. 3 of 2012) (*the DIFC Employment Law*).

Similar to other labour laws, any provision in an agreement to waive any right or requirement granted by the Labour Law or the DIFC Employment Law has no effect, except where expressly permitted under the Labour Law or the DIFC Employment Law, as applicable. The requirements of each law are considered minimum requirements. Furthermore, any terms and conditions of employment in any agreement that are more favourable to an employee shall be valid.

The public sector has its own employment law setting out public sector staff grades, promotion tracks, and remuneration and benefits packages. This legislation is beyond the scope of this chapter and would not be applicable