

## EMPLOYMENT RULES

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## 1 Application

1.1 These rules apply to all Licensees and their employees and any other person who operates, conducts or attempts to operate or conduct business in or from the DMCC Free Zone.

## 2 Introduction to UAE Labour Law

2.1 The UAE Labour Law sets out the statutory minimum position regulating the employment relationship between Licensees and their employees. Licensees and employees must at all times comply with their obligations under the UAE Labour Law.

2.2 It is open to Licensees to enhance the statutory minimum position under the UAE Labour Law and DMCCA encourages its members to do so. It is not however possible to contract out of the UAE Labour Law (i.e. to agree with employees that certain aspects of the UAE Labour Law, such as end of service gratuity for example, do not apply).

2.3 To facilitate compliance with the UAE Labour Law, some of its key provisions are summarised below.

## 3 General

3.1 An employee of a Licensee may not work outside the DMCC Free Zone without first obtaining prior written approval from the Licensee.

3.2 Approval to work outside the DMCC Free Zone must also be obtained from any other relevant or applicable authority, having jurisdiction over such matters and in the location where the employee intends to work. It is the Licensee's responsibility to ensure that all their employees are working in accordance with the terms of its commercial licence and all applicable laws.

3.3 An employee of a Licensee or any other person who is seeking to work on a temporary basis on behalf of a Licensee must not work inside the DMCC Free Zone until they have been provided with an Employment Approval or Access Approval.

3.4 DMCCA reserves the right to charge the Licensee for certain services in accordance with the Schedule of Charges.

3.5 A person who commits a contravention of these Rules or any other legislative or regulative requirement administered by DMCCA may, at the absolute discretion of DMCCA, be subject to a Sanction.

3.6 The charges and Sanctions referred to in Rules 3.4 and 3.5 are the sole responsibility of the Licensee and may not be recovered from employees under any circumstances.

3.7 DMCCA shall be entitled to deduct any monies owed to DMCCA or DMCC (including but not limited to any item in the Schedule of Charges, Sanctions and visa cancellation costs as provided for in Rule 17.2) from a Licensee's portal account.

## **4 Employee Sponsorship**

4.1 The Licensee is the sponsor of their employees and is responsible for discharging all of its obligations to their employees in accordance with the UAE Labour Law.

## **5 Entry Permits and Visas**

5.1 Licensees wishing to employ personnel, other than nationals of GCC countries, from outside of the UAE are required, in the first instance, to apply for an entry permit.

5.2 All unused entry permits must be returned to DMCC for cancellation.

5.3 DMCC will, upon request, arrange for the procurement of entry permits and residence visas for employees and, if applicable, their dependants on behalf of all Licensees.

5.4 The fees applicable for processing entry permits are set out in the Schedule of Charges, which is available to be viewed at [www.dmcc.ae](http://www.dmcc.ae). All fees must be paid by Licensees in advance of the submission of the visa, entry permit or residence application.

5.5 There are certain travel documents and passports which are not acceptable for entry into the UAE. If in doubt, clarification on such restrictions should be obtained from DMCC or the Federal Authority for Identity and Citizenship before applying for an entry permit or residency visa.

5.6 Licensees are required to have a valid commercial licence in order to sponsor employees and all applications for sponsorship must be submitted to DMCCA for approval. DMCCA reserves the right to reject applications for sponsorship at its absolute discretion.

5.7 Licensees are responsible for the timely renewal of all employees' residence visas.

## **6 Employment Approval and Access Approval**

6.1 All employees of a Licensee must be provided with an Employment Approval before commencing work in the DMCC Free Zone.

6.2 All other personnel who are seeking to work on a temporary basis for a Licensee in the DMCC Free Zone must be provided with an Access Approval before commencing work in the DMCC Free Zone.

6.3 It is the responsibility of the Licensee to ensure that it has in place the proper Employment Approvals and Access Approvals at all times. Licensees should refer to [www.dmcc.ae](http://www.dmcc.ae) for further details on Employment Approvals and Access Approvals.

## **7 Recruitment**

7.1 All costs of recruitment and other employment related services (including, but not limited to, the costs of obtaining a UAE residency visa and Employment Approval or Access Approval) must be born solely by the Licensee.

7.2 Under no circumstances may a Licensee, recruitment agent, subcontractor or other third party working directly or indirectly on behalf of the Licensee, recharge or pass all or any part of such costs to a recruited employee.

## **8 Employee Passports**

8.1 All Licensees are reminded that employee passports are the property of the issuing country.

8.2 No Licensee may hold the passport of an employee without the employee's prior written and genuine consent.

8.3 Where an employee has consented in writing to a Licensee holding his or her passport, the Licensee must have effective procedures and controls in place to ensure that retained passports are held in a safe and secure facility and can and will be returned to the employee promptly at the employee's request.

## **9 Contract of Employment**

9.1 A Licensee must have a written contract of employment with each employee. The terms and conditions of such contract of employment are a matter of negotiation between the Licensee and the employee.

9.2 The contract of employment must, as a minimum, comply with the provisions of the UAE Labour Law. Any term in the contract of employment which is less favourable to an employee than the statutory minimum position under the UAE Labour Law shall be void and unenforceable.

9.3 The contract of employment may be for a limited or unlimited duration.

9.4 Limited and unlimited term contracts operate very differently, particularly in relation to the circumstances in which they may be terminated. Licensees and employees should refer to the [Limited Term Contracts and Notice Period Guide](#) for further details on when it may be appropriate to use limited term contracts and the implications of doing so.

## **10 Working hours**

10.1 All Licensees will be bound by the provisions of the UAE Labour Law in relation to working hours (including provisions relating to overtime and Ramadan working hours).

10.2 Licensees and employees should refer to the [Ramadan Guidelines for businesses operating in the DMCC Free Zone](#) further details on Ramadan working hours.

10.3 To facilitate a diverse workforce, Licensees are encouraged to consider flexible work arrangements such as part time working and job sharing. Licensees and employees should refer to the [Guidance Note on Flexible Work Arrangements](#) for further details.

## **11 Leave**

11.1 Licensees are required to provide employees with at least the statutory minimum leave entitlements under the UAE Labour Law, summarised below:

- a) Employees with between six to twelve months' service accrue two Days' annual leave per month.
- b) Employees with more than twelve months' service accrue 30 Days' annual leave per annum (roughly 22 working days).
- c) Employees who have completed at least three months' service after completion of the probationary period are entitled to up to 90 Days' sick leave per year of service:
  - the first 15 of which are at full pay;
  - the next 30 of which are at half pay; and
  - the final 45 of which are without pay.
- d) Female employees are entitled to 45 Days' maternity leave at full pay where the employee has over 12 months' service and at half pay otherwise.
- e) Muslim employees are entitled to 30 Days' unpaid leave to perform Hajj pilgrimage once during their period of service.

11.2 DMCCA encourages Licensees to enhance the statutory minimum leave entitlements under the UAE Labour Law, particularly in relation to family friendly entitlements.

Licensees and employees should refer to the [Family Friendly Leave, Entitlements and Policies Guide](#) for further details on maternity leave and other family friendly entitlements.

## **12 Insurance**

12.1 All Licensees must procure and maintain a medical insurance policy for all of its employees in accordance with applicable law. Evidence of a valid medical insurance policy must be provided to DMCCA upon request.

12.2 All Licensees must procure and maintain employer's liability insurance (covering workmen's compensation and workplace health and safety insurance), as required by DMCCA and for such minimum level of cover as DMCCA may require from time to time. Evidence of valid employer's liability insurance must be provided to DMCCA upon request.

12.3 The costs of such medical insurance and workmen's compensation and workplace health and safety insurance must be borne solely by the Licensee and must not be passed to employees whether directly or indirectly.

## **13 Employee Accommodation**

13.1 Where Licensees provide accommodation to employees, such accommodation must comply with applicable statutory minimum requirements in relation to standards of accommodation (in relation to lighting, ventilation, size, sanitation etc.).

13.2 It is the Licensee's responsibility to familiarise itself with the relevant rules and regulations in this regard which will depend, for example, on the size of the Licensee's operation and its sector.

## **14 Disciplinary Matters**

14.1 Licensees and employees should refer to the [Disciplinary Procedures Guide](#) for further details on disciplinary matters including:

- a) the statutory minimum disciplinary process under the UAE Labour Law;
- b) permitted sanctions;
- c) company disciplinary policies; and
- d) managing performance.

## **15 Harassment in the Workplace**

15.1 DMCCA expects all Licensees to share its commitment to providing a working environment free from harassment and bullying and ensuring that all employees are treated, and treat others, with dignity and respect.

15.2 Harassment is any unwanted physical, verbal or non-verbal conduct that has the purpose or effect of violating a person's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for them.

15.3 Bullying is offensive, intimidating, malicious or insulting behaviour involving the misuse of power that can make a person feel vulnerable, upset, humiliated, undermined or threatened.

## **16 Termination of Employment**

16.1 Employees on unlimited term employment contracts are entitled to receive, and must provide, at least 30 Days' advance written notice of termination of employment or any greater period provided for in the contract of employment.

16.2 In the Licensee's case, termination of an unlimited term employment contract must be for a "valid" reason related to the employee's work. Failure to do so may result in a finding of arbitrary dismissal, for which the maximum compensation is three months' total remuneration (plus any outstanding statutory and contractual entitlements).

16.3 Alternatively, a Licensee may terminate an employee's employment immediately (without any obligation to provide notice, payment in lieu of notice or end of service gratuity) if any one of the exhaustive list of circumstances set out under Article 120 of the UAE Labour Law is applicable.

16.4 Licensees and employees should refer to the [Limited Term Contracts and Notice Period Guide](#) for guidance on the termination of limited term contracts.

16.5 Where an employee's contract of employment terminates for any reason whatsoever, both the Licensee and the employee must deliver a signed letter of confirmation, in such format as may be specified by DMCCA from time to time, confirming that:

- a) the employment has come to an end; and
- b) that the Licensee has paid and the employee has received all sums due and owing to the employee (including, without limitation, any applicable end of service gratuity payment).

16.6 On termination of employment, Licensees will be required to provide the employee with a repatriation flight back to his/her home country unless:

- a) the employee obtains new sponsorship in the UAE within 30 Days of the cancellation of his/her residency visa; or
  - b) the reason for the termination is attributable to the employee (unless the employee does not have the means to purchase the flight, in which case the obligation falls back to the Licensee),
- and must not seek to recover such costs from the employee.

## **17 Visa cancellation**

17.1 The Licensee and the employee must cooperate to arrange the cancellation of the employee's residency visa following the termination of the employee's employment.

17.2 The Licensee shall use its best endeavours to cancel the employee's residence visa. In the event that the employee's residence visa is not cancelled by the Licensee following the termination of the employee's employment, DMCCA reserves the right to cancel the employee's residence visa, and all fees incurred in relation to the cancellation of the employee's residence visa shall be deducted by DMCCA from the Licensee's portal account.

17.3 The Licensee shall be solely responsible for bearing any fees incurred in relation to the cancellation of the employee's residency visa, Employment Approval or Access Approval (in accordance with the Schedule of Charges) and is prohibited from recovering such costs from the employee.

17.4 Licensees and employees should refer to the [Visa Cancellation Guide](#) for further details on visa cancellation.

## **18 Internships**

DMCCA encourages its member companies to engage interns in its business if it is able to offer valuable work experience programmes. Licensees should refer to the [Interns Guide](#) for details on engaging interns.

## **19 Absconding**

If an employee is absent from work without a lawful reason for seven (7) consecutive Days or is otherwise believed to have absconded from his or her employment, and the Licensee is not aware of the employee's whereabouts, the Licensee should promptly file a report of such unauthorised absence with DMCC.

## 20 Dispute Resolution

- 20.1 DMCCA encourages Licensees and employees to attempt to resolve all employment-related disputes internally.
- 20.2 If a dispute cannot be resolved internally between a Licensee and an employee, the DMCC Disputes Centre offers a mediation service in respect of employment-related disputes.
- 20.3 Mediation is a voluntary and flexible form of dispute resolution in which a neutral third party assists the parties to work towards a negotiated settlement of their dispute. The parties retain control of the decision on whether or not to settle and on what terms.
- 20.4 If a dispute cannot be resolved at mediation, the DMCC Disputes Centre will provide a party with an NOC to proceed with their complaint to the UAE labour court in accordance with the DMCC Disputes Centre's NOC policy (as amended from time to time).

## 21 Miscellaneous

- 21.1 Any delay in application of or failure to enforce these Rules shall not operate as a waiver in respect of any breach of these Rules.
- 21.2 If any provision of these Rules is resolved by a judicial body, having the requisite jurisdiction, to be invalid, unenforceable or illegal, the other provisions of these Rules shall remain in full force and effect.
- 21.3 In the event of any conflict between the provisions of these Rules and any other Law, these Rules will prevail to the extent permissible by the applicable Law.
- 21.4 In these Rules a reference to the singular shall include the plural and vice versa and a reference to the masculine gender includes the feminine and vice versa.

## 22 Definitions

Within this document, the following words have the following meanings:

**“Access Approval”** means the access approval, provided at the discretion of DMCCA, to enable an individual to work temporarily for a Licensee in the DMCC Free Zone;

**"Company Regulations"** means the Company Regulations 2019 of the DMCCA;

**"Day"** means a calendar day (and Days shall be interpreted accordingly);

**"DMCC"** means Dubai Multi Commodities Centre;

**"DMCCA"** means the Authority of DMCC, established pursuant to Law No. 4 of 2001 and by virtue of Decision No. 4 of 2002, each issued in the Emirate of Dubai, which authority has governance over the DMCC Free Zone;

**"DMCC Disputes Centre"** means the DMCC Disputes Centre as operated and administered on behalf of DMCCA;

**"DMCC Free Zone"** means the DMCC free zone, established pursuant to Law No. 4 of 2001 and by virtue of Decision No. 4 of 2002 on Establishing The Dubai Commodities and Metals Centre issued in the Emirate of Dubai;

**"Employment Approval"** means the employment approval, provided at the discretion of DMCCA, to enable an individual who is an employee of a Licensee to work in the DMCC Free Zone;

**"GCC"** means Gulf Cooperation Council;

**"Law"** means all legislation, decrees, resolutions, acts, statutes, ordinances, rules or regulations, directives and other orders, treaties, by laws, codes of practice and other subordinate legislation, of any Authority;

**"Licensee"** means a company or branch issued with a commercial licence by DMCCA (and Licensees shall be interpreted accordingly);

**"Sanction"** means one or all of the following:

- a) restriction or suspension of services;
- b) a fine or penalty, as specified by DMCCA from time to time in accordance with the process set out in Regulation 160 of the Company Regulations;
- c) suspension of a Licensee's commercial licence in accordance with the process set out in Regulation 161 of the Company Regulations;
- d) termination of a Licensee's commercial licence in accordance with the process set out in Regulation 162 of the Company Regulations;
- e) an entity being struck-off in accordance with the process set out in Regulation 162 of the Company Regulations; and/or
- f) such other sanction as the DMCCA may deem appropriate from time to time.

**"Schedule of Charges"** means the list of fees imposed by DMCCA in relation to various administrative processes, as amended by DMCCA from time to time;

**"UAE"** means the United Arab Emirates; and

**"UAE Labour Law"** means Federal Law No. 8 of 1980, as amended.