



Changes to employment contract in the private sector in UAE

On 26th March 2020, a Ministerial Decision was signed by the Minister of Human Resources and Emiratization, H.E. Nasser Bin Thani Al Hamli under No. 279 for 2020 in relation to the stabilization of the workforce in the private sector during the implementation period for the precautionary procedures aiming to restrict the spread of COVID-19.

Contractual relationship between the employer and the employee

The Ministerial Decision will apply to all entities registered with the Ministry of Human Resources and Emiratization (the “**Ministry**”) in respect of their relations with non-UAE national employees.

All such companies, if affected by the precautionary measures taken in relation to COVID-19 and when looking to restructure their employment conditions, the companies are allowed to take certain measures according to the sequence of actions listed below and in agreement with the non-UAE national employees:

- Activate the working from home mode
- Put employees on paid leave
- Put employees on unpaid leave
- Apply a temporary reduction in salary
- Apply a permanent reduction in salary

Such entities are also required to register any redundant workforce they have on the Virtual Labour Market to allow them to be recruited by other employers. During this period of time i.e. until they leave the UAE or join another employer, employers will remain liable towards their employees for their housing and all other entitlements except for salary.

Companies looking to hire non-UAE national employees will have to post their needs on the Virtual Labour Market to see if they can find a match and accordingly employ applicants by following the procedures implemented by the Ministry in respect of work permits.

Any company looking to apply a temporary salary reduction should issue a temporary additional addendum to the labor contract for the affected employees in two copies, one to be kept with each party and to be ready to be submitted to the Ministry upon request.

For permanent salary reduction, employers should apply first before the Ministry to amend the details of an employment contract to obtain the approval of the Ministry according to applicable procedures.

This decision will apply throughout the period during which the precautionary measures taken in relation to COVID-19 are in place and will take effect as of the date on which it is published in the official gazette.

Procedures for enabling foreign Labor to leave the country and return to home country (Early Leave)

In implementation of the Ministerial Decision regarding the stability of labor in private sector establishments during the period of applying precautionary measures to contain the spread of the novel Coronavirus, this initiative comes as an extension of the humanitarian support programs made by the UAE government and in response to a large number of requests received from some foreign workers who are still on the job and want to return to their countries. All establishments that agree with the foreign workers, who currently at work, to leave the country must comply with the following procedures:

- Determine the duration of the leave by signing an additional supplementary form for the employment contract during the period of applying precautionary measures due to the novel Coronavirus, which is available on the Ministry's app and website.
- Book a flight ticket (return) for the worker and hand it over to him.
- The contractual relationship between the employer and the worker continues, and the early leave is considered unpaid leave with the worker retaining the remaining entitlements prescribed for him according to the Labor Law. The early leave ends upon his return and starting work after the precautionary procedures period.
- The residence visas of workers returning home will be extended automatically in case of expiration while outside the country.

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