

# New regulations aim to liberalise labour market, UAE official says

Workers who end contracts legally will get a labour permit.

- By Abdulla Rasheed, Abu Dhabi Editor, and Samir Salama, Associate Editor
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Abu Dhabi: The aim behind the new labour law that will come into effect on January 1, is to lessen the control of employers over employees and liberalise the labour market, a top government official told *Gulf news*.

The source clarified that the new law completely scraps the "no objection certificate" (NOC).

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"The new laws allow an employee to transfer his sponsorship after the contract with his current employer expires, but the employee must inform his sponsor that he will not be renewing his contract 30 days before its expiry," he added.

"The employee will be granted a period of 30 days once his contract expires to find a new job and sponsor. This period is basically given to the employee to complete procedures such as the issuance of a new visa in accordance with the Ministry of Interior's procedures and signing the contract with the new sponsor. However, if the period expires and the employee's paperwork is not completed, he will be considered illegal," added the source.

Once the employer and employee's pact was regulated by a contract, the ministry would not be able to interfere in matters pertaining to both parties in accordance with Law number 129 in regard to regulating the relationship between both parties.

"When the contract expires, the employee is granted a special permit by the ministries of labour and interior, allowing him to stay in the country for 30 days to complete paperwork and finalise procedures for the new work visa under the new job and employer," the government official said.

Under the new system, if an employee completed the two-year working period, the employer had no right to force an employee to stay on the job and would no longer face a six-month ban, since the new system scrapped the NOC.

## **Outright permit**

Humaid Bin Deemas, Acting Director-General of the Ministry of Labour, told *Gulf News* once a job contract expired or was legally terminated, the Labour Ministry would have the authority to allow workers to take up new jobs without the consent of former employers or the so-called NOC.

"Workers, skilled and unskilled, who end their job contracts legally and complete at least two years of service, will get a labour permit outright," he said.

Previously, these workers had to complete at least three years of service with their previous employers and had to obtain an NOC letter.

Professional and skilled workers in the first three categories according to the Uniform Gulf Occupational Classification would also be exempt from the six-month ban.

He estimated these three categories (the first category with university or post graduate degrees, the second with less than university degrees and the third category including skilled workers with high school degrees) included 800,000 workers.

Bin Deemas said even for unskilled and semi-skilled workers, companies would lose the right to stop them from getting other jobs if the firm failed to honour its legal or contractual obligations, for example, by not paying salaries for 60 days and not offering proper accommodation. Workers, he said, could also take up new jobs if the employer stopped the business for economic or technical reasons and these workers reported the closure to the Labour Ministry within 60 days.

Bin Deemas said the UAE as determined to protect the rights and welfare of the workers as well as their employers "but these rights and benefits will be fulfilled in keeping with the law. It is not the employer's right to approve or disapprove switching of jobs. But it is his right that workers complete the job contract in the event of contracts with limited period".

Concerning fees, Bin Deemas said a resolution would be issued shortly determining a complete set of "more affordable fees".

Previously, workers had to pay job-switch fees, which were determined according to service of the worker, the category of the business among other factors and which reach up to Dh14,000.

The government official added that the goal behind the ministry's new law was to bring the labour market's level on a par with that of Germany, Canada, the US and other Western countries, as well as cancelling the employers' monopoly of the labour market.

The new rules defined three cases in which the worker shall have the right to get a work permit without fulfilling the condition of working at least two years with the employer:

nWhen joining his new job, the worker should be classified in the first, second or third professional class and that his salary should be not less than Dh12,000, Dh7,000 and Dh5,000 if he is in the first, second and third class respectively. nNon-compliance of the employer with legal and labour obligations towards the worker or in the event the worker has no role in terminating the work relationship;

nTransferring the worker to another firm the employer owns it or has stakes in it.

"The International Labour Organisation's (ILO) understanding of the current rules in the UAE is that it falls under the concept of 'enforced labour', in regard to disallowing the right of an employee in transferring their sponsorship, the labour ban and the holding of an employee's passport by the employer. In the UAE, we want to achieve the goal of liberalising the labour market by giving the involved parties, employer and employee, more responsibility by implementing new procedures that preserve their rights," he added.

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