



DIFC | Dubai International Financial Centre

---

**EMPLOYMENT LAW**

**DIFC LAW No. 4 of 2005**

---

## CONTENTS

<b>PART 1: GENERAL .....</b>	<b>1</b>
1. Title .....	1
2. Legislative Authority .....	1
3. Purpose of this Law.....	1
4. Application of the Law .....	1
5. Date of enactment .....	1
6. Commencement .....	1
7. Interpretation .....	1
<b>PART 2: Hiring EMPLOYEES .....</b>	<b>2</b>
8. No Waiver .....	2
9. No false representations .....	2
10. Hiring children .....	2
11. Right to statements of employment particulars.....	2
12. Right to itemised pay statement .....	3
13. Short term employment.....	3
14. Payroll records .....	4
<b>PART 3: Protection of wages .....</b>	<b>5</b>
15. Paydays .....	5
16. If employment is terminated .....	5
17. No unauthorised deductions.....	5
18. No charge for hiring or providing information .....	5
<b>PART 4: WORKING TIME AND LEAVE .....</b>	<b>6</b>
19. Maximum weekly working time .....	6
20. Excessive hours.....	6
21. Reduced Hours During Ramadan .....	6
22. Daily rest.....	6
23. Weekly rest period .....	6
24. Rest breaks .....	6
25. Annual vacation leave.....	6
26. Compensation in lieu of vacation leave .....	7
27. Dates on which leave is taken .....	7
28. Leave during the first year of employment .....	7
29. Entitlements under other provisions.....	7
30. Entitlement to national holidays .....	7
31. Special leave .....	8
32. Sick leave .....	8
33. Sick pay.....	8
34. Sick leave entitlement .....	8
<b>PART 5: MATERNITY RIGHTS .....</b>	<b>10</b>
35. Maternity Leave .....	10
36. Maternity pay .....	10
37. Right to return to work.....	10

**PART 6: EMPLOYER'S OBLIGATIONS .....11**

38. General duties of employers to their employees ..... 11  
39. Health and safety duties ..... 11  
40. Ventilation..... 11  
41. Temperature in indoor workplaces..... 11  
42. Lighting..... 11  
43. Cleanliness ..... 11  
44. Room dimensions and space ..... 12  
45. Workstations and seating ..... 12  
46. Sanitary conveniences..... 12  
47. Drinking water ..... 12  
48. No penalties for preventing health and safety risks ..... 12  
49. Liability of employers for employee’s conduct ..... 12  
50. Compensation for employment accidents and occupational diseases ..... 13  
51. Health and Disability Income Insurance ..... 13

**PART 7: TIME OFF WORK .....14**

52. Right to time off to look for work or arrange training ..... 14  
53. Right to time off for ante-natal care..... 14  
54. Right to remuneration for time off under Articles 49 and 50..... 14

**PART 8: EMPLOYEE'S OBLIGATIONS .....15**

55. General duties of employees at work ..... 15

**PART 9: NON DISCRIMINATION .....16**

56. Discrimination..... 16

**PART 10: TERMINATION OF EMPLOYMENT .....17**

57. Rights of employer and employee to minimum notice ..... 17  
58. Right to written statement of reasons for dismissal ..... 17  
59. Director may determine termination of employment..... 17  
60. End of service gratuity ..... 17

**PART 11: Director of employment standards .....19**

61. Director of Employment Standards..... 19  
62. Powers of the Director ..... 19  
63. Regulations ..... 19  
64. Immunity of Director and others..... 20

**PART 12: COMPLAINTS, INVESTIGATIONS AND DETERMINATIONS.....21**

65. Complaints ..... 21  
66. Investigations ..... 21  
67. Opportunity to be heard ..... 22  
68. Determinations and orders by the Director ..... 22  
69. Failure to comply ..... 24  
70. Power to vary determination ..... 24  
71. Notifying others of determination ..... 24

72.	Settlement agreements .....	25
73.	Employee not to be mistreated because of complaint or investigation .....	25
74.	Obstruction of the Director .....	25
75.	Power to grant exemptions.....	26
76.	Obligation to keep information confidential .....	26
<b>PART 13: ENFORCEMENT .....</b>		<b>27</b>
77.	Associated employers .....	27
78.	Contraventions attributable to officers, directors and agents .....	27
79.	Monetary fines .....	27
80.	Payment of interest.....	27
81.	Determination and orders may be filed and enforced as judgments .....	28
82.	Publication of violators' names.....	28
<b>PART 14: APPEALS .....</b>		<b>29</b>
83.	Appeal of Director's determinations, decisions and fines.....	29
84.	Powers of the Court on appeal .....	29
<b>SCHEDULE .....</b>		<b>31</b>

## **PART 1: GENERAL**

### **1. Title**

The Law may be cited as the "Employment Law 2005".

### **2. Legislative Authority**

The Law is made by the Ruler of Dubai.

### **3. Purpose of this Law**

The purpose of this Law is to:

- (a) ensure that employees in the DIFC receive the minimum international standards and conditions of employment;
- (b) promote the fair treatment of employees and employers;
- (c) provide fair and efficient procedures for resolving disputes over the application and interpretation of this Law;
- (d) foster employment practices that will contribute to the prosperity of the DIFC.

### **4. Application of the Law**

The Law applies to an employee of

- (a) an establishment having a place of business within the DIFC; or
- (b) an entity that is created by Law No. 9 of 2004, and

the employee is based within, or ordinarily works within or from, the DIFC.

### **5. Date of enactment**

The Law is enacted on the date specified in the Enactment Notice in respect of this law.

### **6. Commencement**

The Law comes into force on the date specified in the Enactment Notice in respect of this law.

### **7. Interpretation**

The Schedule contains:

- (a) interpretative provisions that apply to the Law; and
- (b) a list of defined terms used in the Law.

## **PART 2: HIRING EMPLOYEES**

### **8. No Waiver**

- (1) The requirements of this Law are minimum requirements and a provision in an agreement to waive any of those requirements, except where expressly permitted under this Law, has no effect.
- (2) Nothing in this Law precludes an employer from providing in any contract of employment, terms and conditions of employment that are more favourable to the employee than those required by this Law.

### **9. No false representations**

An employer shall not induce, influence or persuade a person to become an employee, or to work or to be available for work, by misrepresenting any of the following:

- (a) the availability of a position;
- (b) the type of work;
- (c) the wages; or
- (d) the conditions of employment.

### **10. Hiring children**

A person shall not employ a child who is under fifteen (15) years of age.

### **11. Right to statements of employment particulars**

- (1) When an employee begins employment, the employer shall give to the employee a written statement of particulars of employment.
- (2) The statement, which does not constitute a contract, shall include:
  - (a) the names of the employer and employee;
  - (b) the date when the employment began;
  - (c) the scale or rate of remuneration or the method of calculating remuneration;
  - (d) the intervals at which remuneration is paid (that is, weekly, monthly or other specified intervals);
  - (e) any terms and conditions relating to hours of work;
  - (f) any terms and conditions relating to:

- (i) vacation leave and vacation pay, national holidays and holiday pay; and
  - (ii) sick leave and sick pay;
  - (g) the length of notice that the employee is obliged to give and is entitled to receive to terminate the employment;
  - (h) the title of the employee's job or a brief description of the employee's work;
  - (i) where the employment is not intended to be permanent, the period for which it is expected to continue or, if it is for a fixed term, the date when it is to end;
  - (j) the place of work;
  - (k) any disciplinary rules and/or grievance procedures applicable to the employee;
  - (l) a general summary of the rights of employees under this Law; and
  - (m) any other matter that may be prescribed under the Regulations.
- (3) If there is a change to any of the particulars required by Article 11(2) the employer shall give to the employee a written statement describing the changes no fewer than ten (10) working days before such changes are to take effect. Where such changes have the effect of increasing the employee's compensation and/or benefits, the employer make give the employee notice of such change upon its coming into effect without regard to the foregoing notice period.
- (4) Article 11(1) does not apply where the employer includes in a written contract the particulars required in Article 11(2) prior to the employee commencing his employment.

12. **Right to itemised pay statement**

An employer shall give to an employee when, or before, an employee is paid any wages or salary, a written itemised pay statement that includes:

- (a) the amount of the wages or salary payable; and
- (b) the amounts of any variable, and any fixed, deductions from that amount; and
- (c) the purposes for which they are made.

13. **Short term employment**

Articles 11 and 12 do not apply to an employer if the employment is for less than one (1) month.

14. **Payroll records**

- (1) For each employee, an employer shall keep records of the following information:
  - (a) the employee's name, date of birth, occupation, telephone number and residential address;
  - (b) the date employment began;
  - (c) the employee's wage rate, whether paid hourly, on a salary basis or on a flat rate, piece rate, commission or other incentive basis;
  - (d) the hours worked by the employee on each day, regardless of whether the employee is paid on an hourly or other basis;
  - (e) the benefits paid to the employee by the employer;
  - (f) the employee's gross and net wages for each pay period;
  - (g) each deduction made from the employee's wages and the reason for it;
  - (h) the dates of the national holidays taken by the employee and the amounts paid by the employer;
  - (i) the dates of the annual vacation taken by the employee, the amounts paid by the employer and the days and amounts owing; and
  - (j) sick leave and other special leaves of absence.
- (2) Payroll records shall be:
  - (a) in English;
  - (b) kept at the employer's principal place of business in the DIFC; and
  - (c) retained by the employer for two (2) years after the employment terminates.

### **PART 3: PROTECTION OF WAGES**

15. **Paydays**

An employer shall pay to an employee all wages earned by the employee in a pay period, including vacation pay, at least monthly and within seven (7) days after the end of the pay period.

16. **If employment is terminated**

An employer shall pay all wages owing to an employee within seven (7) days after the employer or employee terminates the employment.

17. **No unauthorised deductions**

An employer shall not deduct from an employee's wages or accept payment from an employee, unless:

- (a) the deduction or payment is required or authorised under a statutory provision or the employee's contract of employment;
- (b) the employee has previously agreed in writing to the deduction or payment;
- (c) the deduction or payment is a reimbursement for an overpayment of wages or expenses; or
- (d) the deduction or payment has been ordered by the Director or Court.

18. **No charge for hiring or providing information**

- (1) A person shall not request, charge or receive, directly or indirectly, from a person seeking employment a payment for:
  - (a) employing or obtaining employment for the person seeking employment; or
  - (b) providing information about employers seeking employees.
- (2) A person does not contravene this section by requesting, charging or receiving payment for any form of advertisement from the person who placed the advertisement.
- (3) A payment received by a person in contravention of this section is deemed to be wages owing or a debt due and this Law applies to the recovery of the payment.

## **PART 4: WORKING TIME AND LEAVE**

### **19. Maximum weekly working time**

An employee's working time shall not exceed an average of forty-eight (48) hours for each seven (7) day period unless the employer has first obtained the employee's consent in writing.

### **20. Excessive hours**

Notwithstanding any provision of this Part, an employer shall not require or directly or indirectly allow an employee to work excessive hours or hours detrimental to the employee's health or safety.

### **21. Reduced Hours During Ramadan**

- (1) During the Holy month of Ramadan, an employee who observes the fast shall not be required to work in excess of six (6) hours each day. There shall be no reduction in compensation as a result.
- (2) Fasting employees who choose to work for more than six (6) hours a day shall be entitled to rest breaks referred to in Article 24 (Rest breaks).

### **22. Daily rest**

An employee is entitled to a rest period of not less than eleven (11) consecutive hours in each twenty four (24) hour period.

### **23. Weekly rest period**

An employee is entitled to an uninterrupted rest period of not less than twenty-four (24) hours in each seven (7) day work period.

### **24. Rest breaks**

Where an employee's daily working time is more than six (6) hours, the employee is entitled to rest and prayer breaks of not less than one (1) hour in aggregate. The rest and prayer breaks may be spent away from the employee's workstation.

### **25. Annual vacation leave**

- (1) Subject to Article 28, an employer shall give an employee an annual vacation of twenty (20) working days to be accrued pro rata for employees who have been employed for at least three (3) months.
- (2) An employer shall ensure that an employee takes an annual vacation within twelve (12) months after completing the year of employment entitling the employee to the vacation.
- (3) An employer shall allow an employee who is entitled to an annual vacation to take it in periods of one (1) or more weeks.

- (4) An annual vacation is exclusive of national holidays to which an employee is entitled.
- (5) An employee is not entitled to a payment in lieu of vacation days earned except where:
  - (a) the employee's employment is terminated; or
  - (b) the employer agrees otherwise.

**26. Compensation in lieu of vacation leave**

Where an employee's employment is terminated, the employer shall pay the employee an amount in lieu of vacation days accrued but not taken. In the event that the employee has taken more holiday time than has accrued at the termination date, the employee shall repay the employer the corresponding sum.

**27. Dates on which leave is taken**

- (1) An employee may elect to take vacation leave by giving written notice to the employer specifying the days on which leave is to be taken and subject to any requirement imposed by the employer under Article 27(2).
- (2) The employer may request an employee to take vacation leave on specified days by giving written notice to the employee.

**28. Leave during the first year of employment**

- (1) During the first year of employment, the amount of vacation leave an employee may take at any time is limited to the amount deemed to have accrued at that time, less the amount of vacation leave already taken during that year.
- (2) For the purposes of this Article, leave is deemed to accrue over the employee's first year of employment, at the rate of one-twelfth of the amount specified in Article 25 (Annual vacation leave) on the first day of each month of that year.

**29. Entitlements under other provisions**

Where an employee is entitled to a rest period, rest break, annual vacation or maternity leave under both this Law and an employment contract, the employee may elect to take the more favourable provisions but not both.

**30. Entitlement to national holidays**

- (1) Every employee is entitled to the national holidays that are announced in the United Arab Emirates for the public sector (if the employer is a public sector entity) or the private sector (if the employer is a private sector entity).
- (2) An employee is entitled to be paid for national holidays under Article 30(1) at the appropriate hourly or daily rate.

- (3) The appropriate hourly rate is the amount of one (1) week's pay divided by the number of normal working hours in a week for that employee under the contract of employment in force on the day when the national holiday is taken.
- (4) Leave to which an employee is entitled under Article 30(1) may be replaced by:
  - (a) a day in lieu; or
  - (b) a payment in lieu;

where each of the employer and the employee so agree in writing.

**31. Special leave**

A Muslim employee shall be entitled, not more than once during the period of employment, to special leave not exceeding thirty (30) days without pay, to perform the Haj pilgrimage.

**32. Sick leave**

- (1) An employee who requests leave under this section shall personally, or have someone on the employee's behalf:
  - (a) notify the employer that the employee is unable to fulfil the duties reasonably expected in the employee's position because of the employee's sickness;
  - (b) if required by the employer, provide a medical opinion that states that the employee cannot fulfil the duties reasonably expected in the employee's position; and
  - (c) notify the employer under Article 32 (1) (a), at least once every seven (7) days during a period of absence.
- (2) Where an employee is absent because of sickness, the employer shall, if the conditions set out in Article 32(1) are satisfied, pay the employee sick pay for that day.
- (3) An employer who would, apart from this Article, be liable to pay sick pay to an employee, is entitled to withhold the sick pay if the employee failed to give notice to the employer as required under this Article.

**33. Sick pay**

Subject to Article 34, an employer shall pay an employee sick pay at the employee's normal weekly rate.

**34. Sick leave entitlement**

- (1) The maximum annual sick leave entitlement is ninety (90) days.

- (2) Where an employee takes more than an aggregate of ninety (90) sick days in any twelve (12) month period, the employer may terminate the employment immediately with written notice unless the excess leave taken is attributable to a medical condition which prevents the employee from effectively performing the duties the employee was employed to perform.
- (3) A medical condition under Article 34(2) shall be certified by a duly licensed physician or other qualified health care specialist.
- (4) An employee is not entitled to carry forward sick leave entitlement not taken in a twelve (12) month period into the next twelve (12) month period.

## **PART 5: MATERNITY RIGHTS**

### **35. Maternity Leave**

- (1) An employee shall be entitled to a minimum maternity leave of (3) three months if she :
  - (a) has been continuously employed with an employer for at least twelve (12) months preceding the eighth week before the expected week of childbirth;
  - (b) notifies her employer in writing that she is pregnant at least eight (8) weeks before the expected week of childbirth;
  - (c) if required by the employer, provides a medical practitioner's certificate stating the expected or actual birth date; and
  - (d) notifies her employer in writing at least twenty-one (21) days before the day the employee proposes to begin her maternity leave.
- (2) The maternity rights granted under this Law apply to a female employee who is adopting a child of less than three (3) months old and, in such case, references to childbirth are treated as references to the date of adoption.

### **36. Maternity pay**

- (1) An employer shall pay maternity pay at:
  - (a) the employee's normal weekly rate for the first forty-five (45) days of maternity leave; and
  - (b) at fifty (50) per cent of the employee's normal weekly rate for the next forty-five (45) days of maternity leave.
- (2) An employee cannot receive compensation in lieu of maternity leave.

### **37. Right to return to work**

- (1) An employer shall not, because of an employee's pregnancy or maternity leave:
  - (a) terminate employment; or
  - (b) change the position or condition of employment without the employee's prior written consent.
- (2) An employee has the right to return to work at the end of maternity leave granted under Article 35 on the same terms and conditions, and with same seniority rights she would have had, had she not taken maternity leave.

## **PART 6: EMPLOYER'S OBLIGATIONS**

### **38. General duties of employers to their employees**

Every employer has a duty to ensure, as far as is reasonably practicable, the health, safety and welfare at work of all its employees.

### **39. Health and safety duties**

Without limiting the generality of an employer's duty under Article 38, every employer has a duty, as far as is reasonably practicable, to:

- (a) provide and maintain a workplace that is free of harassment, safe and without risks to an employee's health;
- (b) ensure adequate systems are in place that minimize risks to health concerning fire hazards and the use, handling, storage and transport of dangerous articles and substances;
- (c) provide information, instruction, training and supervision to employees, in English, Arabic or, if necessary, another language understood by the employees, to ensure their health and safety at work;
- (d) inform each employee in writing at the time of recruitment of the dangers, if any, connected with the employment and of the protective measures the employee shall take;
- (e) provide and maintain adequate and safe access to, and from, the workplace; and
- (f) provide any other facilities or meet any other requirements as prescribed in the Regulations.

### **40. Ventilation**

An employer shall ensure that every enclosed workplace is ventilated by a sufficient quantity of fresh or purified air.

### **41. Temperature in indoor workplaces**

An employer shall ensure that during working hours, the temperature in all workplaces inside buildings shall be reasonable.

### **42. Lighting**

An employer shall ensure that its workplace has suitable and sufficient lighting.

### **43. Cleanliness**

An employer shall keep its workplace and its furniture, furnishings and fittings clean.

44. **Room dimensions and space**

An employer shall ensure that every room where persons work has sufficient floor area, height and unoccupied space for purposes of health, safety and welfare.

45. **Workstations and seating**

An employer shall ensure that workstations are suitable for employees and the nature of the work required to be done at the workstation.

46. **Sanitary conveniences**

An employer shall provide suitable and adequate sanitary conveniences at readily accessible places in the workplace.

47. **Drinking water**

An employer shall provide an adequate supply of wholesome drinking water for all employees in the workplace.

48. **No penalties for preventing health and safety risks**

- (1) An employer shall not dismiss or otherwise penalise, directly or indirectly, any employee for:
  - (a) carrying out activities that prevent or reduce risks to health and safety in the workplace where the employee has been specifically designated to do so; or
  - (b) taking reasonable steps to avert serious and imminent danger and for refusing to return to the place of danger until the danger no longer exists.
- (2) An employee is not to be regarded as having been penalised for conduct referred to in Article 48(1)(a) and (b) if the employer proves that the employee's conduct was negligent or inappropriate in the circumstances and that a reasonable employer would have treated the employee as the employer did.

49. **Liability of employers for employee's conduct**

- (1) An employer is liable for any act of an employee done in the course of employment.
- (2) An employer is not liable for an act of an employee if the employer proves that it took reasonable steps to prevent the employee from doing that act or from doing, in the course of employment, acts of that description.

50. **Compensation for employment accidents and occupational diseases**

Where an employee sustains an employment accident, or dies as a result of an employment accident or contracts an occupational disease, the employer shall pay compensation as prescribed in the Regulations.

51. **Health and Disability Income Insurance**

An employer is required to obtain and maintain insurance cover for:

- (a) health; and
- (b) disability income in the manner prescribed in the Regulations,

which shall provide for periodic payments in respect of lost income when the employee is unable to work due to illness or injury.

## **PART 7: TIME OFF WORK**

### **52. Right to time off to look for work or arrange training**

- (1) An employee who is dismissed as redundant is entitled to take reasonable time off during the employee's working hours, and before the end of the notice period, to look for new employment.
- (2) An employee is not entitled to take time off under this Article unless, on the date on which the notice is due to expire, the employee would have been continuously employed for at least two (2) years.

### **53. Right to time off for ante-natal care**

An employee who:

- (a) is pregnant; and
- (b) has, on the advice of a registered medical practitioner, made an appointment to receive ante-natal care,

is entitled to take time off during the employee's working hours in order to keep the appointment.

### **54. Right to remuneration for time off under Articles 52 and 53**

- (1) An employee who is permitted to take time off under Articles 52 and 53 is entitled to be paid for the period of absence at the appropriate hourly rate.
- (2) The appropriate hourly rate is the amount of one (1) week's pay divided by the number of normal working hours in a week for that employee under the contract of employment in force on the day when the time off is taken.

## **PART 8: EMPLOYEE'S OBLIGATIONS**

### **55. General duties of employees at work**

Every employee has a duty, while at work, to take reasonable care of the employee's own health and safety and that of other persons who may be affected by the employee's conduct.

## PART 9: NON-DISCRIMINATION

### 56. **Discrimination**

- (1) Discrimination for the purposes of this Article means a distinction based on personal characteristics relating to sex, marital status, race, nationality or religion, mental or physical disability that has the effect of imposing burdens, obligations or disadvantages on a person not imposed upon other persons or that withholds or limits access to opportunities, benefits and advantages available to other persons under this Law. In the case of mental or physical disability, such condition shall not constitute a basis for a discrimination claim unless it is of a long-term nature, generally no less than twelve (12) consecutive months in duration.
- (2) An employer shall not:
  - (a) refuse to employ or refuse to continue to employ a person; or
  - (b) discriminate against a person regarding employment or any term or condition of employment,because of that person's sex, marital status, race, nationality, religion, mental or physical disability, unless there is a bona fide occupational requirement.
- (3) For the purposes of this Article, an employer discriminates against a disabled person if the employer fails to make reasonable adjustments to any physical feature of the workplace or practices that would, if made, enable the disabled person to otherwise meet the bona fide occupational requirements.
- (4) No provision in this Article precludes any law, program or activity that has as its object the amelioration of conditions of disadvantaged individuals or groups, including those that are disadvantaged because of mental or physical disability.
- (5) The Director may determine what constitutes a bona fide occupational requirement in this Article.

## **PART 10: TERMINATION OF EMPLOYMENT**

### **57. Rights of employer and employee to minimum notice**

- (1) The notice required to be given by an employer or employee to terminate a person's employment, where the person has been continuously employed for one (1) month or more, shall not be less than:
  - (a) One (1) week if the period of continuous employment is less than three (3) months;
  - (b) one (1) month if the period of continuous employment is three (3) months or more but less than five (5) years;
  - (c) three (3) months if the period of continuous employment is five (5) years or more.
- (2) This Article shall not prevent an employer and employee from agreeing to a longer or shorter period of notice nor shall it prevent either party from waiving notice or from accepting a payment in lieu of notice.
- (3) This Article does not affect the right of either party to terminate employment without notice where there is cause.
- (4) The circumstances constituting cause are set forth in Article 60(4).

### **58. Right to written statement of reasons for dismissal**

Upon the request of an employee who has been continuously employed for a period of not less than one (1) year on the date of termination of employment, an employer shall provide the employee with a written statement of the reasons for the employee's dismissal.

### **59. Director may determine termination of employment**

If a condition of employment is substantially altered, the Director may determine that the employment of an employee has been terminated.

### **60. End of service gratuity**

- (1) Subject to Article 60(5) and (7), an employee who completes continuous employment of one (1) year or more is entitled to a gratuity payment at the termination of the employee's employment.
- (2) The gratuity payment shall be calculated as follows:
  - (a) Twenty one (21) days' wage for each year of the first five (5) years of service.
  - (b) Thirty (30) days' wage for each additional year of service, provided that the total of the gratuity shall not exceed the wages of two (2) years of service.

The gratuity calculation shall not include that portion of an employee's wage received in-kind or as allowance for housing, travel, currency exchange (cashier), children's education, social and entertainment or any other type of allowance, nor shall it include overtime pay. The employer may deduct from the gratuity any amounts owed to the employer by the employee.

An employee shall not be entitled to receive gratuity if his employment is terminated in the circumstances provided in clause 60(4) of this Law.

- (3) Where the termination occurs prior to the end of any full year of employment, the gratuity payment shall be calculated on a proportionate basis.
- (4) An employee is not entitled to a gratuity payment where the employee has been terminated for misbehaviour. A termination for such cause exists in circumstances where the employee's conduct warrants termination and where a reasonable employer would have terminated the employee. An employer may dismiss an employee without notice in such circumstances.
- (5) Where an employer has established a pension scheme for his employees, he shall provide in writing to the employee, prior to the employee commencing work, the option to choose between participating in the pension scheme or receiving the end of service gratuity payment.
- (6) Where an employee has received a document under Article 60(5), he shall expressly state his choice in writing and submit it to the employer.

## **PART 11: DIRECTOR OF EMPLOYMENT STANDARDS**

### **61. Director of Employment Standards**

- (1) The President shall appoint a person to be the Director of Employment Standards.
- (2) The Director is responsible for the administration of this Law and may appoint any person necessary to discharge his duties and exercise his powers under this Law.
- (3) The Director shall develop and carry out policies to promote greater awareness of this Law.
- (4) The Director, by conditional or unconditional written authority, may delegate the Director's powers and duties under this Law to any person employed under Article 61(2).
- (5) A person to whom the Director, by written authority under Article 61(4), delegates powers and duties, may exercise the powers and shall perform the duties in accordance with the written authority.

### **62. Powers of the Director**

The Director has such powers, duties and functions as may be conferred on the Director under this Law and any Regulation made under it and shall exercise such powers and perform such functions in pursuit of the objectives of this Law and The Regulations.

### **63. Regulations**

- (1) The Director may propose Regulations to the Board of Directors of the DIFC Authority in respect of any matter that facilitates the administration of the Law or furthers the purposes of the Law, including but not limited to:
  - (a) the development and publication of information to employers and employees concerning the application and interpretation of the Law and Regulations;
  - (b) procedures for initiating and filing complaints;
  - (c) procedures for appealing and reconsidering decisions or determinations of the Director;
  - (d) minimum wage requirements for employees or classes of employees;
  - (e) a compensation grid for occupational diseases, employment deaths and accidents;

- (f) fines;
  - (g) the maximum compensation for discrimination or unfair dismissal;
  - (h) health and safety requirements; and
  - (i) minimum health insurance requirements.
- (2) The Board of Directors of the DIFC Authority may make Regulations under the Law in respect of:
- (a) any matters related to the fulfilment of the objectives of the Law; or
  - (b) as proposed by the Director under Article 63(1).

**64. Immunity of Director and others**

- (1) Neither the Director nor any officer, employee, delegate or agent of the Director can be held liable for anything done or omitted to be done in the performance or purported performance of the functions, or in the exercise or purported exercise of any power, of the Director.
- (2) Article 64(1) does not apply if the act or omission is shown to have been in bad faith.

## **PART 12: COMPLAINTS, INVESTIGATIONS AND DETERMINATIONS**

### **65. Complaints**

- (1) An employee, former employee or other person may complain to the Director that a person has committed a contravention of this Law or the Regulations.
- (2) A complaint shall be made to the Director in the manner and time period prescribed in the Regulations.
- (3) No employee shall be penalised for filing a complaint with the Director unless the Director concludes that such complaint was in bad faith and has resulted in harm to the employer.

### **66. Investigations**

- (1) The Director may conduct an investigation as the Director considers expedient to ensure compliance with this Law and the Regulations, whether or not the Director has received a complaint.
- (2) Subject to Article 66(4), the Director shall accept and review a complaint made under Article 65.
- (3) A person is entitled to legal representation during the course of an investigation.
- (4) For the purposes of this Law, where the Director considers that a person is or may be able to give information or produce a document which is or may be relevant to an investigation, the Director has the power to:
  - (a) enter the business premises of such person during normal business hours for the purpose of inspecting and copying information or documents stored in any form on such premises;
  - (b) require such person to give, or procure the giving of, specified information in such form as The Director reasonably require;
  - (c) require such person to produce, or procure the production of, specified documents;
  - (d) require such person to attend before the Director at a specified time and place to answer questions, including under oath or affirmation administered by an officer of the Director that the statements that the person will make will be true; and
  - (e) require such person to give the Director any assistance in relation to the investigation which the person is able to give.
- (5) A requirement made under Article 66(4)(b),(c),(d) or (e) shall be stated in writing.

- (6) The Director may require the relevant person to give such information or produce such documents by the end of a reasonable period and at a place specified in the notice.
- (7) The Director may refuse to accept, review, mediate, investigate or adjudicate a complaint or may stop or postpone reviewing, mediating, investigating or adjudicating a complaint if:
  - (a) the complaint is not made in the manner prescribed in the Regulations;
  - (b) the Director determines that this Law does not apply to the complaint;
  - (c) the complaint is frivolous, trivial or is not made in good faith;
  - (d) the employee has not taken the requisite steps specified by the Director in order to facilitate resolution or investigation of the complaint;
  - (e) there is not enough evidence to prove the complaint;
  - (f) the Director or Court has previously made a decision or an order relating to the subject matter of the complaint; or
  - (g) the dispute that caused the complaint is resolved.

67. **Opportunity to be heard**

- (1) If an investigation is conducted, and before the Director makes any determination or order, the Director shall give the person under investigation an opportunity to be heard.
- (2) During the course of an investigation, the Director shall provide translation services in a language understood by an employee, if the Director considers that such employee cannot understand or communicate in English.

68. **Determinations and orders by the Director**

- (1) In addition to any other powers the Director has under the Law, the Director may, if satisfied that a person has contravened a requirement of this Law or the Regulation make a determination to that effect and may order the person to do one or more of the following:
  - (a) comply with the requirement;
  - (b) remedy or cease doing an act or thing; and
  - (c) pay any costs incurred by the Director in connection with an investigation.

- (2) In addition to Article 68(1), if satisfied that an employer has contravened a requirement of the Law or the Regulations, the Director may order the employer to do one or more of the following:
- (a) hire a person and pay the person any wages lost because of the contravention;
  - (b) reinstate a person in employment and pay the person any wages lost because of the contravention;
  - (c) pay all wages to an employee;
  - (d) pay a person compensation;
  - (e) pay a person any amount the Director determines is owing under any provision of the Law or Regulations;
  - (f) take within a specified period, any action the Director considers reasonable that eliminates or reduces the adverse effect on the complainant of any matter relating to the complaint;
  - (g) pay an employee, or other relevant person, reasonable and actual out of pocket expenses incurred because of the contravention;
  - (h) limit the hours of work of employees to the hours or schedule specified by the Director;
  - (i) post notice, in a form and location specified by the Director, respecting:
    - (i) a determination; or
    - (ii) a requirement, or information about, this Law or the Regulations; or
  - (j) employ, at the employer's expense, a payroll service for the payment of wages to an employee.
- (3) The Director may make a requirement under Article 68(1) or (2) subject to any terms and conditions that the Director considers appropriate.
- (4) The Director shall serve an employer with notice of a requirement imposed under Article 68(1) or (2) including any terms and conditions imposed under Article 68(3).
- (5) A person on whom the Director imposes a requirement under this section shall comply with that requirement.
- (6) If the Director requires a person to pay an amount referred to in Article 68(1)(e), the amount required to be paid is a debt due and may be collected by the Director in the same manner as wages.
- (7) If satisfied that the requirements of this Law and the Regulations have not been contravened, the Director shall dismiss a complaint.

69. **Failure to comply**

If a person, without reasonable excuse, fails or refuses to comply with an order, notice, requirement or prohibition made by the Director pursuant to this Law or the Regulations, the Director or any aggrieved party may apply to the Court for:

- (a) an order restraining the person from engaging in the conduct that may constitute a contravention of the Law;
- (b) an order requiring that person to do any act or thing including, but not limited to, acts or things to remedy the contravention or to minimise loss or damage; or
- (c) any other order as necessary in the circumstances;

and the Court may make such orders.

70. **Power to vary determination**

- (1) The Director may vary or cancel a determination if circumstances have changed or the Director considers it is appropriate to do so.
- (2) The Director may refer a matter to the Court for disposition.

71. **Notifying others of determination**

- (1) On making a determination under this Law, the Director shall serve any person named in the determination with a copy of the determination that includes the following:
  - (a) if an employer or other person is required by the determination to pay wages, compensation, interest, a fine or another amount, the amount to be paid and how it was calculated;
  - (b) if a fine is imposed, the nature of the contravention and the date by which the fine shall be paid;
  - (c) the time limit and process for appealing the determination to the Court.
- (2) A person named in a determination under Article 71(1) may request from the Director written reasons for the determination and the Director shall comply with such request.
- (3) On being served with a determination requiring the employer to limit the hours of work of employees, an employer shall display a copy of the determination in each workplace in locations where the determination can be read by any affected employees.

72. **Settlement agreements**

The Director may do one or more of the following:

- (a) assist in settling a complaint or a matter investigated under the Law or the Regulations; or
- (b) direct that a person pay directly to an employee or other person any amount to be paid as a result of a settlement agreement under Article 72(a).

73. **Employee not to be mistreated because of complaint or investigation**

An employer shall not:

- (a) refuse to employ or refuse to continue to employ a person;
- (b) threaten to dismiss or otherwise threaten a person;
- (c) discriminate against or threaten to discriminate against a person with respect to employment or a condition of employment; or
- (d) intimidate or coerce or impose a monetary or other fine on a person;

because a complaint or investigation may be or has been made under this Law or Regulations or because an appeal or other action may be or has been taken or information may be or has been supplied under this Law or the Regulations.

74. **Obstruction of the Director**

A person shall not without reasonable excuse engage in conduct, including without limitation the:

- (a) destruction of documents;
- (b) failure to give or produce information or documents specified by the Director;
- (c) failure to attend before the Director at a specified time and place to answer questions;
- (d) giving of information that is false or misleading; and
- (e) failure to give assistance in relation to an investigation which the person is able to give,

that is intended to obstruct the Director in the exercise of his powers under the Law or the Regulations

75. **Power to grant exemptions**

- (1) The Director, on application of any employer, may exempt an employer from a requirement of the Law or the Regulations if the Director is satisfied that:
  - (a) a majority of the employees who will be affected by the exemption are aware of its effect and approve of the application; and
  - (b) the exemption is not inconsistent with the purposes of this Law set out in Article 3.
- (2) The application of an exemption under this Part shall not be interpreted as a waiver described in Article 8.
- (3) In addition, if the application is for an exemption of a time period, the Director shall be satisfied that the exemption will facilitate:
  - (a) the preservation of the employer's operations;
  - (b) an orderly reduction or closure of the employer's operations; or
  - (c) the short term employment of employees for special projects.
- (4) The Director may:
  - (a) specify that an exemption applies only to one or more of the employer's employees;
  - (b) specify an expiry date for an exemption; and
  - (c) attach any conditions to an exemption.
- (5) On being served with a determination on an exemption application, the employer shall display a copy of the determination in each workplace, in locations where the determination can be read by any affected employees.

76. **Obligation to keep information confidential**

Every person acting under the authority of this Law and the Regulations shall keep confidential all information and records obtained or provided under this Law, except so far as the person's public duty requires or this Law permits the person to disclose them or to report or take official action on them.

## **PART 13: ENFORCEMENT**

### **77. Associated employers**

If the Director considers that businesses, trades or undertakings are carried on by or through more than one corporation, individual, firm, syndicate or association, or any combination of them under common control or direction:

- (a) the Director may treat the corporations, individuals, firms, syndicates or associations, or any combination of them, as one employer for the purposes of this Law; and
- (b) if so, they are jointly and severally liable for payment of the amount stated in a determination, a settlement agreement or an order of the Director or the Court, and this Law applies to the recovery of that amount from any or all of them.

### **78. Contraventions attributable to officers, directors and agents**

If a person, other than an individual, contravenes a provision of this Law or the Regulations, or fails to comply with a decision of the Director or the Court, an officer, director or agent of the person who authorises, permits or acquiesces in the contravention or non-compliance also contravenes the provision or fails to comply with the decision, as the case may be.

### **79. Monetary fines**

- (1) The Director may impose a monetary fine, as prescribed by the Regulations, against any person found to have contravened a provision of this Law or the Regulations.
- (2) A person who objects to the imposition of a fine under Article 79(1), may do so in the manner prescribed in the Regulations.
- (3) A fine imposed under this Article is in addition to, and not instead of, any order or requirement made as a consequence of, the Director's determination.
- (4) A determination made by the Director referred to in Article 79(2) shall include a statement of the applicable fine.
- (5) If a company contravenes a requirement of this Law or the Regulations, an employee, officer, director or agent of the company who authorises, permits or acquiesces in the contravention is also liable to the fine.
- (6) A fine imposed under this Part is a debt due to the DIFC and may be collected by the Director in the same manner as wages.

### **80. Payment of interest**

- (1) If an employer fails to pay wages or another amount to an employee, the employer shall pay interest at the rate prescribed in the Regulations on the wages or other amount from the earlier of:

- (a) the date the employment terminates; or
- (b) the date a complaint about the wages or other amount is delivered to the Director,

to the date of payment.

**81. Determination and orders may be filed and enforced as judgments**

- (1) The Director may at any time file in the Court registry a determination, a settlement agreement or order of the Director which may include a monetary fine.
- (2) Unless varied, cancelled or stayed under this Law, a filed determination, settlement agreement or order is enforceable in the same manner as a judgment of the Court in favour of the Director for the recovery of a debt in the amount stated in the determination.
- (3) If a determination or order filed under this section is varied, cancelled or stayed, the Director shall promptly withdraw the determination or order from filing in the Court registry.

**82. Publication of violators' names**

The Director may, as prescribed by the Regulations, compile information relating to contraventions of this Law or the Regulations, including information identifying the persons who, according to a determination or an order, committed the contraventions.

## **PART 14: APPEALS**

### **83. Appeal of Director's determinations, decisions and fines**

- (1) A person directly affected by a determination, decision, or fine of the Director may appeal the determination, decision, or fine to the Court.
- (2) The appeal shall be filed within thirty (30) days of receipt of the determination, decision, or fine appealed and in accordance with the requirements prescribed in the Regulations and Rules of Court.
- (3) The Court may grant a stay of the decision appealed from until the disposition of the appeal.
- (4) The Court may attach conditions to the stay, including requiring a party to deposit as security part or all of a monetary order.
- (5) The Director shall provide the Court with the record that was before the Director at the time the determination, order or fine was made, including any witness statement and documents considered by the Director.
- (6) The Director is a party to an appeal under this section of any determination, decision or fine under appeal.
- (7) The Director shall comply with any directions the Court gives to the Director.

### **84. Powers of the Court on appeal**

- (1) Before considering an appeal under this Part, the Court may:
  - (a) refer the matter back to the Director for further investigation; or
  - (b) recommend that an attempt be made to settle the matter.
- (2) The Court may dismiss an appeal without a hearing of any kind if satisfied that:
  - (a) the appeal is not within the Court's jurisdiction; or
  - (b) the appeal is frivolous or trivial or is not brought in good faith.
- (3) On an appeal under this Part the Court, in addition to any powers it has under the Rules of Court, may:
  - (a) consider any other relevant evidence, in addition to the record;
  - (b) decide all questions of fact or law arising in the course of an appeal;

- (c) refer the matter back to the Director; or
- (d) confirm, vary or cancel the determination, decision or fine under appeal, or make another decision that it considers proper.

## **SCHEDULE**

### **1. RULES OF INTERPRETATION**

- (1) In this Law, a reference to:
  - (a) a statutory provision includes a reference to the statutory provision as amended or re-enacted from time to time;
  - (b) a person includes any natural person, body corporate or body unincorporate, including a company, partnership, unincorporated association, government or state;
  - (c) an obligation to publish or cause to be published a particular document shall, unless expressly provided otherwise in this Law, include publishing or causing it to be published in printed or electronic form;
  - (d) a day shall refer to a business day, being a normal working day in the DIFC;
  - (e) a calendar year shall mean a year of the Gregorian calendar;
  - (f) the masculine gender includes the feminine;
  - (g) “dollar” or “\$” is a reference to United States Dollars unless the contrary intention appears.
- (2) The headings in the Law shall not affect its interpretation.

### **2. LEGISLATION IN THE DIFC**

References to legislation and Guidance in the Law shall be construed in accordance with the following provisions:

- (a) Federal Law is law made by the federal government of the United Arab Emirates;
- (b) Dubai Law is law made by the government of the Emirate of Dubai;
- (c) DIFC Law is law made by the Ruler of Dubai;
- (d) the Law is the DIFC Employment Law, DIFC Law No. 4 of 2005, made by the Ruler of Dubai;
- (e) the Regulations are legislation made by the Board of Directors of the DIFC Authority and are binding in nature;
- (f) Guidance is indicative and non-binding and may comprise (i) guidance made and issued by the Director under the Law; and (ii) any standard or code of practice issued by the Board of Directors of the DIFC Authority.

### 3. DEFINED TERMS

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings:

Term	Definition
contract of employment	any agreement, whether for a limited or an unlimited period concluded between an employer and an employee, whereby the latter undertakes to work in the employer's service, and under his management and control in return for remuneration that the employer undertakes to pay.
Court	the DIFC Court established by Dubai Law No. 10 of 2004.
day	a period of twenty-four (24) hours beginning at midnight.
DIFC Authority	the entity established under Article 6 of Dubai Law No. 9 of 2004.
DIFC	the Dubai International Financial Centre.
Director	for the purposes of this Law, the person appointed to the office of Director of Employment Standards under Article 61(1).
disability	inability to perform all or part of one's employment duties because of an accident or illness.
effective date of termination	(a) in relation to an employee whose contract of employment is terminated by notice, whether given by his employer or by the employee, means the date on which the notice expires;  (b) in relation to an employee whose contract of employment is terminated without notice, means the date on which the termination takes effect; and  (c) in relation to an employee who is employed under a contract for a fixed term which expires without being renewed under the same contract, means the date on which the term expires.
employee	means an individual:  (a) who has entered into or works under a

	<p>contract of employment; or</p> <p>(b) who undertakes to do or perform any work or services for an employer, and under an employer's management and control, in return for remuneration,</p> <p>and includes a person who was an employee.</p>
employer	any person employing an individual to perform services for remuneration of any kind and includes a person who was an employer.
President	the President of the DIFC appointed by a decree of the Ruler pursuant to Dubai Law.
regular wage	<p>means:</p> <p>(a) if an employee is paid by the hour, the hourly wage;</p> <p>(b) if an employee is paid on a flat rate, piece rate, commission or other incentive basis, the employee's wages in a pay period;</p> <p>(c) if an employee is paid a weekly wage, the weekly wage;</p> <p>(d) if an employee is paid a monthly wage, the monthly</p> <p>(e) if an employee is paid a yearly wage, the yearly wage</p>
Regulations	has the meaning given in Article 2(e) of the Schedule to the Law.
Ruler	the Ruler of the Emirate of Dubai.
wages	means all payments made to an employee in return for work done or services provided under a written contract of employment.