



**DIFC**

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**EMPLOYMENT LAW**

**DIFC LAW NO. 4 OF 2005**

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Consolidated Version  
(December 2012)

Amended by

Employment Law Amendment Law  
DIFC Law No. 3 of 2012

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**PART 1: GENERAL**

**1. Title**

The Law may be cited as the “Employment Law DIFC Law No. 4 of 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) provide minimum employment standards to employees based within, or who ordinarily works within or from the DIFC;
- (b) promote the fair treatment of employees and employers; and
- (c) foster employment practices that will contribute to the prosperity of the DIFC.

**4. Application of the Law**

(1) 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.

(2) The applicable law to a contract of employment of an employee based within, or who ordinarily works within or from the DIFC, shall be this Law.

**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**

Schedule 1 contains:

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

**8. Administration of the Law**

This Law and any legislation made under this Law is administered by the DIFC Authority.

**9. The power of the DIFC Authority to make Regulations**

The Board of Directors of the DIFC Authority may make Regulations in respect of any matter that facilitates the administration of this Law or furthers the purposes of this Law.

## **PART 2: HIRING EMPLOYEES**

### **10. 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.

### **11. 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.

### **12. Hiring children**

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

### **13. Right to a written contract**

- (1) When an employee begins employment, the employer shall give to the employee a written contract of employment.
- (2) The contract of employment, shall include as a minimum:
  - (a) the names of the employer and employee;
  - (b) the date when the employment began;
  - (c) the employee's wages;
  - (d) the applicable pay period;
  - (e) any terms and conditions relating to hours or days of work;
  - (f) any terms and conditions relating to:

- (i) vacation leave and vacation pay, national holidays and pay for such national holidays; and
    - (ii) sick leave and sick pay;
  - (g) the length of notice that the employee and the employer 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 for an indefinite duration, 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; and
  - (l) any other matter that may be prescribed under the Regulations.
- (3) An employer shall expressly state in writing in the contract of employment which terms of the contract shall be subject to the employer's policies and may be changed at the employer's discretion from time to time by way of a written notice to the employee.

**14. Right to itemised pay statement**

- (1) An employer shall give to an employee when, or before, an employee is paid any wages, a written itemised pay statement that includes:
  - (a) the amount of the wages payable; and
  - (b) the amounts of any variable, and any fixed, deductions from that amount and the purposes for which they are made.
- (2) An employer satisfies the requirement in Article 14(1) if it provides electronic access to the itemised pay statement and the employee may print such statement.

**15. Short term employment**

Articles 13 and 14 do not apply to an employer if the employment is for less than thirty (30) days.



**16. 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 contact address (both residential and postal);
  - (b) the date employment began;
  - (c) the employee's wages (gross and net, where applicable), and the applicable pay period;
  - (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) each deduction made from the employee's wages and the reason for it;
  - (g) the dates of the national holidays taken by the employee and the amounts paid by the employer;
  - (h) the dates of the vacation leave taken by the employee, the amounts paid by the employer and the days and amounts owing; and
  - (i) sick leave and other special leaves of absence.
- (2) Records prescribed in Article 16(1) shall be:
  - (a) in English and English language shall have precedence over any other language used in the records;
  - (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.
- (3) Records prescribed in Article 16(1) may be retained in electronic format.

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

#### **17. 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.

#### **18. Payment where the employment is terminated**

- (1) An employer shall pay all wages and any other amount owing to an employee within fourteen (14) days after the employer or employee terminates the employment.
- (2) If an employer fails to pay wages or any other amount owing to an employee in accordance with Article 18(1), the employer shall pay the employee a penalty equivalent to the last daily wage for each day the employer is in arrears.

#### **19. 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 Court.

#### **20. 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.



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- (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 to and this Law applies to the recovery of the payment.

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

### **21. 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.

### **22. Excessive hours**

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

### **23. Reduced hours during Ramadan**

- (1) During the Holy month of Ramadan, a Muslim 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 26.

### **24. 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.

### **25. 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.

### **26. 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.

### **27. Vacation leave**

- (1) Subject to Article 30, an employer shall give an employee a minimum paid vacation leave of twenty (20) working days per annum to be accrued pro rata for employees who have been employed for at least ninety (90) days.
- (2) An employee is entitled to carry forward his accrued but untaken vacation leave up to a maximum of twenty (20) working days into the



next calendar year for a maximum period of twelve (12) months after which the unused leave shall expire.

- (3) An employer shall allow an employee who is entitled to a vacation leave to take it in periods of one (1) or more weeks.
- (4) Vacation leave is exclusive of national holidays to which an employee is entitled.
- (5) An employee is not entitled to a payment in lieu of vacation leave earned except where:
  - (a) the employee's employment is terminated; or
  - (b) the employer agrees otherwise.

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

- (1) Where an employee's employment is terminated, the employer shall pay the employee an amount in lieu of vacation leave accrued but not taken. In the event that the employee has taken more vacation leave than has accrued at the termination date, the employee shall repay the employer the corresponding sum.
- (2) Compensation in lieu of vacation leave shall be calculated using the employee's daily wage applicable on the employee's last day of employment.

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

- (1) An employee electing to take vacation leave, shall do so by giving at least seven (7) days prior 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 29(2).
- (2) The employer may require an employee to take vacation leave on specified days by giving at least seven (7) days prior written notice to the employee.

**30. 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, unless the employer agrees otherwise.
- (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 27 on the first day of each month of that year.

**31. Entitlements under other provisions**

Where an employee is entitled to a rest period, rest break, 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.

**32. Entitlement to national holidays**

- (1) Every employee is entitled to the national holidays that are announced in the UAE for the public sector (if the employer is a public sector entity) or the private sector (if the employer is a private sector entity), falling on a working day.
- (2) An employee is entitled to be paid a daily wage for national holidays under Article 32 (1).
- (3) Leave to which an employee is entitled under Article 32(1) may be replaced by:
  - (a) a day in lieu;
  - (b) a payment in lieu; or
  - (c) a pro-rated amount relating to the period of time worked,where each of the employer and the employee so agree in writing.

**33. Special leave**

A Muslim employee, who has completed one (1) year or more of continuous employment, shall be entitled, not more than once during the period of employment, to special leave not exceeding (30) days without pay, to perform the Haj pilgrimage.

**34. Sick leave**

- (1) An employee is entitled to sick leave not exceeding a maximum of sixty (60) working days in aggregate in any twelve (12) month period.
- (2) An employee who requests leave under this section shall personally, or have someone on the employee's behalf:
  - (a) at least once every seven (7) days during a period of absence, 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; and

- (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.
- (3) Where an employee is absent because of sickness, the employer shall, if the conditions set out in Article 34(2) are satisfied, pay the employee sick pay for that day.
- (4) An employer who would, apart from Article 34(2), 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 Article 34(2).

**35. Sick pay**

- (1) Subject to Article 34, an employer shall pay an employee his daily wage in respect of sick pay.
- (2) Article 34(1) shall not apply if the contract of employment is for one (1) month or less.

**36. Termination for excessive sick leave**

Where an employee takes more than an aggregate of sixty (60) working days of sick leave in any twelve (12) month period, the employer may terminate the employment immediately with written notice to the employee

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**PART 5: MATERNITY RIGHTS**

**37. Maternity leave**

- (1) An employee shall be entitled to a minimum maternity leave entitlement of sixty five (65) working days.
- (2) An employee shall be entitled to be paid in accordance with Article 38 during the minimum maternity leave in Article 37(1) if she:
  - (a) will have been continuously employed with an employer for at least twelve (12) months preceding the expected or actual week of childbirth;
  - (b) notifies her employer in writing that she is pregnant at least eight (8) weeks before the expected week of childbirth, if requested by the employer;
  - (c) provides a medical practitioner's certificate stating the expected or actual birth date if requested by the employer; and
  - (d) notifies her employer in writing at least twenty-one (21) days before the day the employee proposes to begin her maternity leave.
- (3) 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.
- (4) Annual leave shall continue to accrue during maternity leave and may be taken separately.

**38. Maternity pay**

- (1) An employer shall pay maternity pay at:
  - (a) the employee's normal daily wage for the first thirty three (33) working days of maternity leave; and
  - (b) at fifty (50) per cent of the employee's normal daily wage for the next thirty-two (32) working days of maternity leave.
- (2) An employee cannot receive compensation in lieu of maternity leave.
- (3) Any national holidays falling on a working day within the maternity leave period shall be treated as additional leave thereby having the effect of extending the maternity leave by the period of the national holiday.



**39. 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 37 to the same role or a suitable alternative 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**

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

- (1) An employer has a duty to ensure, as far as is reasonably practicable, the health, safety and welfare at work of all its employees.
- (2) An employer shall provide and maintain a workplace that is free of harassment, safe and without risks to an employee's health.

### **41. Health and safety duties**

Without limiting the generality of an employer's duty under Article 40, every employer has a duty, as far as is reasonably practicable, to:

- (a) 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;
- (b) 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;
- (c) 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;
- (d) provide and maintain adequate and safe access to, and from, the workplace; and
- (e) provide any other facilities or meet any other requirements as prescribed in the Regulations.

### **42. Ventilation**

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

### **43. Temperature in indoor workplaces**

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

### **44. Lighting**

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

**45. Cleanliness**

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

**46. 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.

**47. 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.

**48. Sanitary conveniences**

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

**49. Drinking water**

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

**50. 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 50(1) 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.

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

- (1) Subject to Article 51(2), 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.

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

- (1) Where an employee sustains an injury as a result of an accident arising out of or in the course of his employment, the employer shall pay compensation to the employee in accordance with Schedule 2 equal to no less than twenty four (24) months wages calculated on the basis of the last monthly wage the employee was paid before his injury.
- (2) Where an employee dies as a result of an accident or illness arising out of or in the of course of his employment, the employer shall pay compensation to his named dependants equal to no less than twenty four (24) months wages calculated on the basis of the last monthly wage the employee was paid before his death.

**53. Health insurance**

An employer is required to obtain and maintain health insurance cover for its employees.

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**PART 7: TIME OFF WORK**

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

- (1) Subject to Article 54(2), an employee who is terminated in accordance with Article 59(2) 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. The length and timing of any time off under this Article shall be at the employer's discretion, having regard to the legitimate business needs of the employer.
- (3) Article 54(1) does not apply if the employee is dismissed for cause as prescribed in Article 59(4).

**55. Right to time off for ante-natal care**

- (1) 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.

- (2) The employer may request the employee to provide:
  - (a) a medical practitioner's certificate confirming the pregnancy; and
  - (b) evidence of appointments for ante-natal care.

**56. Right to remuneration for time off under Articles 54 and 55**

- (1) An employee who is permitted to take time off under Articles 54 and 55 is entitled to be paid for the period of absence at the appropriate hourly rate.
- (2) The appropriate hourly rate is the daily wage divided by the number of normal working hours in a working day for that employee under the contract of employment in force on the day when the time off is taken.



**PART 8: EMPLOYEE'S OBLIGATIONS**

**57. General duties of employees at work**

An 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

### 58. Discrimination

- (1) An employer must not discriminate against an employee regarding employment or any term or condition of employment on the grounds of the employee's:
  - (a) sex;
  - (b) marital status;
  - (c) race;
  - (d) nationality;
  - (e) religion; and/or
  - (f) mental or physical disability.
  
- (2) Discrimination for the purposes of Article 58(1) means where:
  - (a) an employee is treated less favourably than others would be treated in the same circumstances on one of the prohibited grounds in Article 58 (1);
  - (b) in respect of the application of the same provision, criteria, or practice an employee is put at a disadvantage not faced by others who are not of that sex, marital status, race, nationality or religion, or suffering from a mental or physical disability as applicable; or
  - (c) on grounds of one of the prohibited grounds in Article 58(1), an employee is subjected to unwanted treatment or conduct which has the purpose or effect of creating an intimidating, hostile, degrading, humiliating or offensive workplace.
  
- (3) For the purposes of Article 58(2)(b), a provision, criteria or practice is discriminatory in relation to any of the grounds specified in Article 58(1) as relevant, if:
  - (a) an employer applies, or would apply it, to persons who do not share the characteristics of such employee;
  - (b) it puts, or would put, persons with whom the employee shares the characteristic at a particular disadvantage when compared with persons with whom the employee does not share it;

- (c) it puts, or would put, the employee at that disadvantage; and
  - (d) the employer cannot show it to be a proportionate means of achieving a legitimate aim.
- (4) An employer may apply a bona fide occupational requirement to Article 58(2)(a) and (b), subject to Article 58(5). A bona fide occupational requirement is a requirement reasonably necessary for the normal performance of a particular role or occupation.
- (5) For the purposes of this Article 58:
- (a) an employee has a disability for the purposes of Article 58(1)(f) if he has a mental or physical impairment which has a substantial and long term adverse effect on his ability to carry out his duties in accordance with the employment contract. An impairment has a long term effect if it has lasted at least twelve (12) months or it is likely to last at least twelve (12) months.
  - (b) an employer discriminates against an employee with a mental or physical disability within the meaning of Article 58(1)(f), if the employer fails to make reasonable adjustments to any physical feature of the workplace or applicable provision, criteria or practices that would, if made, enable the employee to otherwise meet the bona fide occupational requirement.
- (6) No provision in Article 58 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.



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**PART 10: TERMINATION OF EMPLOYMENT**

**59. Rights of employer and employee to minimum notice**

- (1) An employer or an employee may terminate an employee's employment in accordance with this Article.
- (2) Subject to Article 59(4) and (5), 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) (7) days if the period of continuous employment is less than three (3) months;
  - (b) (30) days if the period of continuous employment is three (3) months or more but less than five (5) years;
  - (c) (90) days if the period of continuous employment is five (5) years or more.
- (3) 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.
- (4) Termination for cause does not include termination under Article 36.
- (5) Article 59(2) does not apply where either party terminates the employment for cause in accordance with Article 59A.
- (6) Article 59(2) does not apply where an employee has been terminated in accordance with Article 36.

**59A Termination for cause**

An employer or an employee may terminate an employee's employment for cause in circumstances where the conduct of one party warrants termination and where a reasonable employer or employee would have terminated the employment.

**60. 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.

**61. Pension for UAE and GCC nationals**

Where an employee is a UAE or GCC national, the employer shall enrol him in the employee's UAE pension scheme in accordance with applicable Federal legislation and he shall not be eligible to receive end of service gratuity as prescribed in Article 62 on termination of employment.

**62. End of service gratuity**

- (1) Subject to Article 62(5), and (6), 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' basic wage for each year of the first five (5) years of service.
  - (b) thirty (30) days' basic 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 daily rate for the employee's basic wage shall be calculated based on the number of days in the year. The employer may deduct from the gratuity any amounts owed to the employer by the employee.

- (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 cause as defined in Article 59(4).
- (5) Where an employer has established a pension scheme for his employees, he shall provide in writing to the employee, 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 62(5), he shall expressly state his choice in writing and submit it to the employer.

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**SCHEDULE 1**

**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” means a calendar day, unless expressly stated otherwise. If an obligation falls on a calendar day which is either a Friday or Saturday, or an official UAE holiday in the DIFC, the obligation shall take place on the next calendar day which is a business day;
  - (e) a “week” shall mean a calendar week or seven (7) days;
  - (f) a “month” shall mean a calendar month or thirty (30) days;
  - (g) a year shall mean a calendar year of the Gregorian calendar;
  - (h) the masculine gender includes the feminine;
  - (i) “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 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 Ruler 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 as amended and restated, 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;

**3. DEFINED TERMS**

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

Term	Definition
basic wage	means the employee’s wage excluding any 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, bonus or commission payment, or overtime pay. The basic wage shall be calculated taking into consideration the total number of calendar days in a year.
contract of employment	means the contract of employment provided under Article 13.
Court	means the DIFC Court as established under Dubai Law.
daily wage	means the compensation received by an employee as wages for services performed during a working day. The daily wage shall be calculated taking into consideration the total amount of working days in a year.
DIFC Authority	means the entity established under Dubai Law No. 9 of 2004.
DIFC	means the Dubai International Financial Centre.
disability	means a physical or mental impairment that has a substantial and long-term adverse effect on an employee’s ability to carry out his duties in accordance with the contract of employment. An impairment has a long term effect if it has lasted at least twelve (12) months or it is likely to last at least twelve (12) months.

effective date of termination	<p>(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;</p> <p>(b) in relation to an employee whose contract of employment is terminated without notice, means the date on which the termination takes effect; and</p> <p>(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.</p>
employee	<p>means an individual to whom Article 4 applies and who has entered into or works under a contract of employment;</p> <p>and includes a person who was an employee.</p>
employer	means any person who has entered into a contract of employment with an employee .
hourly rate	means the rate under Article 56(2).
maternity leave	means the maternity leave entitlement under Article 37(1), or such greater period as may be offered by the employer under a contract of employment.
maternity pay	means the pay provided by the employer in accordance with Article 38(1) during the maternity leave
national holidays	means the national holidays as provided under Article 32(1)
President	means the President of the DIFC appointed by a decree of the Ruler pursuant to Dubai Law.
pay period	<p>means:</p> <p>(a) the hourly, daily, weekly, monthly or yearly period, where employees are</p>

	<p>paid by the hour, day, week, month or year; or</p> <p>(b) if an employee is paid on a flat rate, piece rate, commission or other incentive basis, the employee's applicable pay period.</p>
Regulations	has the meaning given in Article 2(e) of Schedule 1 to the Law.
Ruler	means the Ruler of the Emirate of Dubai.
UAE	means the United Arab Emirates
vacation leave	means the vacation leave entitlement provided by the employer in accordance with Article 27(1), or such greater period as may be offered by the employer under the contract of employment.
vacation pay	means the daily wage payable during the vacation leave.
wages	means all payments made to an employee in return for work done or services provided under the contract of employment.
working day	means a normal working day for the employer as defined in the contract of employment.

## SCHEDULE 2

## PERMANENT DISABILITIES / DISMEMBERMENT/ INJURIES

Nature of permanent/disability/dismemberment/injuries	Percentage
Total loss of sight in both eyes or loss of two eyes	100
Total loss of both arms	100
Total loss of both hands	100
Total loss of both legs	100
Total loss of both feet	100
Total loss of one arm and one leg	100
Total loss of one hand and one foot	100
Total paralysis	100
Mental incapacity as a result of an accident, making the insured incapable of carrying on any kind of work	100
Wounds and injuries to the head or brain which cause continuous headache	100
Total deformation of the face	100
Injuries and wounds to the chest and internal organs which cause a continuous and complete deficiency in the function of these organs	100
Total deafness in both ears	100
Total deafness in one ear	50
Loss of voice	50
Total loss of tongue	100
Loss of sexual organ	100
Total loss of one arm or one hand	65
Total loss of movement of one shoulder	25
Total loss of movement of one elbow	20
Total loss of movement of one wrist	20
Total loss of one thumb	20
Total loss of one index finger	15
Total loss of one finger other than the thumb or the index	10

finger	
Total loss of one leg or one foot	50
Partial amputation of one foot including the toes	35
Unhealed fracture of one leg or one foot	35
Unhealed fracture of one kneecap	30
Total loss of movement of one hip or one knee	20
Shortening of one lower limb by at least 5 centimeters	15
Total loss of one big toe	10
Total loss of one toe other than the big toe	3
Loss of one tooth	3

- (a) Where the injuries fall within more than one category above the percentages may be aggregated and for the avoidance of doubt may come to more than 100%.
- (b) Total loss may be the result of amputation or excision.
- (c) Total loss may also consist of a permanent total disability in the functions of that part of the body or organ resulting in a total loss of use of the relevant part of the body or organ. A medical report must support such a finding of Total loss.
- (d) Compensation may be paid in respect of any partial or less serious disability or injury to any of the parts of the body or organ mentioned in the above list according to the level of seriousness of the disability or injury measured as a percentage of loss of use. The percentage of loss of use must be determined by a medical report. Account should be taken of the victim's occupation as regards to the impact the injury will have on his ability to continue working.
- (e) Compensation may also be paid in respect of any total or partial or less serious disability or injury to any of the parts of the body or organ not mentioned in the above list. The percentage rate for a total loss of such part of the body or organ will be ascertained by taking into consideration the nearest part of the body or organ in the list. A medical report is required as to the partial loss of use of such part of the body or organ.
- (f) 100% is the monetary equivalent of twenty four (24) months wages.