# LEXIS MIDDLE EAST HRALERT

ليكسيس الشرق الأوسط لشؤون الموظفين

www.lexis.ae/hr

TRENDSETTER PINSENT MASONS Interns

Q

**PROFILE ENERGY** Sarah Tablet of Siemens Energy

**POLICY POINTER** Unemployment insurance

ROUND-UP OF LEGAL AND BUSINESS DEVELOPMENTS IMPACTING HR IN THE MIDDLE EAST

May 2023

# THE RULES OF RECRUITMENT

Employment agency regulation in the UAE



# Unleash your full potential with the new Lexis® Middle East HR

Work faster and more effectively with the new Lexis® Middle East HR platform.

A complete up-to-date set of employment and health and safety legislation in English and Arabic, Regulations, Questions & Answers, Guidance Notes, Policies, Contract and Letter Templates plus news and articles designed specifically for HR professionals supporting employees from across the Middle East and Turkey.

For more information, contact our team by email: contact.mena@lexisnexis.fr





The Lexis Middle East Law Alert magazine is produced by the Lexis Middle East Law online legal and business research service. To find out if you qualify to be added to our regular circulation go to: www.lexismiddleeast.com

Follow us on Twitter: https://twitter.com/lexismiddleeast

#### ADVISORY BOARD

Madelein Du Plessis Matt Yore Luke Tapp Sarah Malik Shiraz Sethi Thenji Moyo

#### EDITORIAL

Editor Claire Melvin +44 (0) 20 7347 3521 claire.melvin@lexisnexis.co.uk

Deputy Editor Jo Edwards jo.edwards.2@lexisnexis.co.uk

SUBSCRIBE To join our free controlled circulation contact Marle Van Sandwyk marle.vansandwyk@lexisnexis.com

MIDDLE EAST REGIONAL SALES Abbey Bergin abbey.bergin@lexisnexis.com +97145601200

**PRODUCTION** Senior Designer Jack Witherden

#### ENQUIRIES

UK LexisNexis, Quadrant House, Sutton, Surrey, SM2 5AS Tel: +44 (0)20 8686 9141 or Fax: +44 (0)208 212 1988

France LexisNexis SA, 141 Rue de Javel, 75015, Paris France Tel: +33 (0) 145 58 90 43

This product comes from sustainable forest sources.

Reproduction, copying or extracting by any means of the whole or part of this publication must not be undertaken without the written permission of the publishers.

This publication is intended to be a general guide and cannot be a substitute for professional advice. Neither the authors nor the publisher accept any responsibility for loss occasioned to any person acting or refraining from acting as a result of material contained in this publication.

LexisNexis

© 2023 Reed Elsevier















Gateley UK LLP

# **TALENT SEARCH**

n each issue of this magazine we interview a person with GCC HR responsibilities. In most of the recent interviews we have conducted, including the one in this issue, the challenge of finding suitable employees and contractors has come up. In some cases the challenge is finding those with the necessary specialist skills required in their sector. In other cases this is combined with requirements to find those who will meet necessary nationalisation requirements. There is also a growing desire among GCC employers to ensure diversity, equality and inclusion considerations have been factored in to recruitment work. However, as we discuss in this issue these are not the only considerations that are important when recruiting. It is also important to make sure if recruitment agencies are being used to support recruitment and resourcing efforts that the agency being used is complying with the legislation. Legislation issued in the UAE and recent announcements by MOHRE have put this area into the spotlight. It is an area covered in the legislation of other GCC countries including Qatar. Ministerial Decision No. 51/2022 and Article 9 of Cabinet Decision No. 1/2022 (the UAE Labour Law Implementing Regulations) regulate how recruitment agencies must operate - including that they must be licensed and on the contracts they provide to employees. There are also specific rules governing particular types of agency including agencies which provide temporary staff and those that provide outsourcing services. However, it is not only recruitment agencies which have obligations under this legislation there are also a whole host of obligations employers who use these agencies need to be aware of. For example, employers must not require employees to work longer hours than those under the contract they have with the agency unless they have agreed this with the agency and the employee's working hours follow overtime rules in the UAE Labour Law. This shows that even when an agency is being used employers still need to check if they have any additional legal obligations.

Claire Melvin - Editor

FEATURE: THE RULES OF RECRUITMENT UAE recruitment agency obligations	p2
TREND SETTER	р5
Pinsent Masons > Interns A law firm looks at legal considerations when providing internship	DS
<b>NEWS ROUND-UP</b> including new childcare allowances in Saudi	р6
<b>IMMIGRATION FOCUS</b> including changes to family sponsorship in the UAE	р8
LAW CHANGES including the impact of the new Omani maritime law on employm	p12 nent
<b>CASE FOCUS</b> including a case where the employer failed to attend the hearing	p14
HR PROFILE	p16
Sarah Tablet > Energy A Head of Human Resources talks about the best approach to supporting diversity and inclusion	
<b>MOVES AND CHANGES</b> Round-up of the big moves across the region	p18
POLICY POINTERS	p20

UAE Unemployment insurance

# THE RULES OF RECRUITMENT <sup>4</sup>

Following recent announcements in the press on the regulation of UAE employment agencies, Victoria Smylie and Saher Khan of PwC Legal explain the obligations for UAE based agencies and employers who use them.

n April 2023 local press reported the UAE's Ministry of Human Resources and Emiratisation (MoHRE) had announced that they had authorised recruitment offices to offer brokering services for recruiting workers and offering them temporary employment.

It also added that recruitment agencies would require separate licenses for each activity and had to comply with the appropriate conditions, requirements, and pay necessary fees. In addition, it was stressed six violations could result in a license revocation for those agencies. These reports have put a spotlight on the rules regulating recruitment agencies in the UAE.

#### THE UAE LEGAL BACKGROUND

Following the issue of Federal Decree Law No. 33/2021, (the UAE Labour Law), Ministerial Decision No. 51/2022 On Licensing and Regulating the Activities of Recruitment Agencies was issued in February 2022.

In addition, Article 9 of Cabinet Decision No. 1/2022 On the Implementing Regulation of Federal

Decree-Law No. 33/2021 Regarding the Regulation of Employment Relationships in the UAE covers employment agency activities.

Ministerial Decision No. 51/2022 introduced stricter regulations for recruitment agencies, mediation agencies (which are agencies that offer mediation services between parties in terms of Labour relations), temporary employment agencies and outsourcing agencies, and provides specific guidelines for such agencies operating in the UAE.

These laws are designed to protect the rights of employees and ensure they are treated fairly by employers, as well as to regulate the way employment agencies operate in the UAE. As a result, in order to operate legally in the UAE, employment agencies must abide by these rules and regulations.

covers employm Ministerial De stricter regulatio mediation agence

Victoria Smylie, Manager PwC Legal -Employment & Rewards



A recruitment agency which violates Ministerial Decision No. 51/2022, or any of the cases stated in Article 9(7) of Cabinet Decision No. 1/2022 can have their license suspended or revoked.

The agency will then be informed of the suspension or revocation by the official notification methods used by MoHRE and the reasons for the decision. Any fines owed up until the cancellation date will need to be settled in full.

In addition, government authorities responsible for licensing economic activities and the department of residency and foreign affairs is notified to take the next steps based on the suspension or revocation decision, including cancelling any licenses,

permits, or authorisations the agency has. The owners of an agency which has had their license revoked must also settle their workers' status within 15 days from the date of the decision.

#### **COMPARISONS WITH QATAR**

The recruitment processes in other GCC countries differ slightly from the UAE.

For example, in Qatar, recruitment agencies are primarily governed by the Ministry of Administrative

Development, Labour and Social Affairs (MADLSA) which is responsible for regulating and overseeing the activities of all recruitment agencies operating there.

The Qatari licensing process for recruitment agencies involves meeting certain requirements and providing documents to MADLSA, such as proof of financial stability, insurance coverage, and a valid commercial registration certificate.

Recruitment agencies must also comply with the Qatari Labour Law (Qatar Law No. 14/2004 as amended), which sets out various regulations and requirements on employment practices in Qatar, including regulations on working hours, the minimum wage, and employment contracts.



Saher Khan PwC Legal -Senior Associate, Employment & Rewards

#### LAW FOCUS

#### RELEVANT LEGISLATION

### Article 9(7) of Cabinet Decision No. 1/2022

Procedures for suspending or revoking the licence of employment agencies: The Ministry may temporarily suspend or it may revoke the agency's licence if one of the following cases is verified: a. If one of the conditions under which the licence was issued is not met.

b. If any of the documents or data submitted for licensing purposes is proven to be incorrect.

c. If the agency commits any act that involves some form of forced labour or human trafficking.

d. In the event of non-payment of the workers' wages.

e. In the event of the violation of any of the other conditions determined by the Ministry. (Source: Lexis Middle East Law) In addition, recruitment agencies in Qatar must follow the Code of Conduct for Private Employment Agencies, which was developed by the International Labour Organisation (ILO) and sets out various ethical principles and standards private employment agencies are expected to follow there, such as ensuring transparency and fairness in recruitment processes, and protecting employee rights.

Recruitment agencies in Qatar are subject to strict regulations and oversight by MADLSA and other governing bodies, in order to ensure they operate in a fair and transparent manner and protect the rights of both employees and employers.

### PROHIBITIONS AND OBLIGATIONS

Under these new UAE rules, recruitment agencies are prohibited from receiving cash or commissions from employees and must provide acknowledgement of their compliance to the MoHRE.

In addition, Ministerial Decision No. 51/2022 also prohibits the employment of minors who are not eligible to work under applicable laws in the UAE.

Recruitment agencies must also draft accurate contracts which are consistent with UAE Labour Law and keep employee records for at least two years.

They are also required to cover the costs of repatriating employees and pay for damages if it is proven that the agency has failed to comply with the terms of the agreement they have with the employer.

In addition, a range of specific obligations have also been set for the different types of agencies, including mediation agencies, temporary employment agencies, and outsourcing agencies.

For example, mediation agencies have additional responsibilities, such as ensuring the safe return of employees to their home country, covering costs related to that, and being accountable for any damages caused due to non-compliance with the terms of the agreement or the worker's medical examination.

Under Article 8 of Ministerial Decision No. 51/2022 temporary employment and outsourcing agencies are required to ensure that all legal requirements of the employer towards the employee are being adhered to.

It should also be noted that these obligations remain the responsibility of the agency and cannot be avoided by them, even if the company that is using their services to employ staff has failed to meet their agreement. Recruitment agencies are also obliged to provide employees with written instructions on their required duties, under the general framework that has been agreed with the agency.

#### OBLIGATIONS FOR EMPLOYERS USING EMPLOYMENT AGENCIES

However, it is not just the agency which has obligations they are required to meet in the UAE. Under Article 9 of Ministerial Decision No. 51/2022 there are also a number of specific obligations which apply to those who are benefiting from the agency's services.

For example, companies which are based in the UAE that use recruitment agencies must meet certain obligations, including meeting the occupational health and safety requirements which are reasonably required based on the nature of the employees' work. In addition, they must not assign the employees sourced in this way any duties which are outside the agreed scope of work within the general framework of the work or service that was agreed upon with the agency. They must also provide written instructions on the employee's required duties.

Other obligations include that they must refrain from requiring the worker to work for more than the hours agreed with the agency, except in accordance with the provisions on overtime detailed in the UAE legislation, and with the agency's approval.

They must also permit the employee to review their attendance sheet before they send it to the agency and ensure that the attendance sheet includes any reservations the employee had on what was included in it.

## BEFORE USING AN EMPLOYMENT AGENCY IN THE UAE

Before using an employment agency in the UAE, employers should check the agency's reputation by reviewing their online presence, for example, by looking at their website, social media pages, and online reviews by previous clients. They should also check the agency's experience and expertise in the relevant industry or field. It is also important that they check the agency is licensed and registered with the relevant UAE government authorities, such as MoHRE.

Fees and the terms of the agency's services should also be discussed before engaging them and the employer should make sure they understand all costs they may incur. It is also important that the employer has signed a clear, detailed contract with the agency that outlines the scope of work, terms of the agreement and the responsibilities of both parties. These regulations provide clear guidelines for recruitment agencies, mediation agencies, and temporary employment and outsourcing agencies, and specific responsibilities and obligations they must fulfil. They also outline the responsibilities of companies using these services which it is important for employers to note and adhere to.

## **TREND SETTER** PINSENT MASONS-LEGAL



# Internships

Ruth Stephen, Luke Tapp, Lana Akkad and Melissa McLaren of Pinsent Masons look at the legal precautions the increasing number of employers in the MENA region who are interested in offering internship opportunities need to be aware of.

n the MENA region, 78% of companies were looking to hire interns in 2023. Internships are a form of short-term work experience usually offered to students or fresh graduates to enable them to get some entry-level exposure to a particular industry or area. A survey by Middle East job site Bayt.com highlighted the positive view of internships in the region and an increase in internship opportunities here. It found 65% of MENA companies always offer a full-time job to an intern, and 19% sometimes do. There are a number of specific trends in this area. The growing emphasis on diversity and inclusion has seen many companies providing internships to a more diverse range of candidates. Greater remote working has also resulted in an increase in remote internships which allow interns to gain experience in the region from anywhere in the world. With increasing demand for digital skills internships in the digital sector are also becoming more popular. Growing awareness of the importance of sustainability has led to more sustainable internship programmes, which focus on sustainable practises and helping interns to develop sustainability related skills. Many UAE universities have also begun requiring students to complete an internship or other work experience before graduating. Those looking for internships are using various routes, including reaching out to mentors and connections and applying to job postings online and on social media to secure suitable positions. Universities are also helping their students and graduates obtain internships by organising on-campus career fairs, teaching students how to search for jobs, and partnering with companies which offer them. However, employers who wish to benefit from internship opportunities must also be aware of how they are regulated under UAE Employment Law. The new employment law, Federal Decree-Law No. 33/2021), provides for part-time, temporary and flexible working arrangements. The new regime put forward several working arrangements which enable work permits to be obtained for interns. Those aged 15 to 18 in the UAE can now apply for a part-time work permit alongside their education which allows them to work six hours a day, with a one-hour break. Students

applying for these part-time work visas must have a valid residence visa and must obtain permission from their parents. The ADGM has also recently updated its Employment Regulations (Engaging Non-Employees) Rules, which enable companies to obtain a temporary work permit for a number of non-employees, including interns. Work permits for interns can be valid for a maximum of 12 months and are not renewable. A company applying for a work permit for interns aged 15 to 18 under these Rules, must ensure all appropriate measures have been taken so the working conditions are safe, reasonable and appropriate for the intern's age and wellbeing. Companies offering internships must consider insurance and employment law. The length of the internship, the type of contract under which the intern is employed (or whether an employment relationship will be created at all) and the company's jurisdiction all impact the employer's obligations under UAE or free zone laws, including on employee entitlements such as sick leave, annual leave, minimum notice and end of service entitlements. Companies must take these factors into consideration and take steps to limit their exposure, such as limiting the contract to under one year to avoid certain entitlements arising.

It is important to ensure internship terms are clearly documented in an internship contract which should include, for example, whether the intern will be paid a salary, and whether an employment relationship will be created. The term of the internship should also be documented and on what grounds the company will be able to terminate the internship summarily. It should be stated if there will be minimum or maximum working hours or if the intern will have a degree of flexibility. Employers must also ensure they provide interns with a safe working environment and protect their health and safety. As with any other employee, employers cannot discriminate against interns based on protected characteristics such as gender, nationality, race, or religion. Employers need to ensure they have clear contracts and policies governing internship programme arrangements to ensure they do not fall foul off local UAE labour law and recommended best practice.

# **NEWS ROUND-UP**

COVERING RECENT KEY DEVELOPMENTS - REGION-WIDE

#### UAE

#### SHOREK LAUNCHED

The UAE General Pension and Social Security Authority has launched the Shorek project which aims to provide uninterrupted service to insured individuals who have switched employer without them having to pay any extra costs. Individuals who are entitled to end-of-service benefits will be able to have their service considered to be continuous and connected to their subsequent service without incurring additional costs. The scheme will apply to public and private sector workers who are UAE citizens. It goes live on 1 July 2023.

#### **OPTIONAL PROTECTION**

The UAE Ministry of Human **Resources and Emiratisation** (MOHRE) has confirmed Ministerial Decision No. 598/2022 which covers the Wage Protection System is not mandatory for 14 professions. These include housekeepers, nannies, cooks, and private drivers. However, the law has applied since 1 April 2023 to a number of other professions including private agricultural engineers, private delegates, house care providers, private tutors, and private coaches. Those employing people in these five professions are urged to promptly register them in the wage protection system.

#### SHARJAH

#### SUPPLEMENTARY ENTITLEMENTS

A Sharjah Emiri Decree has been issued on a supplementary grant insured beneficiaries and salaried people can receive. Eligible beneficiaries insured under the Sharjah Social Security Fund will be entitled to a grant equal to the difference between the percentage of their entitled pension provided by the Fund and the full pension amount based on their entire length of service. The Sharjah government will cover the costs. The Sharjah Social Security Fund are distributing the money along with individuals' pensions from May 2023.

#### SAUDI ARABIA

#### **RECRUITMENT PLATFORM**

The second phase of a pilot on Saudi's unified national employment platform, Jadarat, has been launched and includes new employment services for private sector employers. Private sector employers can now use this platform to manage employment requests, schedule job interviews, and submit job offers.

The system aims to improve the job offer mechanisms and provide jobseekers with better access to the job market. Private sector employers will be able to create profiles, publish job advertisements, and complete all employment activities through the platform. Private sector employers' data will be transferred from the national labour portal Taqat to Jadarat so they can use these employment services.

#### HELP FOR WORKING MOTHERS

The Saudi Arabian Human Resources Fund Hadaf has enhanced their childcare support programme to help increase the participation of women in the job market there.

As a result, 50% of monthly child care centre costs are now supported, up to a maximum of 1600 Riyals per child. The previous maximum support was 800 Riyals and was only for a maximum of two children in the first year of support. The support period is now also unrestricted and support is available for children aged 0 to six years old, rather than only to children of up to four years old.

#### KUWAIT REDUCED HOURS

Kuwait's Civil Service Commission (CSC) has issued a notice to all government agencies, instructing them to follow recommendations and directives which have been issued by the Public Authority for People with Disabilities there. These relate primarily to the reduction of working hours for people with disabilities or those who take care of them during Ramadan or regular work hours. The notice stresses the provisions found in Kuwait Law No. 8/2010 On Rights of Persons with Disabilities and states all government agencies must follow these guidelines.

#### DATA PROTECTION

Kuwait Decision No. 42/2021 On Data Privacy Protection Regulation has been amended by Kuwait Decision No 244/2023 which was issued at the start of April.

As a result of the changes there is a preamble to the law which reflects the use of advanced technologies such as cloud computing, the Internet of Things and other technologies. In addition, Article 1-7 of Kuwait Decision No. 42/2021 have also been amended. These provisions include the scope of the law, personal data collection and processing conditions, consent, personal data security and protection, as well as notifying the authorities of breaches.

#### **EARLY CLOSING**

The Kuwaiti Ministry of Interior for Public Security, Operations and Traffic Affairs has ordered the implementation of a decision which was made by the Kuwait Municipality to close associations, restaurants, and pharmacies in private residential areas after midnight. Food trucks which are located in residential areas after midnight and restaurants located in association branches which only work in order to deliver orders without the restaurant having to be open are also affected by the decision.

#### QATAR

#### **JOB CLASSIFICATION**

Qatar's Ministry of Labour has introduced the Private Sector

#### I LEGAL ROUND-UP I

Job Classification Guide, which is aimed at standardising job descriptions and classifications in the private sector there. The guide has been developed to keep pace with changes in Qatar's labour market. It will serve as a uniform national reference for all entities in Qatar to use for residency and work permits and simplify the process of exchanging information and data between labour market entities.

#### BAHRAIN

#### **FLEXIBLE WORKING**

The Bahraini Cabinet has approved a memorandum which was presented by the Civil Service Council, proposing the adoption of flexible working hours in ministries and government agencies there.

The new policy allows employees to have a three-hour window to start their workday and aims to enhance productivity. The Cabinet has now instructed the Civil Service Bureau to take the necessary steps to implement this policy.

#### HOME-BASED SOCIAL INSURANCE

The Social Insurance Organisation in Bahrain has stated home-based entrepreneurs will be able to benefit from the Khatwa Programme by allowing them to subscribe to the social insurance system in line with Bahrain Edict No. 39/2014 On insurance for self-employed workers.

They will do this by applying for insurance for self-employed persons and insurance for employers, so they can benefit from insurance coverage and continue to work and undertake home production work.

However, it should be noted there are a number of conditions which must be fulfilled.

These include, for example, obtaining an official licence from the relevant authority, and being between 18 and 50 years old when first participating in the scheme.

In addition, the applicant should not be a pensioner or be subject to any entitlement or insurance law.

#### CLAIM HELP FOR WORKERS

Bahrain's Justice, Islamic Affairs, and Awqaf Ministry and the Bahrain Labour Market Regulatory Authority are working to provide administrative help to workers filing administrative claims. This service is available to individuals who are registered in the approved workers' registration centres. The initiative offers registered workers administrative assistance on submitting new claims and modifying the particulars of their existing applications, for example, help with changing data, contact information, or supporting documentation.

#### TURKEY

#### WAGE INCREASE FOR PUBLIC WORKERS

The Turkish President has announced a 45% increase in the wages of public workers ahead of the country's 14 May elections. The lowest public worker wage will now be 15,000 Liras. The government will also work on minimum wage increases for civil servants and on increases in pensions. In January 2023, the government revised the increase in wages for active and retired civil servants to 30 per cent for the first half of 2023.

#### JORDAN

#### PENSIONS CHANGE

Jordan's Social Security Corporation (SSC) has announced an increase of 4.7 Dinars to the pensions of eligible pensioners. The increase has been linked to the annual growth rate of the average wages of the insured in the previous year, which was 1.3 % for the period between 2021 and 2022. The increase will be applied equally to all entitled pensioners, regardless of their salaries. The change will apply to male pensioners over 60 and female pensioners over 55 as well as those with total or partial natural disability and total injury disability salary, and retirement pensions for natural death or as a result of a work injury.

#### **IN BRIEF**

**UAE:** Employees in semi-governmental entities and in companies registered in UAE freezones are now eligible to join the Unemployment Insurance scheme...

**UAE:** Cabinet Decision No. 25/2023 has been issued and allows MOHRE to use third parties to collect Emiratisation fines...

**Dubai:** The Dubai Maritime Authority (DMA) has launched a training programme of up to 17 one-hour sessions covering its filing services after a Directive required all sea container charges to be declared through the Dubai Trade Single Window portal...

Saudi Arabia: From 1 June 2023, Saudi citizens will no longer need to apply for a visa to enter Singapore...

Kuwait: The Ministry of Social Affairs and Public Authority for Manpower have signed a protocol to launch a platform to enable the employment of Kuwaitis in supervisory positions in cooperative societies...

Saudi Arabia: The Immediate Calculation initiative for national workers began on 1 May 2023 for employers in the green zone who have adhered to the wage protection programme....

**Oman:** Oman Ministerial Decision No. 39/2023. on discontinuing the process of deciding on licensing applications for establishing private training institutions has been issued...

**DIFC:** A public consultation on amendments to the DIFC Data Protection Law has been issued and was scheduled to end on 17 May 2023...

Kuwait: Authorities in Kuwait have begun implementing a new central system for biometric visa data at air, land and sea borders...

Kuwait: Doctors born to Kuwaiti mothers will now be directly employed following a decree issued by the Minister of Health...

Bahrain: The Labour Market Regulatory Authority has conducted an inspection campaign in Bahrain's Capital Governorate and has reported violations of the Labour Market and Residency laws..

Bahrain: The Labour Market Regulatory Authority has warned citizens and residents against using unauthorised offices or agents who lack a licence from the authority for acting as a Labourer Supply Office....

Turkey: Turkish citizens who are travelling to Egypt can now obtain visas on arrival rather than having to apply for them in advance....

**Kuwait:** Issuing of work and entry visas for Filipino workers entering Kuwait has been halted according to local press reports....

## **IMMIGRATION FOCUS** RECENT GCC IMMIGRATION AND VISA CHANGES

Sponsored by

# VIALTO

#### UAE FAMILY SPONSORSHIP

The UAE authorities have announced a new regulation on the sponsorship of family members. UAE residents will now be able to sponsor up to five family members on a residence visa if they have adequate housing in place, and a minimum salary of 10,000 AED. Only the resident's father, mother, underage siblings, or parents-in-law would qualify in such cases. However, residents who have a minimum salary of 15,000 AED are able to sponsor up to six family members. Where an applicant wishes to sponsor more than six family members it is possible to apply for that, but the application will be subject to the approval by the relevant authorities.

#### **VISIT VISA EXTENSIONS**

There have also been other changes to the rules on visit visas, as the option for visit visa holders to extend their visitor status from within the UAE has been discontinued. This change has come into effect in all seven Emirates. Those on a visitor visa in the UAE who wish to extend that must now exit the country either by air or land before their visa is no longer valid. They will then be able to visit the country again once a new visit visa has been obtained. During COVID 19 the UAE authorities allowed visitors to extend their visas in-country without having to exit. Travellers who fail to exit the country before their visit visa expires could potentially incur overstay fines. The option to renew visit visas from within the country was a concession which was provided on humanitarian grounds as people were unable to travel back to their home country because of COVID restrictions. The UAE authorities have also reminded applicants who are in the country for other purposes than tourism that they have several long-term visa options they can use instead. These include the two-year Employment Residence Permit, Freelance Permit, or a Remote Work Visa. Those on visit visas and who are not in the UAE for tourism purposes are being encouraged to regularize their status.

#### DMCC AND THE WPS

The Dubai Multi Commodities Centre (DMCC) has announced it will be implementing the Wages Protection System (WPS) for salary payments of employees in the DMCC. All employers who are based in the DMCC Free Zone are now required to implement the WPS for their employees. In order to implement the WPS in the DMCC, employers will have to register with the UAE Ministry of Human Resources and Emiratisation (MOHRE) and obtain a WPS account. That account must be used to process employee salaries, generate payslips, and can also be used for tracking purposes. These employers will also have to submit periodic reports to MOHRE, detailing the wages and salaries paid to their employees. In addition to the WPS rules, DMCC also has its own employment regulations and guidelines which employers based must adhere to. These cover a wide range of employmentrelated matters, including for example, employment contracts, working hours, leave entitlements and termination procedures.

#### **ILOE IN FREEZONES**

The Involuntary Loss of Employment (ILOE) Scheme or Unemployment Insurance scheme was introduced on 12 October 2022 in the UAE and is mandatory for all employees who work in the private and the federal sectors in the UAE mainland. The deadline to enrol is 30 June 2023. Employees who fail to register will be subject to a fine of 400 AED. However, as of 3 May 2023 the scope of the ILOE scheme has been extended to also cover employees who work in Freezones and in semi-government entities in the UAE. As a result, Freezone and semi-governmentbased employees can now register for the Involuntary Loss of Employment (ILOE) by visiting the designated ILOE website (iloe.ae). At the time of publication, some Freezones have made enrolment mandatory.





The scheme aims to provide security to UAE residents, Emirati and GCC nationals in case of redundancy or termination of their employment contract by their employer, except if an employee loses his job because of disciplinary action and/or because they have resigned. The steps Freezone based employees will need to take when registering for the scheme are slightly different from those taken by UAE Mainland based employees; Freezone employees will need to select the 'non-registered in MOHRE' option when they register.

It should be noted they will be able to pay the premium on either a monthly, quarterly or on a (semi) annual basis.

#### QATAR EXIT AND ENTRY

The Qatari Interior Minister has announced the issuance of Qatar Ministerial Decision No. 37/2023 in the Official Gazette. This law specifies entry and exit points for Qatar. According to this decision, the ports of entry and exit to and from Qatar include seaports, land borders and airports. The seaports are the Hamad Port Doha Port, Mesaieed Port, Ras Laffan Port and Ruwais Port. The land crossings are the Abu Samra port and Sudanthel crossing.

Three airports have also been specified in the Ministerial Decision which are the Hamad International Airport, Doha International Airport and the Al Udeid Air Base Airport.

#### **NEW USES FOR HAYYA**

The Hayya platform which was introduced in Qatar to make immigration processes easier for World Cup ticket holders during the tournament last year has been reintroduced to allow regular tourists to the country obtain their tourist visas more easily.

The platform will now serve as a single portal for tourist and event visas, as well as a portal which can be used by GCC residents and their companions in order to enter Qatar.

It will also be possible to obtain Electronic Travel Authorizations via this platform.

#### I IMMIGRATION FOCUS

#### SAUDI ARABIA

#### VISA STICKER SWITCH TO E-VISA

Sin(a The Saudi Ministry of Foreign Affairs has announced an initiative which will see the Kingdom switching from a visa system of stickers on passports to one which uses e-visas with a QR code. The new visa system includes work permits, residence and visit visas as well as the 'personal visit' visa, which was introduced last year and allows visitors to enter Saudi Arabia for Umrah and other purposes. Currently, the new visa system has been put live in Saudi missions in a number of countries which include the UAE, Jordan, Egypt, Bangladesh, India, and the Philippines.

#### **SAUDISATION CHANGE**

The Ministry of Human Resources and Social Development in Saudi Arabia has issued a procedural guide stating the first phase of localising Project Management professions in the private sector is to take place.

This will need to lead to 35% Saudisation of project management jobs effective 23 December 2023, and a 40% Saudisation rate in phase two, from 12 December 2024.

The targeted professions in the first phase include Project Management Manager, Project Management Specialist, Project Manager, Project Management Office Specialist, Telecommunications Project Manager, and Project Manager for Business Services.

Establishments which have three or more employees in these professions are subject to the decision.

In addition, the wage of a Saudi national project management professional must not be less than 6,000 Riyals if they are to be counted towards the Saudisation target.

The localisation percentage is calculated based on the actual number of Saudi and expatriate project management professionals within an establishment. So, for example, if an establishment has 22 project management professionals, and there were two Saudis and 20 expatriates, they will need to replace six expatriates with Saudi ones in order to achieve the 35% Saudization target.

# Your bridge to global growth

Vialto Partners is your ally in mobility, tax and immigration solutions. We are here to assist your business in the movement of people into and across the Middle East, from offering different ways to support visa processing, to strategic mobility advice. We spark meaningful change for your business—and your people.

Globally minded, with localized knowledge, Vialto Partners offers the best of both worlds. No matter the vision of your business, we have the expertise, knowledge, cutting-edge tech and an agile mindset to get you there faster.

Ready to transform your business and achieve seamless, global mobility?

Visit us at www.vialto.com



## IMMIGRATION PROFIL SENIOR MANAGER – IMMIGRATION



# Casting a Wider Net

Dounia Fathi-Benbrahim, Senior Manager Immigration with Vialto Partners explains the role she has taken in enabling the firm's expansion across the region from both a geographical and service perspective.

#### YOUR BACKGROUND

In terms of qualifications, I have a LLB from the University of Leiden in the Netherlands and an LLM from McGill University in Canada and Maastricht University, in the Netherlands.

I am also fluent in five languages including Dutch, Arabic and French.

I began my career with the Dutch government where my work included drafting legal decisions on asylum applications, before moving into the business immigration industry.

I now have over 12 years of experience of working in Global Mobility in a range of locations, including Amsterdam, Brussels, London, and Dubai. I joined Vialto Partners last year when the firm was still PWC.

#### **YOUR WORK**

My work involves providing transactional and advisory support on immigration matters, and more specifically, immigration support to businesses which are setting up or expanding in the region, particularly in the UAE.

I am responsible for account implementation, and I advise clients who need to hire, retain, and manage their expatriate workforce.

Vialto Partners is a dynamic global mobility company with a presence all over the world and from our offices in Dubai we coordinate support throughout the Middle East.

When I worked in the Netherlands, I participated in a different immigration law segment than I do now. I worked in a more public context, i.e., in asylum and refugee law, policy making and asylum applications.

It was great at the European Commission in Brussels to take part in strategic analysis of cooperation with third countries in the field of immigration and asylum.

I then switched to corporate immigration in a more organisational and commercial context. In the UAE, where I am currently based, (and previously when in the UK), I advise multinational companies on international mobility in the Middle East and Gulf region.

#### **WORKING IN THE MIDDLE EAST**

The momentum here in the Middle East and Gulf region is different from other jurisdictions where I have worked and has a different pace.



Immigration rules and regulations are not always as 'clear-cut' here as they are in some other parts of the world.

The current growth and potential here is also unprecedented. In addition, many GCC countries (Saudi Arabia, Qatar and the UAE in particular) are introducing more business-friendly environments and have become more accessible from an investment (but also a tourism) point of view.

Recently introduced immigration frameworks (e.g., the UAE Golden Visa) are aimed at attracting more foreign talent and maintaining long term growth in the region.

#### **PROUDEST ACHIEVEMENTS**

I am passionate about growth and success. In terms of my proudest achievement to date, it is the way I have been able to contribute to the growth of the firms I have worked for.

For example, in one case I helped to expand the presence of a firm I worked for by adding territories and entering new partnerships regionally.

This included an expansion in Oman, Qatar and Algeria, as well as expansion of our service offering. The result was an increase of 400% of our firm's headcount and revenue in a relatively short period of just four years.

This included an expansion in Oman, Qatar and Algeria, as well as expansion of our service offering. The result was an increase of 400% of our firm's headcount and revenue in a relatively short period of just four years.

## LAW CHANGES New and proposed mena laws

#### **SHIPPING INDUSTRY**

Ahmed Al Barwani of Al Tamimi & Co explains how the new Omani Maritime Law will impact employers in this sector.

new Maritime Law, Oman Sultani Decree No. 19/2023 has been issued. It applies to seafarer employment agreements which are contracts between the ship's husband and another person who undertakes to work under the ship's husband's or the captain's supervision aboard a ship, for a wage payable by the ship's husband. As a general rule, seafarer employment agreements can only be executed in writing, but seafarers can prove these agreements by all means of evidence. Captains should keep a copy of the agreements for seafarers working on their ship. Three authentic copies of the agreement approved by the Maritime Authority must be kept. One is given to the ship's husband, one to the seafarer and one is kept by the Maritime Authority. These agreements must include the date and its place of execution; the seafarer's name, age, nationality, domicile and assigned duties aboard ship; the name and type of ship; the seafarer's remuneration, and place and date of payment; the number, date and place of issue of the seafarer's ID document; and the term of the employment agreement and date of travel. If the agreement is for a single voyage, the port where the voyage began and port where it ends must also be stated. Voyages are treated as coming to an end after the ship arrives at the destination port and the cargo is unloaded or if the voyage is cancelled by mutual agreement of the parties. The Maritime Authority may make some exceptions to these requirements for seafarers who work on fishing, cruise and sailing vessels, in coordination with the relevant bodies.

The date on which the agreement expires is indicated if the agreement is for a fixed term. However, if it is for an indefinite term, the notice period to be served by either party must be stated. If notice of termination is served by the ship's husband, the agreement is extended until the ship reaches the port at which the agreement was executed. However, if the seafarer gives notice, the agreement is extended until the ship reaches the first Omani port, unless otherwise agreed.

These agreements can be terminated if their term expires; at the request of either party; if it is an indefinite term agreement if notice is served in line with Article 115 of Oman Sultani Decree No. 19/2023; on completion or voluntary cancellation of the voyage; if it is executed for a single voyage; when a court judgment terminated it; if the ship is submerged underwater, confiscated, lost or seized, or becomes unseaworthy; if the seafarer dies or is dismissed; or with both parties' mutual agreement. A decision on dismissal and its date and causes must

### **EGYPT - WAGES**

Egypt Decision No. 1408/2023 on minimum wages has been published in the Official Gazette. The Decision changes the minimum wage for the sixth grade to 3500 Egyptian Pounds per month, the fifth grade to 4000 Egyptian Pounds per month, and the third grade to 5000 Egyptian Pounds per month. The minimum wages which apply to other grades have also been assessed and requirements detailed in Article 1 of Egypt Decision No. 1408/2023.

### **ADGM - NON-EMPLOYEES**

The ADGM has issued the Employment Regulations (Engaging Non-Employees) Rules 2023. These Regulations cover ADGM entities and the engagement of various types of individuals who may carry out work for them but are not be classed as an employee. These include interns, secondees, outsourced workers and temporary freelancers The Rules set out conditions for issuing Temporary Work Permits in the ADGM and detail applicable fees and fines for those who fail to comply with the Regulations.

> also be recorded in the ship's logbook within seven days of the dismissal date; or the dismissal will be deemed illegal. Legal proceedings arising from the agreement can also only be taken within one year of the agreement's expiry date.

> The law details specific obligations for the seafarer and ship's husband. For example, the ship's husband must pay a seafarer's wages at the time and place specified in the agreement or as dictated by maritime customary practices if not specified in the agreement. Wages and all employment dues must also be paid in the currency agreed in the agreement. Seafarers can also ask to be paid all or part of the cash wage due to themselves or to any person they have designated. Wages cannot be reduced if the voyage is shortened for any reasons if the seafarer's wage is determined on the basis of

#### I LAW MONITOR I

### **SAUDI ARABIA - DATA PROTECTION**

The new Saudi Arabia Data Protection Law Cabinet Decision No. 98/1443, which was expected to come into force in March 2023 following a previous postponement has instead been amended. The law will now come into force on 14 September 2023 but as a result of a grace period employers will not be required to comply with it until mid-September 2024. The amendments have moved details on a number of areas from the law to new Implementing Regulations which are yet to be issued. No information is currently available on when these implementing regulations will be issued which is unfortunate as employers will only be able to fully assess all the steps, they have to take in order to comply with this law when those Regulations are available.

#### **JORDAN - DENTISTS**

A draft of the Oral and Dental Health Profession Practice System for 2023 has been published by the Jordanian Legislation and Opinion Bureau. It includes a provision which would prohibit people from practicing this profession without a valid license. Eligibility criteria for obtaining a license to practice as an oral and dental health technician have also been outlined. They include being a Jordanian national, having a high school diploma, and holding at least a first university degree in allied dental sciences or oral and dental health, or an equivalent qualification from a recognised university.

the voyage. However, if the voyage is prolonged or postponed, wages are increased in proportion to the extension.

During the voyage, the ship's husband must provide seafarers with food and accommodation on the ship at no cost. They must also provide medical treatment to seafarers at no cost if they suffer an injury or illness during their service aboard ship. However, Oman Sultani Decree No. 35/2003, the Omani Labour law applies to compensation payable to seafarers if the injury or illness is incurable. A ship's husband must notify the authorities before a ship enters any port if a seafarer or crew member is infected with a communicable or epidemic disease. Seafarers, who sustain an injury or illness while serving onboard, are entitled to full wages during the voyage unless that injury resulted

from their disobedience, drunkenness, or other acts of misconduct. Finally, a ship's husband must get the seafarer back to their port of contract or to any other agreed port, at their expense if the seafarer employment agreement expires for any reason anywhere other than the port where the agreement has been executed.

The ship's husband must return the seafarer to Oman if something happens during the voyage which requires them to disembark from the ship, unless they are disembarking because of an order by a foreign authority at the port the ship is at or based on an agreement between the ship's husband and the seafarer.

Obligations to return a seafarer to a designated port include costs of food, accommodation, and transportation.

#### **OMAN - LABOUR**

According to local newspaper reports the State Council of Oman has finished discussing a draft Omani Labour Law. Preparations are now being made to submit this law to the Sultan.

# **CASE FOCUS**

#### Case No .... . Mibhut v Marto, DIFC Case No. 417/2022 on 18 January 2023 Jurisdiction ....DIFC Court .... DIFC Small Claims Tribunal Recommended by .... Nedal AlBaradai and Mahelet Shewangzaw, MN Law

#### WHAT IS IT ABOUT?

An employee of a DIFC company, with an employment contract dated 23 January 2022 had not received wages from September 2022 as a result of financial difficulties at the company so they resigned on 26 September 2022 and served a one-month notice period starting 1 October 2022. On 17 November 2022, the Claimant filed a claim with the DIFC Small Claims Tribunal claiming salary for September 2022 of 24,000 AED, one month's pay in lieu of notice pay of 24,000 AED, holiday pay of 20,000 AED and an end of service gratuity. Although they were served with notice of the case, the employer's representatives did not attend hearings or make submissions. The Tribunal continued with the claim based on Article 53.61 of the Rules of the DIFC Courts which stated, 'If a defendant does not attend the hearing and the claimant does attend the hearing, the Small Claims Tribunal may decide the claim on the basis of the evidence of the claimant alone'.

#### WHAT WAS DECIDED?

Having reviewed the evidence, the Tribunal found the Claimant had worked for the Employer from 23 January 2022, which was over three months. Under Article 62(2) of DIFC Law No. 2/2019, (the DIFC Employment Law), the Claimant was entitled to one month's notice. Therefore, the Tribunal awarded the Claimant 24,000 AED for their unpaid September salary and 24,000 AED for pay in lieu of notice. However, as the Claimant had not completed one year of service, they were not entitled to the 25 days' annual leave per annum they had claimed.

Instead, their leave entitlement was pro-rated against the period of service (calculated as 19.35 days based on the last working day on 31 October 2022) and they received 21,433.80 AED for 19.35 days of accrued leave. On end of service gratuity, the Tribunal referred to Article 19 and 66 of DIFC Law No. 2/2019 which required a minimum service period of one year for an employee to be eligible for an end of service gratuity; and dismissed the claim for an end of service gratuity payment. Since the Claimant had been unsuccessful on some of their claims, the Tribunal found they were entitled to recover only a portion of the court fees in respect of the claims for which they were successful.

#### WHY WAS IT IMPORTANT?

This case made it clear that, even if a Defendant, in this case the employer, does not attend the court proceedings, if the Claimant (in this case the employee) is in attendance, the claim will be considered based on the claimant's evidence alone in line with Article 53.61 of the Rules of the DIFC Courts. It is also worth noting that, employees who file claims like this one need to ensure that each part of their claim will succeed as they will only be awarded costs for the parts of their claim which are successful.

Case No .... Laia v Laredo Ltd, DIFC Case No. 408/2022 on 6 January 2023 Jurisdiction .... DIFC Court .... DIFC Small Claims Tribunal Recommended by .... Galadari Advocates and Legal Consultants

#### WHAT IS IT ABOUT?

The Claimant Laia was an individual who filed a claim against Laredo Ltd, a company registered and located within the DIFC. The dispute involved their employment under an employment contract dated 5 December 2021. On 11 November 2022, the individual filed a claim with the DIFC Courts' Small Claims Tribunal for their end of service entitlements of 14,658 AED, the immediate removal of an absconding order imposed by the relevant authorities, the immediate cancellation of their employment visa, and damages which were to be quantified in due course. The Employer had filed an absconding report against them. The Defendant stated under the employment contract, the individual was obliged to serve a 30-day notice period but they had failed to serve their notice and had ceased communication with the Defendant. On 25 October 2022, due to the Claimant's absence and failure to handover company belongings, the Defendants stated they had filed an abscondment claim with the government authorities. The Defendant also stated during the notice period, they had become aware the individual had started working for a direct competitor, which, they claimed was a breach of employment and immigration laws and post-termination restrictions in the Agreement. They claimed this was why they had applied for and secured the absconding order on 25 October 2022 to protect their assets while reserving their right to seek an injunction to enforce the contract's post termination restrictive covenants.

However, the Claimant claimed they had worked during their notice period in the exact same way as previously. They added they had received no instructions to complete work during this period, and the Defendant had no registered office for them to attend. The Claimant stated they had been available and willing to work had they been instructed to do so, and the Defendant had not submitted any evidence disputing this. They also provided a witness statement which confirmed they had handed over a laptop and other pieces of IT equipment to their previous manager and had no company property. The Defendant provided a memo dated 4 October 2022 which they had circulated to their employees which stated: 'This Memo constitutes my formal response to your letters dated 28 September 2022. Henceforth, every employee or senior management is legally bound to comply with the mandates under the applicable UAE laws, including but not limited to the applicable formal 30 Days' Notice (based on the signed employment contracts) period from the date of your resignation along with a proper full proof handover of the work tasks and all the company properties or assets subject to the profile and actual work each of you were engaged in'.

It was said the Claimant had failed to provide any evidence he had complied with the Memo or any evidence of any handover during that period. The Claimant had also failed to demonstrate any steps he had taken during the notice period on the handover, as the Claimant was supposed to have been serving his notice period during the period the Memo was circulated. The Claimant's total salary was 9,000 AED per month in the employment contract and they also sought in the Claim Form, payment in lieu of 22 accrued but untaken vacation days of 6,529 AED. The Defendant did not dispute this amount or provide any evidence of the days the Claimant had taken as vacation while working for them.

Article 28(1) of DIFC Law No. 2/2019 stated, 'where an Employee's employment is terminated, the Employer shall pay the Employee an amount in lieu of Vacation leave accrued but not taken up to and including the Termination date calculated in accordance with Article 28(3) of DIFC Law No. 2/2019'.

Article 16(1)(g) of DIFC Law No. 2/2019 stated, 'An Employer shall keep records of the following information: (g) the dates of Vacation Leave taken by the Employee and the Daily wages paid by the Employer in respect thereof and the Vacation Leave balance owing.'

#### WHAT WAS DECIDED?

The court felt the employee had failed to provide evidence that they had carried out their duties as normal during the notice period. Therefore, they were not entitled to payment in lieu of the notice period. This claim was dismissed. However, the holiday pay claim was upheld as it was the employer's responsibility to keep records of annual leave and as they did not this holiday pay was payable. The court also ruled the employer had failed to follow the proper procedure for filing an absconding report and had insufficient reasons for doing this. The abscondment procedure was to be used for UAE immigration law violations with Government Services. Those who wished to impose a travel ban on an employee for other reasons must use other channels. The employee's visa should have been cancelled on the last day of the contractually agreed notice when there was no longer an employment relationship between the parties. The court ordered the absconding claim be lifted and the visa cancelled.

#### WHY IS THIS IMPORTANT?

This case shows following resignation, employees must serve the notice period specified in the contract and keep a record of handing over the company's assets, including written confirmation of the company's receipt of the assets, to avoid any legal action. It also shows the importance of both the employer and employee keeping good records of what has happened and what is expected during the notice period. As has also been shown in other cases and has been stressed again here when it comes to leave entitlements it is the responsibility of the employer to be able to prove the employee has taken and signed for all their annual leave. Without this evidence, the court will require the employer to pay the employee for all their leave days. This case has also made it clear when employee visas should be cancelled and the limits on the use of abscondment procedures.

## **HR PROFILE** HEAD OF HUMAN RESOURCES – ENERGY



# One and All

Sarah Tablet Head of Human Resources for the Middle East at Siemens Energy explains how in order to support diversity it is important to tailor your approach.

#### **ABOUT YOU**

I am from Lebanon and have a passion for and a strong desire to help people along with an entrepreneurial spirit. I have a Degree in Banking and Finance. I also enjoy making pottery and believe fixing problems also takes creativity. With my work it is never a case of one size fits all. I am also keen to further the cause of Diversity, Equity and Inclusion and in 2020 published a book, called 'inclusion Starts with U' which I am particularly proud of as it has been recognised for its ability to drive cultural change across organisations in the Middle East and beyond. This book has provided valuable insights to leaders on how to coach and lead their employees, how to support their professional and personal development, and become better inclusive leaders.

I joined British American Tobacco in 2007 as a HR personnel administrator and found HR was an ideal opportunity for me to mix my love of numbers and passion for people. Later, I moved to Schneider Electric, and joined Siemens Energy a few months ago, where I lead HR in the Middle East Hub.

#### YOUR COMPANY AND YOUR WORK

Siemens Energy is one of the world's leading energy technology companies, and has a portfolio of products and solutions which stretch across the entire energy value chain, from wind power to electricity grids, gas turbines, and green hydrogen. Our solutions make up one sixth of the world's energy production. Our focus is on energising society and decarbonising the planet. Traditionally this region has had a strong focus on oil and gas, but the energy sector here is evolving, and we support customers and partners across the Middle East in increasing their efficiency, reducing emissions, and integrating renewables.

Siemens Energy has undergone a massive transformation since its carve-out from Siemens AG in 2020. With reorganisation, restructuring, and now the integration of Siemens Gamesa Renewable Energy, we are working to define an independent corporate culture. My work focuses on three pillars which are creating a vibrant workforce, developing



game-changing leaders, and establishing a thriving environment. My goal is to create an employee experience that makes you feel you know the company and makes working at Siemens Energy a solid, stable, and enjoyable experience.

We have around 3,000 people in the Middle East region, and the HR team acts as the glue between the different business functions.

From a regional perspective, the countries I lead include the UAE, Saudi Arabia, Qatar, Kuwait, Bahrain, Oman, Jordan, Lebanon, Iraq, Egypt, Libya, Sudan, and Iran.

The Middle East and North Africa is a diverse region made up of several countries, each with its own unique legal and regulatory framework for employment and HR practices. Therefore, it is essential to understand the cultural aspects from a people strategy perspective, and the relevant laws and regulations that apply to HR management.

While each of these countries has its own employment and labour laws, we focus on

#### **PRACTITIONER PERSPECTIVE**



Ben Brown Addleshaw Goddard (Middle East) LLP

Ben Brown of Addleshaw Goddard (Middle East) LLP looks at issues impacting recruitment of foreign specialists in Saudi.

Countries across the globe now have plans in place to reduce carbon emissions and introduce cleaner energy. The Middle East is no exception to this, with the UAE and Saudi Arabia leading the way. In line with its 2030 Vision Saudi Arabia has placed a similar

emphasis on solar energy projects, and has a phased plan to build seven new solar energy projects and create over 4,500 jobs in this sector in the region. The government has also invested half a billion Riyals in a wind energy farm which will create over 1,000 jobs. The development of this sector and these ambitious project plans are creating an increasing demand for specialist workers. When it comes to hiring these new specialists in the region, the nationalisation schemes in Saudi Arabia and other GCC countries have to be taken into account. In Saudi Arabia all private sector employers are under a strict duty to consider nationals for all vacancies before engaging a foreign national. This is a key drive for the Saudi Government and is implemented via the Nitagat system, which classifies employers based on their commercial activity, sector and the number of KSA-nationals employed.

Saudisation policies are strictly applied by the KSA Government, and as part of the KSA Vision 2030 programme

to diversify the KSA economy away from its dependence on oil, the Saudi Government anticipates significantly increasing Saudisation, with certain sectors being subject to 100% Saudisation. In addition to the Nitagat system, a large number of roles are reserved exclusively for Saudi nationals, including the HR Director role. One of the recent professions which may be relevant in the energy sector where there has also been change has been the project management profession. There have also been changes to the rules on the procurement profession, sales, and outlets providing services for shipping activities and brokers. Saudi Arabia has a sponsorship system which means that, broadly speaking, foreign national employees must be sponsored for work and 'Iqama' (residence visa) purposes by their employing Saudi entity. Work permits and Igamas are normally valid for one year and are renewable on expiry. Whether an employee is allowed to sponsor dependents will depend almost entirely on their job title (in Saudi their salary is irrelevant).

Foreign nationals can only be employed on fixed-term employment contracts. If parties either agree to an unlimited term employment contract or fail to specify the expiry date in a foreign national's employment contract, the contract is considered a fixed-term contract which is due to expire on the expiry of the individual's work permit.

In contrast, Saudi nationals may be employed under a fixed term contract or an unlimited term employment contract.

successfully implementing HR programmes or initiatives that have a positive impact on the organisation, such as improving employee engagement, retaining talent, or enhancing workplace culture in general.

It is all about ensuring we attract and retain the best talent in the market, orchestrating a joyful onboarding experience, and strengthening the sense of belonging to the organisation. We also work closely with our centre of excellence partners to have Compensation, Benefits, and Talent Management offers in place to support the development and career growth of employees. Regardless of where people are in the Middle East Hub, we partner with leaders to foster a great working culture across all levels of the organisation.

#### **CHALLENGES AND LEGISLATION**

HR, especially in this region, is dynamic and fastpaced. Policies and regulations are constantly changing so you need a strong team and a keen eye to make sure you stay on top of the latest changes. There has also been significant change in employment trends, particularly with younger staff, as a result of technological change, and in the wake of COVID 19. We need to make working for us a more attractive environment for younger people. Working 9-5, Monday to Friday, at a desk in an office is becoming less normal. As a result, we are having to adapt to market trends and adjusting our offerings and requirements to attract talent with different needs. More flexibility, hybrid working environments, and a strong focus on employee welfare are the differentiating factors for potential employees.

Nationalisation programmes, particularly Emiratisation, are high-priority initiatives for us. I am committed to building a strong pipeline of local talent who can become future leaders at Siemens Energy. To achieve this, we have developed comprehensive plans and work collaboratively with top universities, particularly those focused on STEM, and work with other partners to enhance our access to local talent pools. We are committed to investing in programmes that can help us attract, retain, and develop these individuals so they can contribute to our organisation's growth and success. We are confident that by supporting Emiratization and investing in the local workforce, we can build a stronger, more sustainable future for our organisation and the communities we serve.

# MOVES AND Changes

A ROUND-UP OF BUSINESS NEWS, APPOINTMENTS AND PROMOTIONS

#### FIRST SAUDI CERTIFICATION COMMISSION MEMBER

Abdulrahman Alsheail, the HR Director General at the Institute of Public Administration in Saudi Arabia, has been selected as the first Saudi member of the Certification Commission by the Society for Human Resource Management in the US. Alsheail is an award-winning HR transformation leader, who is known for his expertise in expanding leader capabilities and maximising organisational effectiveness in the Saudi work environment. He began his career at the Institute as a recruitment officer in the Institute's English language centre. His current role at the institute includes overseeing the Institute's HR strategy across five campuses, while also working as a faculty member who delivers professional training programmes, undertakes studies and consulting projects in HR. His past achievements have included translating several HR books into Arabic and the delivery of transformation projects which have provided significant savings for the institute and increased employee engagement, retention, and organisational and operational excellence.

#### **RETAINING AND GROWING**

Monique Dekker, a veteran who has spent over 25 years with the hotel group Hyatt, has been appointed as the group's new Senior Vice President of

Human Resources for Europe, Africa, the Middle East and Southwest Asia (EAME/ SW Asia). In her new role, she will be responsible for developing and retaining Hyatt's growing workforce of over 18,000 staff in the region, while advancing a more diverse, inclusive, and equitable workplace. Previously, Monique worked as the General Manager of the Park Hyatt Vienna and was the Area Vice President for Austria, Czech Republic, Italy and Hungary. She has also chaired the Women @ Hyatt group, a global initiative to accelerate and increase professional growth opportunities for female employees.

#### **EL ASHMAWI TO HEAD THE LAB**

Hussein El Ashmawi has been appointed as Ray Lab's new Group Chief Human Resources Officer for Saudi Arabia, Egypt, and Jordan. Ray Lab, is owned by a group of investors led by Mediterannia Capital Partners, including the Public Investment Fund (PIF) and provides healthcare technology solutions and services, including laboratory diagnostics, medical equipment, and healthcare IT. In his new role, El Ashmawi



will be responsible for overseeing various human resources and administrative management areas, including recruitment, training, and talent management of over 6000 employees in three countries, along with compensation and benefits, payroll, and governmental relations. El Ashmawi was previously the Group Chief Human Resources Office for Evergrow Group, a company which manufactures and markets specialist fertilisers in Egypt.

#### **A SUPPORTER OF EMIRATISATION**

Bayan Al Hosani has been appointed Chief People and Communications Officer at the real estate and investment company Aldar. Bayan began working at Aldar in 2005 and in 2019, was appointed Executive Director of People, Culture and Performance. In her new role, she will continue to work closely with the Group CEO and Executive Management to strengthen Aldar's talent agenda and advance its marketing and communications strategy. She has actively worked to ensure greater representation and increased numbers of Emiratis within the workforce. In

#### **SEND US YOUR NEWS**

2022, UAE nationals made up 42% in Aldar's head office, and currently, 66% of their leadership team are Emiratis.

#### **BUILDING A NEW HR TEAM**

John Paul Construction, an international construction specialist, has appointed Helen Forbes as their new Human Resources Director. Helen has worked in senior HR roles in companies including Aviva Ireland and General Electric. Her past work has focused on empowering employees. At John Paul Construction, she will work with senior leaders to deliver on strategic objectives including employee engagement, professional development, and talent retention. The firm provides a comprehensive range of construction services to clients across a wide range of sectors, with offices in Ireland, Saudi Arabia, Bahrain, London and Amsterdam.

#### **CULTURAL CHANGE**

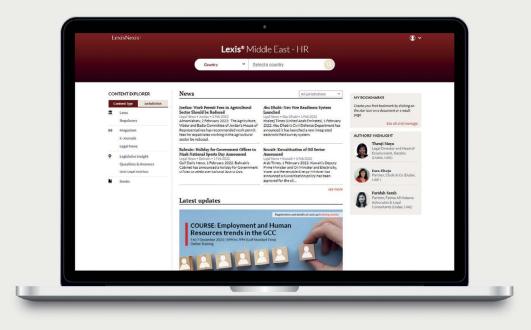
Bernhard Kolsch has joined Anantara Eastern Mangroves Abu Dhabi Hotel where he will be the Director of People and Culture. Kolsch has previously spent half a decade working with Four Seasons. In 2017, he became director of people and culture at the Four Seasons Resort in Seychelles. Later he was promoted to senior director of people and culture for the group's two properties in the country. He also worked for three years with Emaar Hospitality Group, and went on to become assistant director of HR for the Manzil and Vida properties. Other past roles included time spent as quality and training manager with One&Only Royal Mirage.

#### **OTHER CHANGES**

Joramco: Joramco, the Jordanian aircraft maintenance, repair, and overhaul (MRO) facility and engineering arm of Dubai Aerospace Enterprise (DAE), has appointed Victor Moreno their new Head of Safety and Quality. Geodis: The transport, logistics and supply chain company Geodis which has created an Asia Pacific and Middle East region has appointed June Koh Human Resources Director for that region.



If you have news of an appointment or promotion within the legal or financial professions you would like to see reported in Lexis Middle East Law, please send details to: *corrine.joseph@lexisnexis.com* 



## Lexis<sup>®</sup> Middle East - HR

HR policies, letters, contracts - we've got you covered.

Lexis® Middle East - HR gives you access to a database of reliable legal guidance and templates.

#### Employment policy examples:

- Bring Your Own Device Policy (GCC Countries) •
- COVID-19 Reporting Policy
- End of Service Benefit Calculation policy
- Flexible working policy and procedure (GCC Countries)
- Harassment and Bullying Policy
- Health and Safety Policy
- Holiday Policy (KSA)
- Working From Home Policy (GCC Countries) .
- Internet, Email and Communications Policy
- (GCC Countries)
- Maternity Leave Policy Parental Leave Policy
- Paternity Leave Policy
- Performance and Capability Policy and Procedure (GCC Countries)
- Social Media Policy

#### **Employment contract templates including:**

- Contract Forms: •
  - Employment of Non-National Experts & Consultants
  - Employment of UAE National Experts & Consultants
  - Employment on Special Contract (UAE)
  - Full Time Employment of Non-UAE Nationals (Category A & B)
  - Full Time Employment of UAE Nationals
  - Part Time Employment (UAE)
  - Renewal of Employment Contract for Non-National **Employees (UAE)**
  - Renewal of Organising Existing Functional Relation with a **UAE** Citizen
  - Temporary Employment (UAE)
  - Free Zone Employment Contracts:
  - ADGM Standard Employment Contract
  - DIFC Employment Contract (Basic Version)
  - DMCC Standard Contract of Employment - TECOM Employment Contract

  - UAQ FTZ Employment Contract



# **POLICY POINTERS**

## Unemployment Insurance



ince 1 January 2023, there has been a mandatory requirement for all onshore UAE employees (Emiratis and Expatriates) to be a member of the **UAE Unemployment Insurance** Scheme. The scheme was established as a result of Federal Decree No. 13/2022 Concerning unemployment insurance, Cabinet Decision No. 97/2022 concerning the mechanisms and controls for implementing the unemployment insurance scheme and Ministerial Decision No. 604/2022 Concerning the unemployment insurance scheme. Subscriptions to the scheme have to be made no later than 30 June 2023.

#### **WHO IS COVERED?**

The scheme covers both private and public sector workers. It now applies to employees working for freezones but does not apply temporary workers, domestic staff, those under 18, investors (who own the establishment they work in), UAE citizens who have fulfilled the pension conditions, or retirees who receive a pension but are now working in a new job.

#### **EMPLOYEE AND EMPLOYER'S OBLIGATIONS**

Joining the scheme is mandatory not optional, except for those who qualify for one of the exemptions.

Employees who fail to register are subject to a 400 AED fine. In addition, if an employee, fails to make the contributions in a timely manner this can trigger an 200 AED fine. These fines are imposed on the employee and not on the employer, so it is the employee who is obliged to register with the insurance scheme and make the payments. Other penalties can potentially include non-renewal of work permits or visas until all premiums have been settled and are up to date, which could cause knock on problems for the employer.

If employers are considering putting a policy in place in this area, they should note that their role is merely to explain and remind employees of their obligations. Their obligation is a moral obligation to make sure employees are insured under the scheme. However, from a practical perspective due to the risk of penalties which include non-renewal of work permits and visas it is advisable for employers to put an education programme in place on employees' duties.

#### **THE SCHEME**

The Scheme is being run through Dubai Insurance Company. Those who earn basic incomes of 16,000 AED or less fall into a category 1 contribution of five AED per month and those earning a basic income of over 16,000 AED pay category 2 contributions of 10 AED per month. Premiums can be paid monthly, quarterly, or yearly. Employees who resign or are dismissed for disciplinary reasons. find new employment or have not made payments on time will not receive payments. Claim payments are subject to a qualifying and waiting period of 12 continuous months of employment from the date of inception/commencement of

the policy. An employee who has completed 12 months of registration in the scheme is eligible for monthly compensation equivalent to 60% of their basic salary capped at either 10,000 AED per month for those in category 1 and 20,000 AED per month for those in category 2 on losing their job.

The maximum period of compensation is three months per claim. The total period of compensation an employee can receive throughout their entire employment in the UAE is capped at 12 months.

#### **EMPLOYER SCHEMES**

There is nothing in the legislation to stop a UAE employer from offering employees their own parallel unemployment scheme as a benefit. However, there is no provision for an employee scheme to be provided as an alternative to the mandatory scheme.

#### **WORKER PROTECTION SCHEMES**

Historically, UAE establishments had to pay a bank guarantee for each employee they recruited. This changed in June 2022, when Ministerial Decision No. 318/2022 was issued. UAE employers must either pay a bank guarantee equal to 3,000 AED for each employee, they have or take out an insurance policy as directed by MOHRE. As a result, Dubai Insurance Company has also launched the Workers' Protection Programme (WPP Insurance) which fulfils this insurance requirement. It provides a safety net where an employee is not paid their salary, is not paid end of service gratuity, suffers workplace injury, where the cost of repatriation is not paid, or where the cost of repatriating a deceased employee's remains need to be paid.



Shiraz Sethi, Partner & Regional Head of Employment, Dentons



Expand your knowledge and improve your skills.

With LexisNexis drawing on 200 years of heritage as a trusted legal publishing brand, we've built up a strong and close relationship with the legal community. We understand the everyday needs and challenges faced by lawyers. Through a network of training centres and 40 offices worldwide, LexisNexis trains thousands of professionals from junior to top executives and government officials.

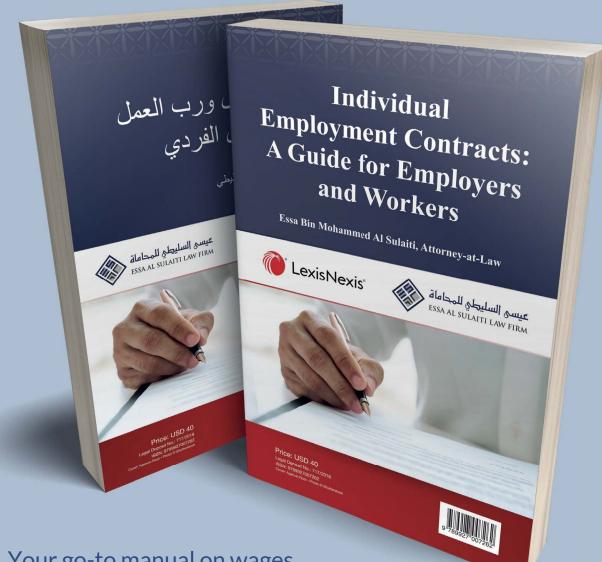
In the Middle East, our training programme delivers a cost effective solution tailored to the specific needs of the legal community in the region, delivered by leading experts who are practicing professionals; ensuring they are fully conversant with the latest issues and legislation as well as the implications on business and practice.





## INDIVIDUAL EMPLOYMENT CONTRACTS: A GUIDE FOR EMPLOYERS AND WORKERS

#### BY ESSA BIN MOHAMMED AL SULAITI



- Your go-to manual on wages, end-of-service payment entitlements, employee leave, termination, and much more
- A must-have reference for Employment Law lawyers and in-house counsel in Qatar