

Labour & Employment

in 39 jurisdictions worldwide

2014

Contributing editors: Matthew Howse, Walter Ahrens, Sabine Smith-Vidal and Mark Zelek



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Labour & Employment 2014

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Matthew Howse, Walter Ahrens,
Sabine Smith-Vidal
and Mark Zelek
Morgan, Lewis & Bockius LLP

Getting the Deal Through is delighted to publish the fully revised and updated ninth edition of *Labour & Employment*, a volume in our series of annual reports, which provide international analysis in key areas of law and policy for corporate counsel, cross-border legal practitioners and business people.

Following the format adopted throughout the series, the same key questions are answered by leading practitioners in each of the 39 jurisdictions featured. New jurisdictions this year include Belgium, Ireland, Peru, Slovakia and Turkey. By consulting this book, employers and their counsel can quickly familiarise themselves with the essentials to guide them through all stages of the work relationship, from application, through to hiring, termination and disputes, in multiple jurisdictions.

Every effort has been made to ensure that matters of concern to readers are covered. However, specific legal advice should always be sought from experienced local advisers. *Getting the Deal Through* publications are updated annually in print. Please ensure you are referring to the latest print edition or to the online version at www.GettingTheDealThrough.com.

Getting the Deal Through gratefully acknowledges the efforts of all the contributors to this volume, who were chosen for their recognised expertise. We would also like to extend special thanks to contributing editors Matthew Howse, Walter Ahrens, Sabine Smith-Vidal and Mark Zelek of Morgan, Lewis & Bockius LLP for their assistance with this volume.

Getting the Deal Through

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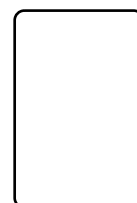
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United Arab Emirates

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Legislation and agencies

- 1** What are the main statutes and regulations relating to employment?

The main statutes and regulations relating to employment are Federal Law No. 8 of 1980 Regulating Labour Relations, as amended by Federal Laws No. 24 of 1981, No. 15 of 1985, No. 12 of 1986 and No. 8 of 2007 (Labour Law), and applicable ministerial orders implementing its provisions. These statutes and regulations apply to all employees working in the UAE, including foreign nationals apart from:

- members of the following categories of worker:
 - officials, employees and workers in federal and local government departments, or appointed for federal and local government projects;
 - members of the armed forces, police and security officers;
 - domestic servants working in private residences;
 - workers employed in agriculture (apart from employees of agricultural companies engaged in processing products, or operating or repairing machinery required for agriculture); and
- employees working for a company with a place of business in the Dubai International Financial Center (DIFC) and who are based in, or ordinarily work in, the DIFC (these employees are subject to the DIFC Employment Law No. 4 of 2005 and No. 3 of 2012 (DIFC Employment Law)).

Employees working in one of the many free zones in the UAE, including foreign nationals, are subject to the Labour Law in addition to employment regulations introduced in the relevant free zone. Where the free zone regulations are not consistent with the Labour Law, the Labour Law provisions take precedence unless they are less favourable than relevant free zone regulations.

- 2** Is there any law prohibiting discrimination or harassment in employment? If so, what categories are regulated under the law?

Discrimination

There are no anti-discrimination protections for employees under the Labour Law or in the free zones (except as noted below in the Abu Dhabi Media Free Zone).

DIFC Employment Law states that employers must not discriminate (that is, withhold or limit access to opportunities, benefits and advantages that are available to other persons) against any person on the basis of their:

- sex;
- marital status;
- race;
- nationality;
- religion; or
- mental or physical disability.

Under DIFC employment law, any programme or activity can be undertaken that is intended to benefit disadvantaged individuals or groups, including those with a mental or physical disability.

The Employment and Sponsorship Regulations of the Abu Dhabi Media Free Zone Authority contain anti-discrimination provisions. These regulations state that the aim of the authority is to create an environment where employment and advancement is based on merit and an employee is not treated less favourably by reason of gender, marital status, religion or disability. The regulations further state that employers in the free zone must be guided by this principle of non-discrimination when employing employees.

Harassment

There are no specific rules under the Labour Law protecting employees from harassment, but assaulting another employee is grounds for summary dismissal. In addition, there are UAE ministerial resolutions imposing sanctions on certain behaviour, including harassment.

Under DIFC employment law, employers must provide and maintain a workplace that is free from harassment, safe and without risk to employees' health. In addition, an employer must not threaten, intimidate or coerce an employee because of a complaint or investigation.

- 3** What are the primary government agencies or other entities responsible for the enforcement of employment statutes and regulations?

The Ministry of Labour is primarily responsible for the enforcement of the Labour Law. The Ministry issues work permits, levies fines and bans on non-conforming employers or employees, and forms and implements labour policies supporting the Labour Law.

The DIFC Authority is responsible for the administration of the DIFC Employment Law.

Worker representation

- 4** Is there any legislation mandating or allowing the establishment of a works council or workers' committee in the workplace?

There is currently no legislation mandating or allowing the establishment of a workers' council or committee in the workplace. There are no trade unions in the UAE and employee representatives are not common.

Background information on applicants

- 5** Are there any restrictions or prohibitions against background checks on applicants? Does it make a difference if an employer conducts its own checks or hires a third party?

The Labour Law imposes no restrictions on background checks on applicants. Checks can be conducted by a third party or by the

employer. The DIFC Employment Law similarly imposes no such restrictions on background checks.

- 6** Are there any restrictions or prohibitions against requiring a medical examination as a condition of employment?

There are no restrictions on employer-imposed medical examinations. An employer can refuse to hire an applicant who does not submit to a medical examination.

Moreover, because foreign nationals are a majority of the workforce in the UAE, medical examinations are a routine part of the hiring process. One of the requirements for obtaining a residence visa in the UAE is to pass a medical examination at a government-approved hospital or clinic. A prospective employee is screened for HIV, hepatitis B and C, leprosy and tuberculosis before being granted a residence visa.

- 7** Are there any restrictions or prohibitions against drug and alcohol testing of applicants?

There are no restrictions on employer-imposed drug and alcohol testing. An employer can refuse to hire an applicant who does not submit to such testing.

Moreover, the prohibitions in the UAE on the possession and use of drugs are very strict. In addition, the purchase or consumption of alcohol by a person who does not hold a liquor licence is illegal in the UAE. A non-Muslim foreign national may obtain a liquor licence only after issue of a residence visa. Therefore, a positive test result before hiring would indicate criminal activity, which would be another reason to refuse to hire the applicant.

The DIFC Employment Law similarly does not provide any restrictions or prohibitions against drug and alcohol testing.

Hiring of employees

- 8** Are there any legal requirements to give preference in hiring to, or not to discriminate against, particular people or groups of people?

The Labour Law and various ministerial decisions contain the following provisions that are favourable to the hiring of UAE nationals:

- UAE nationals have priority to work in the UAE. Persons of other nationalities can only be employed in the private sector if there is appropriate approval from the authorities and if they obtain a residence visa and labour (or ID) card. The foreign employee must also have the professional competence or educational qualification that the state requires.
- If no UAE national is available to take up a position, preference must first be given to persons who are nationals of an Arab country, and then to persons of other nationalities.

- 9** Must there be a written employment contract? If yes, what essential terms are required to be evidenced in writing?

As part of the residence visa and labour card application process, an employee must enter into a standard-template dual-language contract provided by the Ministry of Labour. Under the Labour Law, the contract must specify the:

- date of its conclusion;
- date the employment is to commence;
- nature and place of employment; and
- length of the contract, and if it is a limited (fixed) term contract.

Some free zones require the parties to enter into employment contracts using a template specific to the relevant free zone. Subject to the provisions of the Labour Law, the information that must be included in employment contracts varies among the free zones.

The DIFC Employment Law requires employers to provide their employees with a written contract of employment. The contract of employment must specify:

- the names of the employer and employee;
- the date the employment starts;
- the employee's wages;
- the applicable pay period;
- the terms and conditions relating to hours of work;
- the terms and conditions relating to:
 - vacation leave;
 - vacation pay;
 - national holidays and pay for national holidays;
 - sick leave; and
 - sick pay;
- the length of notice that the employee and employer must give and receive to terminate the employment;
- the employee's job title or a brief description of his or her work;
- the period for which the employment is expected to continue or, if it is for a fixed term, the date when it is to end (where the employment is temporary);
- the place of work;
- the applicable disciplinary rules and grievances procedures; and
- any other matter that may be prescribed in any regulations issued under the DIFC Employment Law.

- 10** To what extent are fixed-term employment contracts permissible?

The Labour Law permits fixed-term employment contracts; however, many employers prefer not to use them because such contracts are difficult to terminate. The Labour Law limits the duration of a fixed-term contract to four years.

The DIFC Employment Law permits fixed-term contracts; however, there is no specification as to the maximum duration of such contracts.

- 11** What is the maximum probationary period permitted by law?

The Labour Law allows a maximum of six months' probationary period. This maximum period may not be extended.

The DIFC Employment Law does not address probationary periods.

- 12** What are the primary factors that distinguish an independent contractor from an employee?

Pursuant to the Labour Law, an employee is any person who receives remuneration of any kind for legitimate work performed in the service of an employer and under its supervision or control. The definition of 'employee' also includes officers and staff who are in the employer's service and subject to the provisions of the Labour Law. In the UAE, an employer is required to obtain a labour permit for an employee who is not a UAE national.

In contrast, an independent contractor is an individual or corporate entity that provides services, but without the element of supervision or control which characterises the employment relationship. The employer of an independent contractor does not typically obtain a labour permit for the independent contractor, and the relationship is generally viewed as outside the scope of the Labour Law.

Foreign workers

- 13** Are there any numerical limitations on short-term visas? Are visas available for employees transferring from one corporate entity in one jurisdiction to a related entity in another jurisdiction?

Most employer-sponsored UAE residence visas are valid for a two-year term, after which they must be renewed in order for the employee to stay in the country. Employers are subject to numerical

limitations, but the limitations depend on the employer's business activities. Some of the free zones follow an express visa quota that depends on the size of an employer's business premises.

Visa transfers within the UAE are generally possible for employees who hold bachelor's degrees or higher educational qualifications. The specific requirements on transfers vary somewhat from time to time and from place to place. The transfer of an employee from outside the UAE requires the employer to seek a new UAE residence visa and labour permit for the transferring employee.

14 Are spouses of authorised workers entitled to work?

A spouse is authorised to work if his or her employer obtains a labour permit.

15 What are the rules for employing foreign workers and what are the sanctions for employing a foreign worker that does not have a right to work in the jurisdiction?

Under the Labour Law, an employee must submit an application for approval to the Ministry of Labour and obtain a work permit from their employer subject to the processes specified by the Ministry of Labour. The employee must then apply for an employment visa from the Immigration Authority. Once this visa is obtained and the employee has entered the UAE, the sponsor is responsible for arranging a residence permit for the employee.

Employees employed in the DIFC and other free zones must obtain similar permits using the forms pertinent to their free zones.

Knowingly employing a worker who does not have the right to work in the jurisdiction is punishable by fine or a prison term.

16 Is a labour market test required as a precursor to a short or long-term visa?

Under the Labour Law, UAE nationals are given top priority to fill employee positions. The Ministry of Labour is required to certify a need for non-nationals in the event of non-availability of national workers. This is generally, however, a pro forma exercise.

The DIFC Employment Law does not give priority to UAE nationals, and therefore no labour market tests are required in the DIFC.

Terms of employment

17 Are there any restrictions or limitations on working hours and may an employee opt out of such restrictions or limitations?

The Labour Law applies the following restrictions on working hours:

- Working hours must not exceed eight hours per day, or 48 hours per week, over a six-day week.
- Employees cannot work more than five consecutive hours without receiving break times of at least one hour in total for rest, food and prayer. This break time does not constitute a working hour.
- The normal weekly holiday is Friday, unless the employee works on a daily wage basis.

An employee may not opt out of such a restriction or limitation.

These provisions do not apply to certain employees working in a senior or managerial capacity, or ship crews and seamen who work under special service conditions due to the nature of their work.

The position differs in the DIFC, where the following provisions apply:

- Weekly working hours must not exceed, on average, 48 hours over a seven-day period, unless the employer first obtains the employee's consent, in writing, to a greater number of hours.

- An employer cannot require, or directly or indirectly allow, an employee to work excessive hours detrimental to the employee's health and safety.
- An employee who works more than six hours per day is entitled to rest and prayer breaks of at least one hour on aggregate during that period.
- An employee is entitled to a rest break of at least 11 consecutive hours in each 24-hour period.
- An employee is entitled to an uninterrupted rest period of at least 24 hours in each seven-day week.

An employee may not waive these restrictions.

18 What categories of workers are entitled to overtime pay and how is it calculated?

Overtime must not exceed two hours per day, unless the work is necessary to prevent substantial or serious accident (or to eliminate or alleviate its effects). Overtime pay amounts to 125 per cent of an employee's remuneration for the period of overtime worked (unless the employee is required to work overtime between the hours of 9pm and 4am, in which case this rises to 150 per cent). Where an employee is required to work on a Friday, he or she is granted one day leave in lieu, or paid 150 per cent of his or her basic wage for the Friday worked. Other than labourers on daily wage, no employee can work more than two consecutive Fridays.

These provisions do not apply to certain employees working in a senior or managerial capacity, or ship crews and seamen who work under special service conditions due to the nature of their work.

The DIFC Employment Law references but does not specifically define 'overtime'.

19 Is there any legislation establishing the right to annual vacation and holidays?

The Labour Law requires that for each year of service, employees are entitled to paid leave of not less than:

- two calendar days per month, for employees who have more than six months' service but less than one year's service; or
- 30 calendar days per annum, for employees with more than one year's service.

Leave is in addition to the seven national holidays. The Ministry of Labour declares the length of each national holiday (which can fall on any day of the week each year) before the holiday takes place. The lunar calendar determines the dates of some national holidays.

The minimum pay for annual leave and national holidays is the employee's basic pay plus housing allowance. However, if a public holiday falls on a weekend, an employer is not obliged to provide payment to an employee in place of the public holiday.

The DIFC Employment Law requires an employee to be entitled to paid annual leave of 20 working days, in addition to national holidays, if he or she has at least 90 days service. This is accrued pro rata in the first year, calculated at a rate of 1:12 of the employee's leave entitlement on the first day of each month of service. There is no minimum pay for annual leave, but pay for national holidays is calculated at the employee's daily wage.

20 Is there any legislation establishing the right to sick leave or sick pay?

Under the Labour Law, an employee is not entitled to paid sick leave during his or her probationary period. If an employee has worked continuously for an employer for three months, after the end of his or her probationary period he or she is entitled to 90 days' sick leave per year (either continuously or on aggregate) of which:

- the first 15 days are with full pay;

- the next 30 days are with half pay; and
- the remaining 45 days are not paid

Under the DIFC Employment Law, an employee is entitled to 60 working days paid sick leave per year, which cannot be carried forward into the next 12-month period.

There is no state sick pay (either in the UAE or the DIFC).

- 21** In what circumstances may an employee take a leave of absence? What is the maximum duration of such leave and does an employee receive pay during the leave?

There is no entitlement to a leave of absence other than for the reasons set out in the Labour Law (such as annual leave and sick leave). Employers and employees are free to reach agreement on leaves of absence on a case-by-case basis.

The DIFC Employment Law accounts for special leave of absence but does not specify the circumstances under which it may be taken, or the corresponding pay scale for such leave.

- 22** What employee benefits are prescribed by law?

The Labour Law provides many benefits to employees that cannot be waived by contract. Among these benefits are (i) protection from arbitrary termination (see questions 31 to 36), (ii) an assurance via the Wage Protection System that salaries will be paid on a monthly basis, (iii) entitlement to overtime compensation, (iv) termination benefits, (v) repatriation benefits and (vi) an administrative and judicial grievance procedure where fees are waived for employees.

- 23** Are there any special rules relating to part-time or fixed-term employees?

Under the Labour Law, part-time employees have the same rights as other employees, although they work shorter hours. The same is true for short-term employees. Employers are still required to obtain labour permits for part-time and short-term employees.

The position is the same in the DIFC except that short-term employees are not entitled to a written contract or an itemised pay statement if the employment is for less than 30 days.

Post-employment restrictive covenants

- 24** To what extent are post-termination covenants not to compete, solicit or deal valid and enforceable?

It is not possible to obtain injunctive relief from the UAE courts so contractual restraint of trade clauses are of limited use. However, it is possible to prevent an employee from working in the UAE through Ministry of Labour administrative processes. If an employee resigns before completing less than one year of service with an employer, the Ministry of Labour enforces an automatic six-month employment ban on the employee. The Ministry of Labour can also impose a ban on employees with more than one year's service and less than three years' service, but this can be lifted on payment of a fee or if the former employer confirms that it does not object.

Free zone authorities can enforce post-termination restrictions if they are included in an employment contract, but only within the relevant free zone.

In the DIFC, restraint of trade clauses can be included in an employment contract. Injunctive relief is available from the DIFC courts, but an injunction order is only enforceable within the DIFC.

- 25** Must an employer continue to pay the former employee while they are subject to post-employment restrictive covenants?

Employers do not have to pay former employees any remuneration while they are subject to post-employment restrictive covenants.

Liability for acts of employees

- 26** In which circumstances may an employer be held liable for the acts or conduct of its employees?

The Labour Law states that an employer can be vicariously liable for the acts of its employees carried out in the course of their employment.

The DIFC employment provides that an employer is liable for acts of its employees carried out in the course of employment. An employer is not liable if it proves that it took reasonable steps to prevent the employee from carrying out the act, or similar acts, in the course of employment.

Taxation of employees

- 27** What employment-related taxes are prescribed by law?

There is no payment or withholding of employment-related taxes.

Employee-created IP

- 28** Is there any legislation addressing the parties' rights with respect to employee inventions?

Federal Law No. 7 of 2002 for Copyright and Neighbouring Rights (Copyright Law) is the governing legislation addressing employee inventions. The Copyright Law provides that the author of a work is its owner. An employer and employee can agree to the contrary in the employment contract, but there are limitations on the disposal of future copyright works. Specifically, purported disposals of more than five future works are void. The author's moral rights to a work are non-transferable. If a work is a collective work, created by co-authors under the direction of the employer and for publications in the employer's own name, then the employer owns the copyright. However, this can be varied by agreement.

Unless the parties have agreed otherwise, an employer has the right to apply to patent any invention created during the course of an employee's employment (Federal Law No. 17 of 2002 Regulation and Protection of Patent and Property Rights in the Industrial Designs and Models (Patents and Designs Law)). However, the employee has rights to compensation if the economic value of the invention was not anticipated when the employment contract was entered into.

The employee may be entitled to the invention if both:

- this inventive activity is outside the scope of the employee's duties; and
- he or she uses the employer's resources to make an invention relevant to the employer's business.

In these circumstances, the employee must give the employer notice of the invention, and if the employer fails to confirm interest in owning the invention, the employee is entitled to fair compensation, taking into account the significance and economic value of the invention to the employer.

Data protection

- 29** Is there any legislation protecting employee privacy or personnel data? If so, what are an employer's obligations under the legislation?

There are no specific data protection rights for employees under the Labour Law or in the free zones, but general protection exists in the Civil Code.

DIFC Law No. 1 of 2007 (DIFC Data Protection Law) imposes a number of obligations on anyone who processes personal data. Employees have a number of rights concerning their personal data, including the right to have their information processed fairly, securely and in accordance with necessary and legitimate purposes.

There must also be adequate protection when data is transferred to a jurisdiction outside the DIFC.

Business transfers

30 Is there any legislation to protect employees in the event of a business transfer?

Employees are not automatically transferred with the business on a business transfer. Employees are not given specific protection against dismissal on a business transfer. The termination provisions under the Labour Law apply. There are no regulations relating to harmonising the terms of transferred employees with other (existing) employees of the buyer.

Termination of employment

31 May an employer dismiss an employee for any reason or must there be 'cause'? How is cause defined under the applicable statute or regulation?

An unspecified term contract may be terminated for a legitimate reason with notice given at least 30 days prior to termination. Termination is considered arbitrary and can be adjudicated if the cause for such termination is not related to the employee's work, or is a result of a justifiable action brought by the employee against the employer. A contract may be terminated without notice in limited circumstances (see question 33).

The DIFC Employment Law requires that an employee be terminated for cause in circumstances where the conduct of the employee warrants termination, and where a reasonable employer would have terminated the employment.

32 Must notice of termination be given prior to dismissal? May an employer provide pay in lieu of notice?

The minimum notice period under the Labour Law is 30 days. An employer and employee can mutually agree to a longer notice period, but they cannot shorten notice to less than the statutory minimum period. If either party defaults on the agreed notice period, he must pay compensation in lieu of notice based on the employee's current pay (in proportion to the number of days in default).

In the DIFC, the minimum notice period is:

- seven days, if the period of continuous employment is less than three months;
- 30 days, if the period of continuous employment is at least three months but less than five years; and
- 90 days, if the period of continuous employment is five years or more.

However, an employer and employee can agree to:

- a longer or shorter period of notice;
- waive notice entirely; and
- a payment in lieu of notice.

33 In which circumstances may an employer dismiss an employee without notice or payment in lieu of notice?

An employer can dismiss an employee without notice if the employee commits an act of gross misconduct or is on probation. Under the Labour Law, the offences that constitute gross misconduct are limited to the following:

- adopting a false identity or nationality or submitting forged certificates or documents;
- making a mistake resulting in substantial material loss for the employer, and the employer notified the Ministry of Labour of the incident within 48 hours of becoming aware of its occurrence;

- disobeying instructions concerning industrial safety or the safety of the workplace, if the instructions are in writing and displayed clearly; if the employee is illiterate, the employer should have read the instructions to him or her;
- failing to perform basic duties under the contract of employment and persisting in violating them despite the fact that he or she has been both:
 - the subject of a written investigation; and
 - warned that he or she will be dismissed if the behaviour continues;
- revealing company secrets.
- a competent court has sentenced him or her for an offence involving honour, honesty or public morals;
- being found drunk or under the influence of a drug during working hours;
- assaulting an employer, a responsible manager or a colleague during working hours; and
- being absent without a valid reason for more than 20 non-consecutive days, or more than seven consecutive days.

An employer can dismiss an employee without notice where the employee's conduct constitutes misbehaviour. Misbehaviour is not defined in the DIFC Employment Law, but it is described in general terms in the DIFC Employment Law as to where an employee's conduct warrants termination and a reasonable employer would have terminated his or her employment.

34 Is there any legislation establishing the right to severance pay upon termination of employment? How is severance pay calculated?

To be entitled to a gratuity or severance payment on termination of employment, the Labour Law requires an employee to have accrued one year's continuous service and the dismissal not to be for gross misconduct. An end-of-service gratuity is calculated with reference to the employee's last basic pay at the time of termination at the rate of:

- 21 days' basic pay for each of the first five years of service; and
- 30 days' basic pay for each year of service in excess of five years of service.

The position is the same under the DIFC Employment Law and there is no reduction in the end-of-service gratuity when an employee resigns.

An employee with an unlimited contract who resigns from his or her employment with less than five years' service is entitled to a reduced gratuity payment, calculated by reference to length of service, as follows:

- an employee who has more than one year but less than three years' service is entitled to one-third of the total gratuity entitlement;
- an employee who has more than three years' but less than five years' service is entitled to two-thirds of the total gratuity entitlement; and
- an employee who has more than five years' service is entitled to the full gratuity entitlement.

An employee is not entitled to an end-of-service gratuity payment in either of the following circumstances:

- he or she is entitled to a company pension that complies with the provisions of the Labour Law or DIFC laws (as appropriate); or
- pension contributions are made on his or her behalf to the General Pension and Social Security Authority (GPSSA).

Update and trends

There has been speculation for many years that the Labour Law will be amended so as to address the five-day work week that is generally observed in the region, and to allow employers and employees more freedom to depart from the requirements of the Labour Law, at least as regards management level employees. It has also been proposed to extend protections to domestic servants, who currently are not covered by the Labour Law. It is difficult to predict if or when such amending legislation will be enacted, or what specific concerns it will address when it is enacted.

35 Are there any procedural requirements for dismissing an employee?

The Labour Law requires that employees be granted 30 days' notice prior to dismissal. Employees can avail themselves of the grievance procedure if they believe that the employer's action was wrongful. Employers must cancel or transfer sponsorship of an employee's residence visa and labour card (or ID card if the employee is working in the DIFC or in the free zones) within 30 days of termination of employment. Employees must sign a final settlement form confirming that they have received all of their legal entitlements before the authorities will cancel their residence visa and labour card (or ID card, if applicable).

Approval from or notification to a government agency is not required, apart from the procedures involved in cancelling the employee's labour permit and residence visa after an employee's contract is terminated.

36 In what circumstances are employees protected from dismissal?

Employees on specified-term contracts may be terminated only for one of the specified acts of misconduct that are set out in the Labour Law. Employees under unspecified-term contracts can be terminated only for a legitimate reason and with a minimum notice of 30 days.

A recent UAE ministerial decision, in response to the global financial crisis, prohibits the dismissal of UAE nationals without the Minister of Labour's approval. This decision is likely to apply indirectly in the free zones (although the decision itself does not make it clear), but not in the DIFC. It is unclear whether it will remain in place permanently.

Employees in the DIFC must be terminated for cause and given a minimum notice period determined by their length of continuous employment with the employer. An employee may request a written statement of reasons for his or her dismissal if he or she has been continuously employed for at least than one year.

37 Are there special rules for mass terminations or collective dismissals?

There are no special rules for mass termination or collective dismissals. Employee contracts must be individually terminated.

The position is the same in the DIFC.

38 Are class or collective actions allowed or may employees only assert labour and employment claims on an individual basis?

Class actions are not permitted under UAE law. The Dubai Court does not have a mechanism for class actions so each claim must be filed separately. The Labour Law, however, permits collective work disputes to allow for quick and amicable resolution of disputes. The aggrieved employees must submit their complaints in writing to their employers and send copies of the complaints to the Ministry of Labour. Employees must reply to the complaint within seven working days of date of receipt with a copy submitted to the Ministry of Labour. If the employers fail to respond or their replies do not resolve the disputes, the Ministry of Labour will mediate to settle the disputes. Failure to settle will result in the referral of the disputes to a conciliation board that is responsible for awarding a decision.

The DIFC Employment Law permits class action suits that are brought before the DIFC courts.

39 Does the law in your jurisdiction allow employers to impose a mandatory retirement age? If so, at what age and under what limitations?

The Labour Law imposes a mandatory retirement age of 65 years on foreign nationals. To work beyond the mandatory age of retirement, the approval of the labour minister or undersecretary must be given. Approval is often granted if the employee is an expert or consultant with expertise in a rare speciality.

There is no mandatory retirement age in the DIFC.

Dispute resolution**40** May the parties agree to private arbitration of employment disputes?

Under the Labour Law, employment disputes cannot be settled in private arbitration and a claim must be brought in the civil courts.

The DIFC Employment Law similarly does not permit private arbitration of employment disputes.

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41 May an employee agree to waive statutory and contractual rights to potential employment claims?

The Labour Law does not permit an employee to waive their statutory and contractual rights to potential employment claims

The position is the same in the DIFC.

42 What are the limitation periods for bringing employment claims?

Under the Labour Law, the time limitation for bringing employment claims is one year.

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