



The New Labour Law is applicable to all Mainland and Free Zone Companies except companies located in DIFC and ADGM which are governed by their own laws.



With the new law coming into effect from February 2, 2022, new contracts will need to be drafted by companies in the private sector.

“All private sector employers must replace the current employment contracts to the new employment contracts, employee handbooks and any other employment policies & procedures in line with the changes as stated in Law No. 33 of 2021 with the respective authorities, within a maximum period of one year from the date of the law’s implementation hence the deadline date is February 1, 2023, for making these changes”



LABOR LAW

Changes on the UAE Labour Law Effective February 2, 2022

SL No:	Article	New Law - Federal Law No: (33) of 2021
1	Article 7: Work Patterns	1. Full time which means working for one employer for full daily working hours throughout the working days. 2. Part-time work model allows the employees to work for more than one or more employers. 3. Temporary work model is for a specific period or project. 4. Flexible work model allows changing of working hours / days on mutual consent depending on the workload. For eg. employees to complete their 40 hours in 3 days instead of one week as agreed with the employer.
2	Article 8: Employment Contract	Limited contracts for a specific term not exceeding (3) three years. Employers are required to convert existing unlimited term contracts into fixed term contracts within one year from the Effective Date (i.e. by 1 February 2023).



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SL No:	Article	New Law - Federal Law No: (33) of 2021
3	Article 9: Termination / Resignation During Probation	<u>Employer Obligation:</u> Employer must give a notice of 14 days to terminate the contract during probation period, which will not be longer than six months. <u>Employees Obligation:</u> Employees who want to change jobs during the probation period must give a month's notice, or 14 days if they want to leave the country. <u>Compensation:</u> The new employer will have to compensate the old employer for the visa costs and expenses for the hiring of the ex-employee, if specified in the labour contract. If an employee leaves the country then returns to take up a new job within three months, the new employer would have to pay the former employer for the visa costs and the labour expenses incurred, if specified in the labour contract. <u>Additional Provision:</u> If an employee leaves the country without any notice, the company reserves the right to recommend Labour Department to impose a one-year ban.



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SL No:	Article	New Law - Federal Law No: (33) of 2021
4	Article 10: Non-competition Clause	Non-competition clause can be added into the contract. The maximum restrictive period is 2 years from the expiry date of contract.
5	Article 11: Outsourcing	The employer may outsource and assign the performance of any of its original works or part thereof to another employer and the latter shall be solely liable in this case for the rights of his workers who are undertaking this work, which accrue to them in accordance with the provisions hereof, unless otherwise agreed by both parties.
6	Article 13: Official Documents	The employer cannot confiscate the official documents of employees such as passport etc as it is illegal to hold.



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SL No:	Article	New Law - Federal Law No: (33) of 2021
7	Article 14: Prohibition of Forced Labour and Other Prohibitions	Protection for employees against bullying and sexual harassment in the workplace has been introduced.
8	Article 15: Worker's Entitlements at the Time of his Death	Incase of employee's death, the end of service benefit & outstanding amount to be paid to the family of the deceased within 10 days. Further the employer shall bear all repatriation costs of transporting the corpse of the deceased employee to his home country or place of residence if his family so requests.
9	Article 17: Remote Working	If the employee wishes to perform his work remotely, whether inside or outside UAE, with the approval of the employer, the working hours sholud be agreed.



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10	Article 21: Rest Day	Employees must have at least one rest day per week, with the option of more depending on their contract.
11	Article 22: Currency	The salaries shall be paid in UAE Dirham and may be paid in another currency if it is agreed upon between both parties in the employment contract. It remains to be seen how this will work in practice for employers who are required to make salary payments through the Wage Protection System.
12	Article 29: Annual Leave	A. Annual leave during probation period: On the actual accruals. B. Annual leave carry forward: The unused leave is subject to employer approval and employee must take leave in its year of entitlement.



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SL No:	Article	New Law - Federal Law No: (33) of 2021
13	Article 30: Maternity Leave	A. A woman employee is entitled to 45 days maternity leave with full pay regardless of the period of service. This can be extended by another 15 days of leave with half pay. In addition to the above she is entitled to 45 days of unpaid leave if such absence is due to her sickness or her child's sickness resulting from pregnancy or childbirth, which does not allow her to return to her work. B. Maternity leave during miscarriage / upon death of an infant after birth - Maternity leave also applies in circumstances where an employee miscarries after six months of pregnancy. In this case the above point (A) applies. C. Maternity leave after the child is born - disabled child or sick child - If the delivery is of a disabled or sick child, the employee is entitled to 30 days of full pay leave starting after the end of the maternity leave.



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		This can be further extended by another 30 days without pay. D. Nursing breaks - Maximum of two breaks not exceeding 1 hour a day for a period of 6 months after the maternity leave.
14	Article 32: Other Leaves and Related Provisions	A. Study Leave - Employees are entitled to 10 days study leave in a year after completing two years of work term with an employer, provided that they are enrolled in an accredited institution within the UAE. B. Parental Leave - Employees are entitled to (5) five working days leave to be taken within (6) six months from the date of the child birth. C. Bereavement leave - Type 1 - Death of Spouse - Paid leave of 5 days, Type 2 - Death of other relatives - Paid leave of 3 days in the event of the death of parents, grandparents, siblings, children or grandchildren.



LABOR LAW

Changes on the UAE Labour Law Effective February 2, 2022

SL No:	Article	New Law - Federal Law No: (33) of 2021
15	Article 51: End of Service Benefits (Gratuity) for Full-Time Employees	A. In case less than one year of service, no gratuity. B. In case less than five years of service, 21 days of basic salary per year. C. In case beyond five years of service, first five years on 21 days of basic salary per year and subsequent years on 30 days of basic salary per year.
16	Article 53: Paying the Workers' Entitlements at the End of the Contract Term	All end of service entitlements must be paid within 14 days from the termination date.
17	Article 55: Exemption from Judicial Fees	Employees will not have to pay legal fees when filing labour cases against employers for compensation of less than AED 100,000. If the amount is more than AED 100,000, there will be legal fees to pay as decided by authority.

Bazaar Accounting & Management Advisors can assist the employers to make such changes in compliance with the new law. Please contact the below if you wish for a meeting or a call to discuss further.



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