COVID-19: ISSUANCE OF MINISTERIAL RESOLUTION NO. 279 OF 2020 - WHAT EMPLOYERS IN THE UNITED ARAB EMIRATES NEED TO KNOW

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In light of the developing COVID-19 situation in the UAE, the UAE's Minister of Human Resources and Emiratisation, H.E. Nasser bin Thani Al-Hamli, has issued Ministerial Resolution No. 279 of 2020 Regarding the Stability of Employment in Private Sector During the Period of Applying Precautionary Measures to Contain the Spread of the Novel Coronavirus ("Ministerial Resolution"). The Ministerial Resolution was issued on 26 March 2020 and is effective immediately.

The Ministerial Resolution governs labour relations between UAE employers and non-Emirati employees, only while the various precautionary measures directed by the Federal and Emirate-level governments are in effect, such as remote working and the restriction on the issuance of new employment-related residency visas. Underpinning the measures set out in the Ministerial Resolution is the requirement for agreement between employers and non-Emirati employees for any fundamental changes to a non-Emirati employee's terms of employment.

Under the Ministerial Resolution, employers that are affected by the precautionary measures and who want to restructure their workforce may gradually apply:

1. The implementation of remote working;
2. Granting of paid leave;
3. Granting of unpaid leave;
4. A temporary reduction of wages for the period of precautionary measures; and/or
5. A permanent reduction of wages.

If an employer wants to make a non-Emirati employee redundant, it must make the employee's details available on the Virtual Labour Market administered by the UAE Ministry of Human Resources and Emiratisation ("MOHRE"), which can be accessed by other employers. If a non-Emirati employee is made redundant, the employer will continue to be liable for the employee's housing (if provided as an employment benefit) and other entitlements (other than wages), until the employee gains employment with another employer or leaves the UAE.

An employer that wants to employ a new non-Emirati worker while the restriction on issuance of new residency visas is in place, must make the job opportunity available, and hire individuals registered, on the Virtual Labour Market. Any new employment offered as a result must make use of permits provided by the MOHRE online, which cover transfers to new employers, temporary work permits and part-time work permits.

If an employer wants to reduce a non-Emirati employee's salary temporarily, the temporary reduction must be documented in an addendum to the employee's employment contract, which must be executed by both employer

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and employee. If an employer wants to reduce a non-Emirati employee's salary permanently, it must obtain the approval of the MOHRE to amend the employee's employment contract, with the employee's agreement.

At present, it is difficult to predict how long the measures set out in the Ministerial Resolution will be in effect. However, it is to be hoped that the Ministerial Resolution will afford private-sector employers with some degree of flexibility to adjust their workforce to adapt to rapidly changing circumstances, while also protecting the non-Emirati workers that continue to make up the bulk of the UAE's labour force.

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