

Employment Regulations

AS AT 26TH APRIL 2009

MASDAR CITY EMPLOYMENT REGULATIONS 2009

SECTION 1: INTERPRETATION AND APPLICATION

1. Short Title And Commencement

1.1 These Regulations (as amended from time to time) are to be referred to as Masdar City Employment Regulations, 2009.

2. Interpretation

2.1 In these Regulations unless the context otherwise requires:-

2.1.1 "AED" means the lawful currency of the UAE;

2.1.2 "Government Services Entity" means the Entity established by Abu Dhabi Future Energy Company PJSC which is tasked with the responsibility of procuring employment related services for to the employees of licensees operating in the zone including, but not limited to the issue of, entry permits, various types of visas, work permits, identification cards, medical certificates, medical tests, and other employee related matters;

2.1.3 "zone" means Masdar City and the relevant subdivision(s) thereof;

2.1.4 "company" means a company or other entity (including branches of companies) incorporated or registered pursuant to Masdar City Companies Registration Regulations, 2009;

2.1.5 "employee" means any individual authorised by the zone to work for a licensee;

2.1.6 "Personnel Sponsorship Agreement" means the agreement concluded between the zone (and/or a company authorized by the zone for this purpose and references to the "zone" in this context shall be construed as references to the zone or any such authorized company as the case may be) and a licensee whereby the zone agrees, subject to the terms and conditions therein; to sponsor employees for employment by the licensee by procuring the employees' entry permits and residence visas;

2.1.7 "employer" means any licensee employing one or more employees in return for remuneration;

2.1.8 "employment contract" means any agreement in writing in relation to an employee's employment with an employer, and whether for a limited or unlimited period of employment ;

2.1.9 "health, safety, security and environment department" means the health, safety, security and environment department established in the zone by Masdar City;

2.1.10 "Immigration Law" means Federal Law No. 6 of 1973, as amended or re-enacted from time to time, together with any applicable ministerial decrees, resolutions and directions as may be issued from time to time pursuant to Federal Law No. 6 of 1973;

2.1.11 "Law No. 22" means Emirate of Abu Dhabi Law No. 22 of 2007 issued on 18 September 2007 and

relating to the setting up of Masdar City in the Emirate of Abu Dhabi;

2.1.12 "licence" means a licence issued pursuant to the Business Licensing Regulations;

2.1.13 "licensee" has the meaning given to it in the Business Licensing Regulations;

2.1.14 "Licensing Regulations" means Masdar City Business Licensing Regulations 2009;

2.1.15 "remuneration" means payments (in any form whatsoever) made to an employee on an annual, monthly weekly, daily, hourly, piece work, production or commission basis in return for the work the employee performs under an employment contract;

2.1.16 "sponsor" means to sponsor a person for legal residence in the UAE in compliance with the requirements of the Immigration Law;

2.1.17 "third party liability insurance" means insurance cover pursuant to these Regulations and the personnel sponsorship agreement;

2.1.18 "transfer" means a transfer of the employment of and responsibility for an employee, from one licensee to another licensee;

2.1.19 "UAE" means the Federal State of the United Arab Emirates;

2.1.20 "UAE Labour Law" means Federal Law No. 8 of 1980, as amended or re-enacted from time to time, together with any applicable Ministerial decrees, resolutions and directions issued by the Ministry of Labour and Social Affairs;

2.1.21 "workers compensation insurance" means insurance to cover compensation to an employee and all related medical expenses in respect of any employment injury pursuant to these Regulations;

2.1.22 "working day" means all weekly days except Friday and any public holidays announced by the UAE Government for employees working in the private sector in the UAE (including its free zones);

2.1.23 "zone" means Masdar City, established in the Emirate of Abu Dhabi pursuant to Law No. 22 of 2007 and as constituted from time to time.

2.2 References herein to individual Regulations are to be read as references to the particular Regulation referred to.

2.3 The Regulation headings herein are included for convenience of reference only and shall be ignored in the construction or interpretation of these Regulations.

2.4 References in these Regulations to time periods are to be construed in accordance with the Gregorian calendar.

2.5 References in these Regulations to any requirement for any document to be written, in writing, to be presented in writing or for the giving of any notice are to be construed as satisfied by an electronic record and any references in these Regulations to any requirement for a signature on any document or notice are to be construed as satisfied by an electronic signature which may be proved in any manner.

2.6 References to the male gender shall also include the female gender unless the context otherwise requires.

3. Application

3.1 In accordance with Law No. 22 of 2007, these Regulations apply to all licensees and these Regulations shall regulate the employment relationship and all related matters between a licensee and its employee(s).

SECTION 2: EMPLOYMENT OF SPONSORED AND NON-SPONSORED EMPLOYEES

4. Sponsorship of employees by Masdar City

4.1 Where a licensee desires an employee to be sponsored by the zone, the licensee shall first enter into a personnel sponsorship agreement with Masdar City in the form prescribed by the zone.

4.2 Where the zone sponsors an employee for employment by a licensee, it shall, at all times, be the responsibility of the licensee to pay the employee's remuneration and any other payments and emoluments due to the employee (and whether in connection with his employment or in relation to the circumstances of his dismissal) and in accordance with the terms of his employment contract and any applicable laws and regulations. The zone shall not be responsible in any way whatsoever for any entitlements of an employee, including without limitation, any entitlements to remuneration or end of service payments.

4.3 Where an employee is sponsored by the zone he shall only work from Masdar City but he may reside in the Emirate of Abu Dhabi and move freely in the UAE

4.4 Masdar City may permit, in its absolute discretion, a sponsored employee to work outside Masdar City: -

4.4.1 to carry out any specialist consultancy, advisory or installation or repair and maintenance work on behalf of the licensee; or

4.4.2 to perform any other activity in furtherance of the business of the licensee.

4.5 Any employee sponsored by the zone shall only work for the licensee who has employed him.

4.6 A licensee shall not recruit, employ or otherwise make use of an employee who is already employed by another licensee, unless the zone first permits a transfer, in writing, of that employee.

4.8 Subject to Regulation 4.9, the zone will accept a request for a transfer of an employee provided that:
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4.8.1 both licensees and the relevant employee consent to the transfer in writing;

4.8.2 the receiving licensee has a valid personnel sponsorship agreement with the zone; and

4.8.3 the employee confirms in writing that he has received from the transferring licensee, all outstanding amounts (including without limitation, any end of service benefits under applicable laws and regulations) or alternatively, where the employee confirms that it has received a binding commitment from the receiving licensee that it will be responsible for paying any such accrued entitlements to the employee (in such manner as is agreed between the employee and the receiving licensee

4.9 Where the consents stated in Regulation 4.8.1 (other than the consent of the employee) or the confirmation stated in Regulation 4.8.3 have not been obtained, the zone may nonetheless approve a transfer if the zone determines, in its absolute discretion, that it is reasonable in all the circumstances to approve that transfer.

4.10 [Where the zone does not approve a transfer, the zone shall cancel its sponsorship of the employee and the employee shall not be permitted to work for a new employer unless a valid entry permit and residence visa have been obtained.

4.11 The zone may, in its absolute discretion, limit the number of employees which the zone will be willing to sponsor for a licensee.

5. Bank guarantee for sponsored employees

5.1 Pursuant to the terms and conditions of the Personnel Sponsorship Agreement, a licensee shall lodge with the zone's Government Services Entity a bank guarantee in a standard form approved by the zone in respect of the obligations of the licensee to each anticipated non UAE national employee, and non-Gulf Co-Operation Council ("GCC") employee, to be sponsored by the zone on behalf of the licensee, subject to any specified maximum number the zone may prescribe.

5.2 The zone may waive, in its absolute discretion the requirement for a bank guarantee in whole or in part.

5.3 For the purposes of calculating the value of a bank guarantee for sponsored non UAE and non-GCC national employees, the value shall be ascertained as a fixed amount per sponsored non UAE national and non-GCC employee and shall be such amount as the zone shall, in its sole discretion, determine from time to time.

5.4 The zone shall have the right to re-evaluate at a later date the value of a bank guarantee lodged with the zone's Government Services Entity.

6. Employment of employees not sponsored by the zone

6.1 Subject to the prior written approval of the Government Services Entity, licensees may employ employees who are not sponsored by the zone (a **non-sponsored employee**), either temporarily or permanently, provided:-

6.1.1 the employee is a female sponsored by her relative; or

6.1.2 the employee already works for a company which is registered in the UAE [(including without limitation, any of its free zones)] and where that company is the "controller" of the licensee or is "closely linked" to the licensee as those terms are defined in the Licensing Regulations;

6.2 Where the Government Services Entity approves a licensee's application to employ a non-sponsored employee, the licensee shall acquire an appropriate identity card for the non-sponsored employee, as detailed in Regulation 8.6, so that the employee may freely enter and leave the zone.

6.3 Where the non-sponsored employee is to be employed by a licensee temporarily, the licensee must apply to the zone's Government Services Entity for prior approval to obtain a temporary access pass.

7. Employment of persons not approved by the zone

7.1 No licensee shall employ a person who is not sponsored by the zone under Regulation 4 or not approved by the zone under Regulation 6.

7.2 A person who works for a licensee and who is not sponsored by the zone under Regulation 4 or otherwise approved by the zone under Regulation 6 shall not be recognised by the zone as an employee for the purposes of these Regulations.

7.3 The zone shall have the right to exercise the powers granted to it under regulations 5 and 6 of Part 3 of the Business Licensing Regulations 2009 to confirm the status of employees and other persons at the premises of a licensee in the zone.

SECTION 3: ENTRY PERMITS AND VARIOUS OTHER VISAS AND PERMIT

8. Permits and passes for working in and entering the zone

8.1 All employee shall carry and display at all times an appropriate identity card issued by the zone ("ID Card").

8.2 The ID Card shall serve as a means of employee identification in the zone in lieu of the employee's passport.

8.3 Subject to Clause 8.12, a valid ID Card shall permit an employee:-

8.3.1 to enter in the zone;

8.3.2 to work in the zone for the licensee with whom the employee is employed.

8.4 In the event that an employee loses his ID Card, the zone may charge a fee to issue a replacement ID Card to an employee, the value of such fee to be determined by the Government Services Entity.

8.5 The zone may issue a temporary ID Card in the following circumstances:-



8.5.1 where an employee has commenced working for a licensee, pending the issue of a permanent ID Card; or

8.5.2 in the event an employee loses his permanent ID Card pending the issue of a replacement ID Card.

8.6 The zone shall issue an ID Card to an employee who works for a licensee in the zone and is sponsored by a party other than the zone as described in Regulation 6.1.

8.7 Where a person wishes to enter the zone to visit a licensee, the licensee shall apply to the zone's security department for a visitor's day pass. The licensee shall provide such identification information to the zone's security department personnel as is requested by the zone's security department.

8.8 The zone shall have the right to charge a licensee for any passes, permits and/or visas issued in respect of the licensee's employees and visitors, in accordance with a schedule of charges issued by the Government Services Entity.

8.9 Where an employee ceases to work for a licensee or a licensee does not know the whereabouts of an employee and the licensee has been unable to make contact with an employee for a period of more than [5] days despite reasonable efforts on the part of the licensee, it shall be the responsibility of the licensee to inform the zone and to return to the zone, as soon as is reasonably possible, the relevant permit(s) and/or pass(es) issued to that employee, together with the employee's passport, where the employee is sponsored by the zone under Regulation 4, for cancellation of the residence visa

8.10 Where a licensee fails to comply with its obligations under Regulation 8.9, and where the employee is sponsored by the zone as set out in Regulation 4, then it shall become the responsibility of the employee to return the employee's passport to the zone for cancellation of the residence visa.

8.11 Where both the licensee, and thereafter the employee, fail to attend to the obligations set out in Regulations 8.9 and 8.10, the zone may, in its discretion, take such further action as the zone deems fit including registering the employee as an absconder under the terms of the Immigration Law.

8.12 The health, safety, security and environment department may, in exceptional circumstances pertaining to the security of the zone and to persons working in the zone, deny entry to the zone for such periods as are reasonable in all the circumstances.

9. Employees' passports

9.1 A licensee may not retain the passports of employees under any circumstances.

SECTION 4: MEDICAL COVER FOR EMPLOYEES SPONSORED BY THE ZONE

10. Medical cover for sponsored employees

10.1 Subject to the payment of the applicable fees, medical cover for employees sponsored by the zone may be arranged through the Health Authority – Abu Dhabi ("HAAD"). Where a sponsored employee requires hospital treatment, he may obtain treatment at any government hospital in Abu Dhabi.

10.2 It shall be compulsory for a licensee to obtain a government health card from HAAD in respect of every sponsored employee in order to obtain a medical fitness certificate for each employee from a government hospital and/or clinic. The zone shall not procure a residence permit for an employee unless a valid medical fitness certificate has already been issued by an authorised government hospital and/or clinic.

SECTION 5: HEALTH AND SAFETY

11. Accidents in the workplace

11.1 In the event an employee suffers any serious or fatal accident, the licensee shall report the accident to the Government Services Entity.

11.2 The Government Services Entity shall subsequently notify the Abu Dhabi Police.

11.3 In addition to the provisions of clause 11.1, the licensee shall maintain records of every accident that any employee suffers at the licensee's place of work or during the performance of his employment duties.

11.4 In order to minimise accidents in the workplace, each licensee shall follow and implement, and shall require its employees to follow and implement, the safety and injury prevention programme established and administered by the health, safety, security and environment department.

SECTION 6: THIRD PARTY LIABILITY AND WORKER'S COMPENSATION INSURANCE

12. Employer's insurance cover

12.1 Every licensee shall take out and maintain insurance cover in respect of third party liability or public liability insurance and worker's compensation insurance in accordance with the requirements of the Personnel Sponsorship Agreement.

12.2 A licensee's worker's compensation insurance shall include cover for every employment injury and/or disability and related medical expenses in accordance with the UAE Labour Law.

12.3 A licensee shall, at the request of the zone, lodge with the Government Services Entity a copy of its insurance policy both in respect of third party liability insurance and worker's compensation insurance.

SECTION 7: SALARY CERTIFICATES FOR SPONSORED EMPLOYEES

13. Attestation of salary certificates by the zone for sponsored employees

13.1 Where a licensee has entered into an Personnel Sponsorship Agreement with the zone, the Government Services Entity, shall, at the request of a sponsored employee of the licensee, attest a salary certificate for that employee comprising the following information:-

13.1.1 the name of the employing licensee;

13.1.2 the name of the employee;

13.1.3 the monthly salary of the employee;
provided the information is consistent with that information held for the employee by the Government Services Entity.

SECTION 8: RECRUITMENT OF EMPLOYEES AND EMPLOYMENT CONDITIONS

14. Recruitment of employees under the sponsorship of the zone

14.1 Where a licensee recruits an employee who is to work for the licensee under the sponsorship of the zone, the licensee shall be responsible for the following costs:-

14.1.1 the cost of processing the employee's entry permit;

14.1.2 the cost of the employee's air ticket from the employee's point of origin to Abu Dhabi;

14.1.3 the cost of processing the employee's residence permit;

14.1.4 the cost of processing the employee's health card;

14.1.5 the cost of renewal of the employee's residence permit and health card, including the cost of a medical fitness certificate.

14.2 The licensee is prohibited from charging these costs to the employee or from recouping the costs by making deductions from his salary.

14.3 The terms and conditions of employment for employees recruited by licensees but sponsored by the zone shall be a matter of negotiation between the employer and the employee, subject to the employment at all times complying with the terms and conditions of the UAE Labour Law.

14.4 The zone shall have the right to require licensees to observe the rules regulating the relationship between them and their respective employees as provided in these Regulations.

14.5 Every employee shall sign an employment contract which sets out the minimum acceptable terms and conditions of employment for employees working in Masdar City which shall be the minimum terms and conditions prescribed in the UAE Labour Law.

14.6 A licensee shall submit an entry permit, passport and contract of employment in respect of every new employee within forty eight (48) hours of the employee's arrival in Abu Dhabi to the zone's Government Services Entity.

14.7 Working conditions for employees, including but not limited to, hours of work, holiday leave entitlement, end of service benefits and termination of employment shall as a minimum be as set out in the UAE Labour Law.

15. Transfer of employment to another employer

15.1 Where an employee transfers his employment to another employer, his contract of employment shall be deemed to have ended and his period of employment with the former employer shall not be treated as continuous unless special arrangements to the contrary are agreed in writing between the parties and the zone has given its approval.

SECTION 11: RESOLUTION OF LABOUR DISPUTES

16. Resolution of labour disputes between employers and employees

16.1 The zone shall not be responsible for the resolution of any labour disputes arising between a licensee and an employee.

16.2 In the event of a labour dispute arising between a licensee and an employee, the zone will, on the application of either the licensee or the employee, issue a letter on behalf of the zone referring the dispute to the Ministry of Labour and Social Affairs. The Ministry of Labour and Social Affairs may, in turn, refer the matter to the Abu Dhabi Courts.

16.3 No labour dispute may proceed direct to either the Ministry of Labour and Social Affairs or the Abu Dhabi Courts without being referred thereto by the zone under the provisions of Regulation 16.2.

16.4 The zone will not refer a labour dispute under the provisions of Regulation 16.2 where Regulation 7.2 applies.

16.5 The zone shall implement any decision or order of the Ministry of Labour and Social Affairs or the Abu Dhabi Courts with respect to a labour dispute.

SECTION 12: FINES IMPOSED ON LICENSEES FOR VIOLATION OF THE REGULATIONS

17. General

17.1 A licensee shall not be allowed to rely on ignorance of these Regulations as an excuse for its failure to comply with them.

17.2 The zone reserves the right to impose a ban on the entry and/or exit of a licensee's employees where, after receiving a warning, the licensee fails to remedy a violation of these Regulations.

17.3 Without prejudice to the specific powers in certain Sections of these Regulations to prescribe matters or issue implementing regulations and notwithstanding the absence of such powers in certain other Sections, the zone may, by a decision of its chief executive officer, make implementing regulations from time to time to prescribe any matter to be prescribed under these regulations or for the better carrying out of these Regulations including by amending or supplementing these Regulations

18. Employment Violations

- 18.1 Where a licensee is found to be illegally employing employees of other licensees in breach of the provisions of these Regulations, the zone may impose a fine of AED 5,000 for each such illegal employee on the employing licensee and the employee shall also receive a warning.
- 18.2 Where a licensee is found to be illegally employing persons who are not sponsored by the zone under Regulation 4 or not approved by the zone under Regulation 6, the zone may impose a fine of AED 10,000 for each such employee on the employing licensee. Where a licensee continues to employ employees or other persons illegally, the zone shall have the right to increase the fine imposed on the employing licensee to AED 15,000 for each such employee .
- 18.3 Where a licensee fails to renew the residence and employment visa of employees (each, an "RE Visa") thirty (30) days of the employee's RE Visa expiring, the zone may impose a fine on the employing licensee of AED 2,500 for each such employee. Where the period of failing to renew the RE Visa is greater than ninety (90) days after the RE Visa expired, the fine may be increased to AED 5,000 for each such employee.
- 18.4 Where a licensee supplies employees sponsored by the zone to work for the licensee for the use of third parties (including without limitation, other licensees), the zone may impose a fine on the supplying licensee of AED 10,000 for each such employee and cancel the RE Visa of any such employees.
- 18.5 Where a licensee fails to cancel a RE Visa within thirty (30) days of the date of termination of employment of an employee or thirty (30) days of the employee's RE Visa expiring, whichever occurs first, the zone may impose a fine on the licensee of AED 2,500 for each such employee. Where the period of failing to cancel the RE Visa is greater than ninety (90) after the date of termination an employee has left the employment of the employer, or ninety (90) days after the RE Visa expired, whichever occurs first, the fine may be increased to AED 5,000 for each such employee.
- 18.6 Where the RE Visa of an employee of a licensee is cancelled because the employee has been continually out of the UAE for a period exceeding six (6) months, the zone may impose a fine on the employing licensee of AED 5,000 for each such employee.
- 18.7 Where a licensee, in breach of Regulations 8.9 through 8.11, fails to inform the zone within 14 days of the licensee knowing (or within 14 days from where the licensee should reasonably have known) that an employee cannot be located or has absconded within 14 days of the licensee knowing, the zone may impose a fine on the licensee of AED 5,000 for each such employee. Any fines imposed under this Regulation 18.7 are in addition to any other fines that may be imposed under Regulation 18.
- 18.8 Where a licensee employs a person sponsored by the zone on a visit or tourist visa (a "Visit Visa") the zone may impose on the employing licensee a fine of AED 5,000 per person
- 18.9 Where a licensee supplies persons sponsored by the zone on a Visit Visa for the licensee for the use of or employment by third parties, the zone may impose a fine on the licensee of AED 10,000 for each such employee and cancel the Visit Visa of any such persons.
- 18.10 Where a licensee fails to ensure that persons sponsored by the zone on a Visit Visa for the licensee leave the UAE prior to the expiry of the Visit Visa the zone may impose a fine on the licensee of AED 1,500 for each such person,



18.11 Where a licensee continues to employ employees or other persons illegally, the zone shall have the right to increase the fine imposed on the licensee to AED 10,000 for each such employee and suspend the licensee's licence.

18.12 Where a licensee has failed to pay any fines imposed by the zone (under Regulations 18.1 through Regulation 18.11) within a period of two (2) weeks following a suspension of the licensee's licence under Regulation 18.11, the zone may cancel the licensee's licence. Any cancellation of a licensee's licence under this Regulation 18.11 is without prejudice to the obligation of the licensee to pay any fines so imposed by the zone (under Regulations 18.1 through Regulation 18.11)

18.13 Nothing in this Regulation 18 shall prejudice the right of the zone to impose any sanction or penalty under Masdar City Business Licensing Regulations 2009 (the "Licensing Regulations") including, without limitation, the capacity of the zone to cancel, revoke or suspend the licence of a licensee as set out in Regulation 13 of the Business Licensing Regulations. Any action by the zone to cancel, revoke, or suspend a licensee's licence under Regulation 13 of Part 2 of the Business Licensing Regulations is without prejudice to the obligation of the licensee to pay any fines so imposed by the zone under this Regulation 18.

This Regulation shall come into effect on the date of its issuance.

Sultan Ahmed Al Jaber

Chief Executive Officer

Issued in Abu Dhabi on 12th May 2009