



# New Regulation of Labor Relations in Private Sector

Federal Decree Law No.33 of 2021

The New Federal Labor Law will take effect from February 2, 2022. & Will include major changes pertaining to the regulation of Labor relations in the private sector as follows:

## **Scope of Application**

Under Article 3

1- The provisions of this Decree-Law shall apply to all Establishments, Employers and Workers in the Private Sector in the State.

2- The following categories shall not be subject to the provisions of this Decree-Law:

- a- Employees of federal and local government entities.
- b- Members of the armed forces, police, and security.
- c- Domestic Workers.

3- The Cabinet may, upon a proposal by the Minister, exclude any category from being subject to all or some of the provisions of this Decree-Law and specify the legislation to be applied thereto.



## **New work Models and Amendments:**

### Under article 7

The new law allows more flexible work hours where employees could fulfil as many hours as they need to meet their needs.

- Full-time:** This allows an Employee to work for one Employer for a full working hour throughout the working days.
- Part-time:** This allows an Employee to work for one or more employers for a specified number of working hours or days. It usually means working fewer days per working week.
- Temporary work:** This is a situation whereby Employees are engaged only for a specific period of time, or employment that is attached to a task and ends with its completion.
- Flexible work:** This is work that involves changing working hours or working days, depending on the workload and the employer's requirements. An employer may also allow people to choose the times that they work

## **Employment Contract**

### Under article 8

An innovation of the Act is the definition of a limited contract (also referred to as a fixed-term contract), which may not exceed three years. This may then be renewed for a shorter or similar period by mutual agreement of both parties. The updating of all existing contracts must be done within one year of the entry into force of this new law. (i.e. by 1 February 2023).

## **More Amendments on Probation Period:**

### Under articles (9,29)

- If the company wants to terminate the employee within the probation period, it should inform the employee by written notice with at least 14 days before termination date.
- If the employee wants to leave the company within the probation period to join another company inside UAE, he\she should inform the company by written notice with at least (30) days before leaving, In addition the new employer shall reimburse the current employer with all recruitment fees spent by the current employer for the employee, unless agreed upon otherwise



### **Non-disclosure and noncompetitive clause:**

#### **Under article (10)**

- The decree-law also permits the employer to prohibit the worker from competing with the employer or participate in any competing project in the same sector, if the work entrusted to the worker allows him or her to know the employer's clients or access his or her trade secrets provided that the condition is specified in terms of time, place and type of work to the extent necessary to protect legitimate business interests and the period of noncompetition shall not exceed two years from the date of contract expiry.

### **Overtime working hours:**

#### **Under article (19)**

- All Overtime working hours will be calculated on -basic salary- the employee shall receive not less than 125% for every overtime working hour, on assumption if the overtime was between 10:00pm to 4:00am (except shifts) the employee shall receive not less than 150% for every overtime working hour.
- Overtime working hours shall not be more than 2 hours per day and shall not exceed 144 hours every 3 weeks.

### **Maternity Leave**

#### **Under article 30**

- The female Worker shall be entitled to a maternity leave of (60) sixty days according to the following:
  - a- The first forty-five (45) days with full pay.
  - b- The following fifteen (15) days with half pay.
- The female Worker may, after exhausting the maternity leave, cease working without pay for a period not exceeding (45) continuous or intermittent days, if such interruption is due to an illness that befell her or her child resulting from pregnancy or childbirth and does not enable her to return to Work. Sickness shall be proved by a medical certificate issued by the Medical Entity,

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- The female Worker shall be entitled to the maternity leave stated in Clause (1) of this Article, if the childbirth took place after (6) six months or more of pregnancy, whether the foetus was born dead, or alive and then died.
  
- A female Worker shall be entitled, in the event where she gives birth to a sick or disabled child “people of determination” and whose health condition requires a constant companion according to a medical report issued by the Medical Entity, to a leave of (30) thirty days with full pay starting after the end of the period of maternity leave. She shall have the right to extend the leave for thirty (30) days without pay.

## **Miscellaneous Leaves**

### **Under article 32**

- The Worker shall be entitled to a paid leave according to the following cases:
  - a- A bereavement leave for (5) five days, in the event of death of the husband or wife, and (3) three days in the event of death of the mother, father, child, brother, sister, grandchild, grandfather or grandmother, starting from the date of death.
  
  - b- A parental leave for a period of (5) five Working Days, for the Worker (whether the father or the mother) who has a child, to take care of his child. He shall be entitled to it continuously or intermittently within a period of (6) six months from the date of the child’s birth.
  
- The Worker may be granted a study leave for a period of (10) ten Working Days per year, if he is affiliated or is regularly studying in one of the educational institutions approved in the State, in order to sit for the exams, provided that the period of service with the Employer is not less than two years.



### **Labor Disputes:**

Under articles (54,55)

- The new Law facilitates & accelerated the Labor Disputes procedures in courts by setting first hearing date within 3 working days after receiving the complaint from MOHRE & shall judge upon it as soon as possible.
- In addition, the new law exempts employees from any judicial fees at all stages of litigation, execution and petitions filed by employees or their heirs with a value not exceeding Dh100,000.

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