

**MINISTERIAL RESOLUTION NO.(251) OF 2022
REGARDING THE INCENTIVES FOR SMALL AND MEDIUM ENTERPRISES
MEMBERS OF YOUTH ENTREPRENEURSHIP SUPPORT INSTITUTIONS**

The Minister of Human Resources & Emiratisation

Having perused:

- Federal Law No.(1) of 1972 on the competencies of the Ministries and Powers of the Ministers and amendments thereof,
- Federal Decree-Law No. (33) of 2021 concerning Regulation of Labor Relations and its Executive Regulations
- Cabinet Resolution No. (18) of 2022 regarding the classification of private sector establishments governed by the provisions of Labor Relations Regulation Law
- Cabinet Resolution No. (21) of 2020 regarding service fees and fines in the Ministry of Human Resources and Emiratisation
- Cabinet Resolution No. (37) of 2022 amending some provisions of Cabinet Resolution No. (21) of 2020 regarding service fees and fines in the Ministry of Human Resources
- Ministerial Resolution No. (712) of 2016 regarding incentives for Small & Medium Enterprises Members of Youth Enterprise Support Institutions
- Ministerial Resolution No. (43) of 2022 regarding the Wages Protection System
- Ministerial Resolution No. (209) of 2022 regarding the classification of establishments in Category (3)

Has Resolved:

Article (1)

For the purposes of implementing the provisions of this Resolution, the following terms and expressions shall have the meanings opposite thereto unless the context requires otherwise:

- **Youth Entrepreneurship Support Institutions:** Institutions, programs, funds, or other legal entities licensed by the competent authorities in the country supporting startup and growth of small and medium-size enterprises managed by citizens.

- **Small Enterprise:** an establishment owned and managed by a UAE national, a member of UAE-approved Youth Entrepreneurship Support Institutions, employing fifteen workers or less.

- **Medium Enterprise:** an establishment owned and managed by a UAE national, a member of UAE-approved Youth Entrepreneurship Support Institutions, the number of employees shall be more than sixteen workers and may not exceed 50 workers.

Article (2)

A small or medium-size enterprise shall be classified as Category (1) for a period of 5 years from the date of issuing the first license of the enterprise. The owner of the small or medium-size enterprise may not own more than 5 enterprises, when the following requirements are fulfilled:

1. The owner or the partner in the small or medium-size enterprise shall be a UAE national.
2. The small or medium-size enterprise shall be a member of one of the UAE-approved Youth Entrepreneurship Support Institutions.
3. The small or medium-size enterprise shall be managed by the owner himself or a national manager.
4. The owner or the small or medium-size enterprise shall not be the owner or a partner in any registered establishment bearing any violations.
5. The owner of the small or medium-size enterprise shall not be the owner, partner or the service agent of more than 5 small or medium-size enterprises.

Article (3)

The classification of the small and medium enterprises shall be cancelled and shall be reclassified according to the applicable criteria of classification of enterprises in the following cases:

1. Violation of any of the requirements mentioned in the preceding Article.
2. If the small or medium enterprise defaults payment of workers due wages in accordance with Ministerial Resolution No. (43) of 2022 referred to.
3. If the small or medium enterprise assigns its workers to third parties without obtaining a permit from the Ministry, if the enterprise employs workers from other establishments without obtaining a permit from the Ministry, or if it is proven to the Ministry that the relationship between the small or medium-size enterprise and its workers is fictitious.
4. If the small or medium enterprise is sold or transferred to another person without notifying the Ministry or the Youth Entrepreneurship Support Institutions.
5. If the Ministry discovers that the small or medium enterprise is not managed by its owner or a UAE national manager.
6. If the number of workers in the enterprise exceeds 50.

Article (4)

The Undersecretary or his representative shall issue a procedures guide for the implementation of the provisions hereof.

Article (5)

Ministerial Resolution No.(712) of 2016 shall be repealed.

Article (6)

This resolution shall be published in the Official Gazette and shall come into force from the date of its issuance; and competent authorities shall take necessary actions in accordance with their areas of jurisdiction.

Dr. Abdul Rahman Abdul Manan Al Awar
Minister of Human Resources and Emiratization

Signature appears

Issued on: 24 May 2022