UAE: Ministerial Decision No. 739 Regarding the Protection of Wages

Title	UAE: Ministerial Decision No. 739 Regarding the Protection of Wages
Date of adoption	*13 July 2016*
Entry into force	–
Text versions	Arabic **Source**: – Ministry of Human Resources and Emiratisation, United Arab Emirates, accessed: 06 September 2018, http://www.mohre.gov.ae/ar/laws-legislation/labour-law.aspx#page=5

Abstract

In accordance with Article 1 of this decision,establishments employing 100 or more workers are required to pay their employees within 10 days of the date stipulated in their contracts. If not stipulated in the contract then the payment should be done at least once every two weeks. All establishments are required to provide proof of payment of wages through the Wages Protection System.

Article 2(1) determines the measures to be taken by the Ministry if an establishment fails to comply with the requirement of article 1:

A) A warning is issued to the establishment stating that it will be subjected to a ban on issuance of work permits if thesalary is sixteen days overdue.

B) Starting from the sixteenth day, the ban on issuance of work permits shall be imposed and the establishment is issued the following warnings:
Firstly, if it still has not paid the due wages by the end of the month then at the beginning of the following month:
– The establishment shall be reported to the judicial or other relevant authorities, which shall take the necessary measures.
– The ban shall be extended to other establishments owned by the employer in accordance with Ministerial Decision No. 703 of 2013.
– The employer shall be banned from registering any new establishments with the Ministry.
– Measures shall be taken to liquidate the bank guarantee paid by the establishment.
– The establishment shall be downgraded to the third category of classification.
– Workers shall be permitted to transfer to another employer.
Secondly, if after 60 days the salary has still not been paid then in addition to the measures mentioned above, administrative fees shall be imposed (Art. 2).

C) The ban that is imposed on the establishment in the case of being late in paying wages, shall be lifted as soon as they have been paid, whereas the ban that has imposed on the establishment for failing to pay by the end of a month (i.e. payment is stopped) shall be imposed for two months after the wages have been paid. If stopping the payment of wages occurs again, then the ban period after the wages are paid shall be doubled each time it reoccurs.

Article 2(2) deals with establishments employing less than 100 employees. If those establishments delay or stop paying wages, then they shall be dealt with according to the Ministry’s established regulations. However, if the establishment is delays or stops payments more than once in the same year, then it shall be dealt with in accordance with article 2(1).

The Ministry shall suspend dealings with the employers of establishments, who have not subscribed to the Wage Protection System (WPS) until they do so. This shall not entail harming the rights of the employees of those establishments (Art. 3).

This decision repeals and replacesMinisterial Decision No. 788 of 2009 Regarding the Protection of Wages (Art. 4).