

## **MINISTERIAL RESOLUTION NO.(279) OF 2022**

### **MONITORING MECHANISMS OF EMIRATISATION RATES IN THE PRIVATE SECTOR & CONTRIBUTIONS IMPOSED ON NON-COMPLIANT ESTABLISHMENTS**

#### **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. (21) of 2020 regarding Service Fees & Fines in the Ministry of Human Resources and Emiratisation
- Cabinet Resolution No. (1/7m) of 2021 concerning initiatives and programs for Emirati Cadres Competitiveness Council “Nafis”
- Cabinet Resolution No. (19/5m) of 2022 amending some provisions of Cabinet Resolution No. (1/7m) of 2021 concerning initiatives and programs for Emirati Cadres Competitiveness Council “Nafis”
- Cabinet Resolution No. (18) of 2022 concerning the Classification Of Private Sector Establishments and the amendment of the service fees of the Ministry of Human Resources and Emiratisation,
- Cabinet Resolution No. (37) of 2022 amending some provisions of Cabinet Resolution No. (21) of 2020 concerning Service Fees & Fines in the Ministry of Human Resources
- Ministerial Resolution No. (45) of 2022 concerning the formation of the Grievance Committee against decisions issued by the Ministry of Human Resources and Emiratisation

##### **Has Resolved:**

#### **Article (1)**

#### **Implementation of Cabinet Resolution No.(19/5m) of 2022**

In implementation of the provisions of Cabinet Resolution No.(19/ 5m) of 2022 referred to, the following controls and procedures shall be implemented in respect of increasing the Emiratisation rate in private sector establishments, and contributions imposed on non-compliant establishments.

## **Article (2)**

### **Current Emiratisation Rates & Calculation Mechanisms**

1. Establishments registered with the Ministry employing more than 50 workers, shall increase their current Emiratisation rate from high-skilled jobs by 2 percent annually gradually raising the said rate to 10 percent by 2026.
2. The prescribed Emiratisation percentage shall be calculated based on the total number of UAE nationals working in the establishment in relation to the total number of skilled workers, provided that at least one citizen shall be employed against every 50 skilled workers or part whereof, for each year of implementation, as follows:

<b>Number of Skilled Workers in Establishments Employing More Than 50 Workers</b>	<b>Minimum Employment Rate of UAE Nationals</b>
0 to 50 skilled workers	One Citizen
51 to 100 skilled workers	Two Citizens
101 to 150 skilled workers	Three Citizens
More than 151 skilled workers	One citizen for every 50 skilled workers or part whereof

3. The targeted percentage of Emiratisation in establishments shall increase gradually by 2 percent as of 2023 until achieving the desired rate of 10 percent by 2026 in accordance with Clause (2) of this Article.

4. Emiratisation percentage shall be calculated in accordance with the provisions of this resolution based on the number of work permits registered in the Ministry's approved systems issued for UAE nationals, as per the following requirements:
  - a. The UAE national must possess a valid work permit.
  - b. The UAE national wage shall be paid through the Wages Protection System or any other system approved by the competent authorities in the country to ensure compliance with the payment of wages.
  - c. The UAE national must be registered with one of the approved pension funds in the country.
  - d. The relationship between the UAE national and the establishment shall be a contractual relationship, satisfying all the terms and conditions of Labor Relations Regulation Law, its executive regulations and all decisions and orders issued in implementation thereof.

### **Article (3)**

#### **Collection Mechanisms of Assessed Contribution from Non-Compliant Establishments**

1. Non-compliant establishments with the stipulated Emiratisation rates contained in Article (2) hereinabove shall pay Dh6,000 monthly starting January 2023, for every citizen who has not been employed in accordance with Cabinet Resolution No.(19/ 5m) of 2022 referred to. The amount of the monthly contribution shall increase progressively by Dh1,000 each year.
2. The establishment shall be considered non-compliant if the required number of employed citizens is not maintained until the following year. The establishment shall be under obligation to pay the assessed contribution unless the Emiratisation percentage and the required numbers of employed citizens are re-achieved within two months from the date of its decline.
3. The contribution shall be due at the beginning of the following year for the number of citizens required to be employed to achieve the required Emiratisation rates in accordance with the above-mentioned criteria. The total

amount of the contribution for the year in which the required Emiratisation percentage was not achieved shall be paid annually and in one payment.

4. If the establishment fails to pay the assessed contribution referred to in this Article, the following actions shall be taken:

Deadline	Action
1. On the due date	The establishment shall be placed under e-follow-up to ensure its compliance with the payment of assessed contributions.
2. The day following the due date	MOHRE may suspend the issuance and renewal of work permits for the establishment, and the employer will be advised of the reason for the suspension.
3. The third, tenth, and the seventeenth day after due date	MOHRE shall send notices and reminders to the non-compliant establishment prompting it to recruit citizens and pay the assessed contributions.
4. Two months after the due date	While continuing to suspend the issuance and renewal of work permits for the violating establishment, MOHRE shall suspend issuing and renewing work permits for all sole establishments or companies owned exclusively by the owner of the violating establishment, taking into consideration the unity of partners.
5. If the establishment fails to abide by the required Emiratisation rates for two consecutive years	The establishment shall be reclassified and downgraded to Category (3) according to the applicable criteria of classification approved by the Ministry.
6. If the establishment commits any fraud or provides incorrect data, documents or information	Fines stipulated in Cabinet Resolution No. (21) of 2020 and its amendments shall be imposed.

#### **Article (4)**

## **Grievances**

The establishment may submit an appeal to the Grievance Committee in the Ministry against any issued decisions, penalties or measures in respect of implementation of this decision in accordance with Ministerial Resolution No. (45) of 2022 referred to.

## **Article (5)**

### **Follow-Up & Periodic Evaluation**

Establishments targeted by this decision shall be subject to follow-up, control and periodic evaluation by the competent control units in the Ministry to ensure its compliance with the laws, legislations and implemented decisions.

## **Article (6)**

### **Publication and Commencement**

This Resolution shall be published in the Official Gazette and shall come into force from the date of its publication. Competent authorities shall implement this decision according to their areas of jurisdiction.

**Dr. Abdul Rahman Abdul Manan Al Awar**

**Minister of Human Resources and Emiratisation**

*Signature appears*

Issued on: 06-06 2022