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January 2025

## TRENDSETTER SUCCESSION

How new law leads the way on good succession planning

## HR LEADERSHIP IN LAW

Vera Vadakkumpatt of Stephenson Harwood LLP

## POLICY POINTERS

Anti-discrimination

ROUND-UP OF LEGAL AND BUSINESS DEVELOPMENTS IMPACTING HR IN THE MIDDLE EAST



# NEW RULES AND BIGGER PENALTIES

UAE Labour Law



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# ZERO TOLERANCE

Last year there were amendments to both the Saudi and UAE labour laws. A key theme in both cases was strengthening worker protection. Authorities across the region are taking more active steps to ensure worker's rights are protected. When it comes to labour law violations there is a zero tolerance approach and obligations have to be complied with. A new scheme in Oman requires employers to make monthly payments to the Social Insurance Organisation so expatriate employees will have a guaranteed easier way to receive their end of service gratuity dues on termination. In Saudi Arabia, a key feature of the updated version of Saudi Arabia Cabinet Decision No. 219/1426 which we cover here was a clarification of the respective role of the Ministry of Human Resources and Social Development (MHRSD) and Ministry of Interior when it comes to implementing penalties for labour violations in order to make law enforcement in this area more efficient and remove ambiguities on who is responsible for implementing penalties. Penalties for unauthorised employment were also increased and the MHRSD was given the right to impose fines ranging from 200,000 to 500,000 Riyals. In this issue, we also look in more detail at the changes to the UAE Labour law which were brought in by Federal Decree-Law No. 9/2024. Although these amendments focus on a relatively small number of provisions as was the case in Saudi Arabia it is clear that a main aim is to improve compliance by employers. In order to achieve this the penalties which can be levied on those who fail to comply with Labour Law requirements have increased. For example, those who employ one or more workers in a fictitious manner can now face fines of up to one million AED, and it is possible for fines to be multiplied by the number of workers who have been appointed in a fictitious way. Ignorance of the law has never been an excuse but it is also now clear in this region it is increasingly coming with a high financial cost.

Claire Melvin - Editor

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# NEW RULES AND BIGGER PENALTIES

Changes to Article 54 and 60 of the UAE Labour Law brought in by Federal Decree-Law No. 9/2024 may not look extensive but they will have a significant impact as Sara Khoja, Ben Brown and Sarit Thomas of Clyde & Co explain.

“**L**ast year amendments to the UAE Labour (Federal Decree-Law No. 33/2021) were brought in by Federal Decree-Law No. 9/2024

which have significantly changed the regulatory landscape in the UAE for Employment Relationships,” states Sarit Thomas. “These changes which impact Article 54 of Federal Decree-Law No. 33/2021 which covers individual labour disputes and Article 60 of Federal Decree-Law No. 33/2021 which covers penalties have effect from 30 August 2024. It is worth noting that not only do they aim to enhance compliance and streamline dispute resolution but they have also imposed far stricter penalties for those who fail to adhere to UAE labour regulations.”

## STRICTER PENALTIES

“The amendments to Article 60 of Federal Decree-Law No. 33/2021 signal a shift towards a zero-tolerance approach to non-compliance in UAE Labour Law, particularly in the areas of fraudulent

practices and worker mismanagement,” states Ben Brown. “There are now steep financial penalties. Fines now range from 100,000 to 1,000,000 AED, which is a stark rise from the previous penalties which ranged from 50,000 to 200,000 AED.”



**Sara Khoja**  
Clyde & Co



**Ben Brown**  
Partner, Clyde & Co

“These penalties will apply, for example, where an employer hires an employee who is not authorised to work for them, recruits or employs a worker but leaves them without work, uses work permits for purposes other than they were intended for, employs juveniles in a way contrary to the law or closes down an establishment or suspends its activities without taking steps to settle workers’ rights,” Thomas continues. “These dramatic increases are designed to ensure that employers treat their legal obligations with the utmost seriousness,” Sara Khoja adds. “Beyond the increase in fines, the law also now specifically targets fraudulent employment practices, such as the registration of



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fictitious employees where in addition to the fines, any resulting incentives or benefits obtained as a result also have to be repaid by the employer.”

“These offences now have very severe financial consequences,” Khoja continues. “In these cases the fines escalate depending on the number of workers involved. This highlights the UAE’s commitment to stamping out fraudulent practices which exploit workers and undermine the integrity of the labour market. These changes are a stark reminder for businesses that compliance is not simply a matter of regulatory adherence but an essential component of a sustainable business strategy.”

“It is also worth remembering that failure to comply with these regulations can erode trust with clients, disrupt relationships with partners, and deter top talent from seeking employment with the company,” Brown adds. “So businesses need to act swiftly to ensure their practices are in line with the new legal requirements. To mitigate these risks it is a good idea for employers to begin by conducting a comprehensive review of their current hiring practices, employment records, and work permit management.”

## RELEVANT LEGISLATION

### Article 60(2) of Federal Decree-Law No. 33/2021

Any employer who circumvents the provisions of the laws, regulations or decisions regulating the labour market and appoints one or more workers in a fictitious manner shall be punished by a fine of not less than 100,000 Dirhams and not more than one million Dirhams. If this results in the worker obtaining any benefit or advantage from any Ministry, council, fund, authority or any other government entity that the Law or decisions issued by the Cabinet have granted one or more powers to regulate the labour market or increase the competitiveness of the cadres working in it or helped him evade meeting the obligations stipulated by the legislation, the Court shall order the employer to return the value of the financial incentives provided to the worker to any of the entities referred to in this Clause. The employer may not recourse to the worker to claim the value of the financial incentives that he paid to any of those entities. The penalty stipulated in this Clause shall be multiplied by the number of workers who were appointed in a fictitious manner.

(Source: Lexis Nexis Middle East)

“Accurate documentation of employment arrangements has always been important, but with these new higher penalties now in place, it is critical

RELEVANT NEWS

**Stricter Penalties and Extended Claim Periods**

The UAE Government has updated the Federal Decree-Law No. 33/2021 to improve dispute resolution and increase penalties for non-compliance. Employees now have two years to file claims, and disputes under AED 50,000 will go to the Court of First Instance. Fines for violations, such as employing without permits or misleading workers, now range from 100,000 to 1,000,000 AED.

to ensure all records are in order,” Brown adds. “Regular audits of human resources processes can also help identify areas of vulnerability, and allow businesses to address compliance gaps before they lead to costly penalties,” Thomas states.

**DISPUTE RESOLUTION PROCESS**

“The other notable change has been to Article 54 of Federal Decree-Law No. 33/2021 and the UAE’s approach to dispute resolution in employment cases,” states Khoja. “As a result of the change, the UAE Ministry of Human Resources and Emiratisation (MoHRE) now has greater authority in

employment disputes.”

“Decisions issued by MoHRE are now enforceable in the same way as court orders, which means employers can no longer delay or avoid complying with MoHRE decisions,” Thomas adds. “This change is intended to speed up the dispute resolution process and reduce the burden on courts, by ensuring disputes are resolved in a timely manner.”

“The amended law also now requires appeals against MoHRE decisions to be filed with the Court of First Instance within 15 working days,” Brown adds. “Once an appeal is made, the court must resolve the matter within 30 working days.”

“These tighter timelines place a greater responsibility on employers to act promptly and stay engaged in the dispute resolution process,” Khoja continues. “Missing deadlines or delaying responses could result in a decision being made without the employer’s input, and these decisions will be enforced immediately.”

“Given the increased enforceability of MoHRE decisions, it is essential that employers maintain well-organised and comprehensive records of employment matters,” Thomas states. “These records will be invaluable in supporting the employer’s position during any disputes. It is also advisable that employers seek legal counsel at the earliest sign of a dispute to ensure they are fully informed about their rights and obligations and have help with navigating the increasingly streamlined and expedited dispute resolution process.”

“Another important change to Article 54 of Federal Decree-Law No. 33/2021 is that MoHRE now has new authority to mandate the continuation of salary payments to employees during disputes,” Brown adds. “In cases where an employee has not been paid due to a dispute, MoHRE can now require the employer to continue paying that employee for up to two months.”

“This change aims to safeguard workers’ financial

well-being during prolonged disputes and reflects the UAE’s commitment to worker protections,” states Thomas. “However, it also places an additional responsibility on employers, who have to ensure their payroll systems are robust enough to manage these potential obligations.”

**STATUTE OF LIMITATIONS**

“Another key change to Federal Decree-Law No. 33/2021 is the extension of the statute of limitations for labour claims,” Brown states. “Previously, employees had one year after the termination of their employment to file claims against their former employers.”

“However, this has now been extended to two years, providing workers with more time to seek legal redress for any grievances they may have.”

“For employers, this means on the one hand they must now retain employment records and documentation for much

longer than they might have done in the past in order to address potential claims,” Khoja continues. “This means that businesses will need to review and possibly update their document retention policies to ensure they remain compliant with the new requirements. For sectors with high employee turnover rates, such as retail and hospitality, this extension to the statute of limitations could create particular additional administrative burdens. It will be important there is greater emphasis on compliance with the new documentation and off-boarding requirements.”

“They may also need additional resources to manage the growing volume of documentation and increased instances of dispute management they may have to deal with.”

**SPECIFIC SECTOR IMPACT**

“These changes may have a particular impact on some specific sectors,” Thomas states. “For example, these increased penalties, could have a particular impact on industries such as construction and real estate, where businesses often engage large numbers of temporary or outsourced workers. Companies in these sectors should revisit their subcontractor agreements and ensure that their hiring practices are aligned with the new regulations.”

**NEXT STEPS**

“These amendments to Article 54 and 60 of Federal Decree-Law No. 33/2021 may look challenging for employers, particularly from an administrative perspective,” states Brown. “However, they are also an opportunity to create a more transparent, fair, and efficient workplace. As a result, employers should also make sure their employee’s fully understand their new rights and responsibilities under Federal Decree-Law No. 33/2021.”



**Sarit Thomas**  
Clyde & Co

## Succession Planning

Ali Al Assaad of Dentons looks at how a new law - Dubai Executive Council Decision No. 81/2024 - is helping the Dubai government lead the way on good practice on succession planning.

According to the recent PWC NextGen survey, succession planning, among family businesses in the UAE has traditionally had lower rates, possibly due to cultural norms or a reluctance to address challenging realities. That survey found 38% of family businesses in Dubai had no succession plan (compared to a 28% global average), and a further 24% of respondents had no idea if their business had a plan or not. However, the UAE public sector is now taking this issue very seriously and in Dubai a law governing a new formal succession planning framework for government employees, Dubai Executive Council Decision No. 81/2024 has even been issued. The main objective of Dubai's new framework is to ensure key positions which are critical to the performance of a specific department's role will always be filled with competent individuals who already have the necessary skills and talents. Interestingly, under this law both administrative and technical positions can be classed as critical. The new framework will cover all governmental departments and public authorities, councils, establishments and any public body which is affiliated with the Dubai Government. It will apply to Emirati civil employees working for these bodies unless they are temporary employees with special contracts, seconded employees or retired employees who have been re-appointed by these bodies. This focus on developing local leadership talent is a trend we are also now seeing in governments across the GCC. The aim of the framework is to establish a culture of corporate risk management while ensuring the continuity of business operations, and to develop a clear, specific methodology for identifying critical positions within organisations. It should also help support Emiratisation efforts and the implementation of effective replacement plans. It will enable public entities to engage in strategic planning to ensure their employees are well-prepared to take on targeted roles. It is also establishing appropriate mechanisms for selecting highly qualified individuals and preparing them for key jobs and positions. The approval of this framework is timely and strategic, positioning Dubai as a regional leader in human capital development. This is a progressive move but as would be the case for any employer setting up a framework of this kind, it has also been necessary to look at legal issues when

implementing this new framework. It is important to check any succession planning framework complies with the applicable human resources laws and regulations, and is free from discrimination. Succession planning naturally involves the selective identification of potential leaders, which could inadvertently lead to allegations of bias or favouritism.

Therefore, employers must ensure there is transparency in any selection process of a succession planning scheme and that they are relying on objective criteria like performance metrics, leadership aptitude, and skills assessments. This is critical in minimising risks of perceived discrimination and creating trust among employees, ensuring the framework's integrity. The Dubai Government's Human Resources department is going to issue a Procedure Manual which details the steps, periods and forms which will be used to implement their new framework.

Dubai Executive Council Decision No. 81/2024 will likely have a cascade effect on HR policies within the public sector in Dubai. Organisations will need to re-evaluate their current talent management strategies, and integrate succession planning as a core component within it. This may involve redefining job descriptions, enhancing performance evaluation frameworks, and adopting more advanced talent analytics tools.

Dubai Executive Council Decision No. 81/2024 will lead to a list of targeted roles being drawn up, criteria for inclusion in talent pools being defined and lists of employees nominated for succession planning being created. HR teams will be expected to collect data on the scheme's success, supervise the preparation of individual talent plans and work with line managers of those in the pool to ensure they are supporting these employees. Nominated employees will also have a duty to contribute effectively to preparing and implementing their individual development plan, along with their Line Manager and the department. They, their Line Manager and department will also need to make sure the implementation of their individual plan does not prejudice their current duties and responsibilities. By investing in its people, the Dubai Government is reinforcing its position as a global leader in public administration and ensuring its institutions are prepared for the future.

# NEWS ROUND-UP

COVERING RECENT KEY DEVELOPMENTS – REGION-WIDE

UAE

## WORKING MOTHERS TO SPONSOR RESIDENCY

 The Federal Authority for Identity, Citizenship, Customs and Port Security UAE has announced changes to the residency visa laws will allow working mothers to sponsor their children's residency if the head of the family is found to be in violation of the residency laws. If the head of a family violates residency laws, their children's residency sponsorship can be transferred to the mother, as long as she is employed and holds a valid residency permit. This change will be particularly helpful for families where the mother is the primary earner, by ensuring that children can still maintain their legal residency status in the country.

## EMIRATISATION REQUIREMENTS

 From 2025, private sector companies with a workforce of 20 to 49 employees are required to hire at least two Emirati citizens. Previously this requirement only applied to companies with 50 or more employees. Non-compliant establishments of this size will face financial contributions of 96,000 AED for not achieving this year's target. Administrative fines for private sector companies that do not meet their 2025 Emiratisation targets will be 108,000 AED, and will be collected as of January 2026.

RAS AL KHAIMAH


## SALARY CARD

 A new salary card has been launched for workers in Ras Al Khaimah, which will make it easier for low-income earners there to manage their money. The C3Pay payroll card will mean workers in Ras Al Khaimah will not have to open a bank account to receive their salary. The Ras Al Khaimah Economic Zone (Rakez) has signed an MoU with global payment solutions provider EdenRed UAE to implement the project. Employees will be able to receive their

salaries directly onto this card and use it easily at ATMs, stores, and online, without needing to have a bank account.

SAUDI ARABIA

## TRAINING AND QUALIFICATION


 Saudi Arabia's Human Resources and Social Development is working on new comprehensive regulations on training and qualification programmes. According to the regulations, if an establishment requires an employee to continue working after completing the training the period should not exceed the duration of the training programme they underwent, if the employment contract is an open-ended one. However, in the case of fixed-term contracts, this time should not exceed the remaining contract period. In addition, trainees should not have to bear any training-related expenses. Under the regulations every employer will also have to disclose and document training data on an electronic platform which is specified by the ministry on an annual basis.

## TEMPORARY VISAS


 With effective from the first quarter of 2025, Temporary Work Visa holders will have a shorter maximum duration of stay in Saudi Arabia of up to 90 days, compared to the current 180 days. However, a one-time extension of stay for an additional 90-day period will be allowed. These visas will be valid for one year. Foreign nationals with a Temporary Work Visa for Umrah and Hajj Services (previously known as a Seasonal Work Visa) will only be allowed to enter and stay in Saudi Arabia within specific dates throughout the pilgrimage season, which will be determined by the Islamic calendar. Currently, the maximum allowable duration of stay is set at four months during the pilgrimage season. Eligibility for this visa category will also be limited to nationals of specific countries to ensure geographic diversity and these will be determined by the Ministry of Human

Resources and Social Development, or MHRSD.

## WORKER TRAVEL BANS


 The Saudi Food and Drug Authority (SFDA) has been considering proposed new rules which would lead to travel bans being imposed on foreign workers employed at food outlets where there had been suspected food poisoning. The SFDA in agreement with the Saudi Ministry of Municipalities and Housing, plans to make it mandatory for food outlet facilities to follow strict rules and protocols where there has been food poisoning or suspected cases of food poisoning. These measures would include prohibiting the cleaning, removal or destruction of any equipment, tools or materials in the facility if it is found that there has been food poisoning. Criminal punitive measures would be taken against violators. The Authority has stated if there has been a case of food poisoning or suspected food poisoning, the food outlet would have to prevent workers leaving Saudi Arabia. They would have to provide the relevant authority with a list of workers in the facility. The authorities would then submit a request to the competent authorities to issue a travel ban order until the competent authorities complete the investigations into the food poisoning incident.

## HEALTH SAUDISATION

 Increased Saudisation percentages are to apply to a range of health care roles including to those who are working in medical laboratories, as physiotherapists, radiographers and in therapeutic nutrition. The rates in these professions will range from 65 to 80 percent. These new rates will apply from 17 April 2025, to hospitals and health facilities in Al Khobar, Dammam, Jeddah, Madinah, Makkah and Riyadh as well as to large health facilities in other cities. These rates will apply from 17 October 2025 to all other hospitals and health facilities in Saudi Arabia.




## HEALTH INSURANCE

 The Saudi Arabian Insurance Council has confirmed employers must bear the costs of treating a health insurance beneficiary between the date of their entitlement to treatment until the insurance is activated, under Article 10 of Saudi Arabia Cabinet Decision No. 71/1420. However, the Health Insurance Council has added it is not able to confirm the position on obligations to pay treatment costs after insurance ends, as they are not a judicial authority which considers compensation cases. It has also been clarified that employers are not obliged to insure visitors to Saudi Arabia, as the terms and conditions of the visitor insurance policy apply to them.

### KUWAIT

## OVER 60S EXPATS

 The Kuwaiti Public Authority for Manpower has cancelled a previous decision which required expatriate workers who were over the age of 60 to pay an additional fee and submit a health insurance document. Under Kuwait Ministerial Decision No. 12/2024 these workers will now only be required to pay the regular fees for having a work permit issued.

## NATIONALITY CHANGE

 The Kuwaiti Interior Minister has confirmed that women who have had their Kuwaiti nationality revoked under Article 8 of Kuwait Emiri Decree No. 15/1959 will retain their employment and salary status. Under this provision foreign women who have married a Kuwaiti man who has died or if they are now divorced but still live in Kuwait can lose their previous Kuwaiti nationality. It has also been confirmed that retired women in similar situations would also continue to receive their retirement pensions.

### OMAN

## LABOUR ARBITRATION

 Oman's Labour Ministry has established the Collective Labour Disputes Arbitration Committee via Oman


Ministerial Decision No. 320/2024. This will be a specialist body within the Ministry which will cover collective labour disputes. The committee will be made up of a president from the courts of appeal, an arbitrator from the Labour Ministry, an arbitrator for employers chosen by the Oman Chamber of Commerce and Industry, and an arbitrator for workers who will be chosen by the General Federation of Workers. Each party involved, including the Ministry, employers, and the workers' federation, must also appoint substitute arbitrators to ensure continuity in case of absences. Hearings will be scheduled within 15 days of a dispute request and final decisions will be issued within one month. The committee will be guided by existing legal frameworks, but where there are gaps in the law, it will rely on Islamic Sharia, customary practices, and the principles of fairness, while also considering prevailing economic and social conditions. The committee's decisions will be determined by majority vote; and if there is a tie, the president's vote will prevail. Committee rulings will be final, and appeals will only be permissible before the Omani Supreme Court. Both parties in a dispute will receive the decision by registered letter within three days, and the dispute file will be retained on file for three years. Either party will be allowed to obtain a copy of the decision.

### BAHRAIN

## QUALIFICATION COMMITTEE

 A proposal has been put forward for an administrative committee to be formed within the Bahrain Labour Market Regulatory Authority (LMRA) to verify the academic qualifications of foreign workers before work permits are issued. This committee would deal with workers in both the public and private sectors. The aim is to prevent those with forged qualifications from joining the Bahraini workforce.

## END OF SERVICE GRATUITIES SYSTEM

 Expatriates working in the Bahraini private sector will be able to

## IN BRIEF

**Qatar:** Employers posting job vacancies in Qatar must post them on the Kawader service (an online recruitment platform for Qatari nationals and children of Qatari women), and the Istamer service for Qatari retirees..

**Bahrain:** The Bahraini Parliament has approved a proposal requiring companies bidding for government tenders to ensure at least 20% of their workforce is Bahraini...

**Saudi Arabia:** New regulations prohibit agricultural workers and shepherds, from being employed for over eight hours a day and require a paid weekly rest day of no less than 24 hours...

**UAE:** A new ministry dedicated to Family Affairs has been established which will focus on developing policies and initiatives on work-life balance...

**Oman:** The Oman Labour Ministry and the Oman Energy Association (OPAL), are offering training and employment opportunities to the unemployed so they can work as tractor-trailer drivers. Those interested in the scheme can register at: <https://t.co/sC3hh1pWkL...>

**Sharjah:** The Sharjah Consultative Council (SCC) Legislative and Legal Affairs, Appeals, Suggestions, and Complaints Committee has been considering a proposed law on pensions and end-of-service benefits for military personnel in the Emirate's regulatory bodies...

**Saudi Arabia:** A grace period for runaway workers to correct their status and find new employers which began on 1 December 2024 will end on 29 January 2025...

benefit from a new end of service gratuity system being established there. Under the new scheme employers will have to make monthly contributions to the Social Insurance Organisation (SIO). When an expatriate workers' employment ends they will be able to easily claim their dues through SIO's e-services.

The system has been designed to be user-friendly, and even more complicated tasks such as attaching proof of an International Bank Account Number (IBAN) in PDF will be quick and easy. All end of service gratuity payments will be made via the SIO system. A comprehensive guide to the new process is available on the SIO website, and provides workers with information on how to obtain their entitlements.

# IMMIGRATION FOCUS


## RECENT GCC IMMIGRATION AND VISA CHANGES

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UAE

### VISA EXTENSIONS FOR GCC RESIDENTS AND GCC NATIONALS' DEPENDENTS

 The UAE has announced a new visa extension policy for residents of the GCC countries and dependents of GCC nationals. The aim is to provide greater flexibility and convenience for these groups when they are visiting the UAE. Under the new regulations, GCC residents can now extend their stay in the UAE for an additional 30 days, which means they are able to remain in the country for up to 60 days from their initial entry date. In addition, GCC nationals' dependents who do not themselves hold a GCC passport can now extend their stay for an additional 60 days. This means they can be permitted to stay in the UAE for a total of 120 days from their arrival. However, in order to be eligible for the visa extension, applicants must meet certain criteria. This includes holding a valid GCC residence permit with a minimum validity of one year, and having a passport which is valid for at least six months from their date of entry. They must also have provided a recent digital photograph which meets the specified requirements. However, the UAE authorities have also outlined the conditions under which entry may be refused. These include for example, if the applicant's profession has changed or the entry permit has expired or been cancelled before their arrival in the UAE.

### VISA ON ARRIVAL

 The UAE Government has changed the length of stay which is granted to some specific nationalities who are eligible for a Visa on Arrival. These countries include Australia, Brazil, Canada, China, Japan, Singapore, the UK and USA. As a result, nationals from these countries can now travel to the UAE for 90 days within a 180 day period, for business and tourism

purposes. Nationals of these countries will now be granted a multiple-entry Visit Visa upon arrival at any port of entry within the UAE, if they hold a passport that is valid for more than six months, and has at least two blank visa pages.


SAUDI ARABIA

### WAGE INSURANCE FOR EXPAT WORKERS

 Saudi Arabia has introduced a new wage insurance scheme for expatriate workers in the private sector there which is designed to protect workers' rights. The new scheme came into effect on 6 October 2024. The Expatriate Worker Wage Insurance Service ensures foreign workers will receive outstanding wages if their employer defaults on payment as a result of either financial distress or insolvency. Workers affected in this way will be able to claim compensation through a designated insurance company.

QATAR

### TITLES AND CLASSIFICATIONS


 Qatar's Ministry of Labour has published a revised professional title description and classification guide for the private sector, which is intended to help streamline the selection of job titles for Immigration and work visa processing purposes. The updated guide includes 3,717 professional titles and aligns with regional and international standards. The guide is split into five main categories, and has sections and chapters. Each professional title has been assigned a unique seven-digit code which will help ensure accurate identification and is compatible with government electronic systems. It is being implemented in phases. The first phase will focus on enhancing service integration between the Ministries of Labour and Interior, and will cover areas including worker recruitment, visa issuing, residency permits, and employment contract documentation. In future phases the use of the system will be expanded to sectors outside the current scope of the Qatari Labour Law. Once the changes are fully implemented it will be





important for employers to map their own job titles to these new categories and titles.

## ATTESTATION SERVICE

 The Qatari Ministry of Foreign Affairs has introduced a new electronic document attestation service via its online portal. The service aims to streamline the attestation process for local police certificates which are issued by the Ministry of Interior and educational certificates from government schools which are authenticated by the Ministry of Education and Higher Education. Individuals will now be able to attest their documents electronically at any time, and as a result will no longer need to visit the attestation section at the Department of Consular Affairs or the Government Service Centres to do so. Those wishing to attest these documents will have to log into the system with their National Authentication System (NAS) credentials. Document delivery and collection will be carried out in conjunction with Qatar Post and the Government Contact Centre.

### TURKEY

## INTERNATIONAL WORKFORCE LAW

 The Turkish government has announced significant changes to the International Workforce Law Regulations, from 15 October 2024. The amendments broaden the scope and duration of the Work Permit exemption, and provide greater flexibility for foreign workers in various sectors. Individuals deemed capable of making significant contributions to Turkey's economic, socio-cultural, technological, and educational fields will be eligible for a Work Permit exemption for up to three years. This is an increase from the previous six-month limit. Foreign athletes, coaches and sports people will no longer need a specific sports visa in order to apply for the exemption during their contract periods with Federations and clubs. Members of the foreign press with a permanent press card will also now be eligible for a Work Permit exemption for the duration of their assignments. The regulations have also extended the exemption period for employees providing training on exported or imported goods and

services, cross-border service providers, and tour operator representatives. Foreign nationals who hold humanitarian residence permits and those under temporary protection will also be eligible for the Work Permit exemption for the period notified by the Ministry of Interior Affairs. The application window for the Work Permit exemption has also been extended, and now allows submissions within the allowed visa or permit duration, rather than the previous 30-day limit following entry into Turkey. With this broader range of exemptions where short-term employees are being assigned to Turkey, employers should check the eligible scope of work and the duration of the exemption in order to decide if a Work Permit or a Work Permit exemption application would be the best route.

## WORK PERMIT APPLICATION CHANGES

 The Turkish Ministry of Labour has announced changes to work permit application criteria, from 1 October 2024. There are now special sector-specific requirements as well as specific reliefs to certain sectors and job titles. For example, although the requirement to employ five Turkish citizens for every foreign citizen employed remains, new exceptions have been introduced. For example, employers with sales over 50,000,000 TRY are exempt for their first five foreign employees, as are IT sector specialists in software, databases, mobile software, system network security, and corporate architecture. The quota will also not apply in the R&D and Technology Development areas to foreign employees who have been approved by the Ministry of Industry and Technology. Various exemptions will also apply in the tourism sector depending on the type of tourism facility. Financial criteria for employers have also changed with the paid-in capital requirement increasing to 500,000 TRY and net sales requirement increasing to 8,000,000 TRY as of 1 January 2025.

Minimum salary requirements for foreign employees have also been adjusted based on job titles. For example, high-level executives and pilots must now be paid five times the minimum wage, and engineers and architects must be paid four times the minimum wage.

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# NATIONALISATION IN QATAR

Antoine Salloum of Vialto Partners explains the latest changes to Qatari rules on nationalisation.

**Q**atar Law No. 12/2024 On the Qatarisation of Jobs in the Private Sector is expected to come into force in March 2025 and has brought in new requirements on the localisation of private sector jobs in Qatar. It aims to help increase Qatari nationals participation levels in private sector institutions and companies there, by creating new employment and career opportunities for them. It should help make working in the private sector more attractive for Qatari nationals, provide them with greater job stability and make it easier for private sector employers to attract and integrate nationals into their workforces. The aim is to raise the percentage of Qatari nationals employed in the private sector from the current 17% to 20% by 2030, by integrating 16,000 Qatari nationals into the private sector. There will be a focus on upskilling nationals so they are better prepared to take on private sector roles. The proportion of highly skilled foreign workers in Qatar will also increase from the current 20% to 24% by 2030, by prioritising the issue of visas for skilled foreign nationals and by introducing new visa and permit pathways. As a result of this law financial incentives will be available to support employers who wish to recruit, employ and train Qatari nationals and Qatari nationals who wish to take on these roles which impacted employers should leverage. The Ministry of Labour has confirmed that employers who will be subject to these new requirements under Qatar Law No. 12/2024 will include those who are individuals managing private establishments registered in the commercial register; commercial companies which operate in the Qatar (including those which are state-owned, state participated and privately owned); as well as private non-profit institutions, sports organisations, associations, and similar entities. During a panel discussion towards the end of 2024 the Chairman of the Qatar Chamber announced that these nationalisation initiatives aim to focus on eight strategic sectors - manufacturing; logistics; tourism, information technology; finance; education; agriculture and healthcare. Each of these sectors will be overseen by a dedicated sectoral Council which will facilitate continuous communication, enhance dialogue, promote effective partnerships and aligns the sectoral strategies in conjunction with senior Ministry of Labour officials and private sector organisations within it. Qatar



Law No. 12/2024 will be implemented in three phases to allow businesses to gradually adapt to the new nationalisation requirements.

The first stage will be a foundational stage which will focus on skills development through tailored trained programmes in each sector. It will be followed by a capacity-building phase which will emphasise the employment of Qatar nationals. The final phase will drive comprehensive transformation, which will ensure a sustainable, long-term shift in workforce demographics in Qatar. The Ministry of Labour will also introduce a six-year strategy which will aim to enhance nationalisation within the private sector, while also increasing the proportion of skilled foreign nationals within the workforce. Impacted companies should prepare by taking steps to contribute to the broader goal of developing a sustainable and inclusive workforce in Qatar.

They should understand the requirements and become familiar with the employment portals related to the Nationalisation programme.

Companies should also evaluate workforce requirements using a skills gap analysis to pinpoint roles suitable for Qatari nationals, develop recruitment strategies and engage in career fairs and university outreach initiatives to attract young Qatari professionals.

Strengthen training and development by introducing on-the-job training programmes to improve Qatar employees' skills and aid their integration into the workforce may also help, as can creating a supportive work environment with policies that reflect Qatari cultural values and work preference.



**Antoine Salloum**  
Vialto Partners

# LAW CHANGES

## NEW AND PROPOSED MENA LAWS

### SAUDI LABOUR LAW CHANGES

Mohsin Khan and Hayat Rafique of Al Tamimi look at the key changes to the Saudi Labour Law and areas where further detail is expected in Executive Regulations which are also planned to be issued shortly.

**A**mendments to the Saudi Arabian Labour Law, Saudi Arabia Cabinet Decision No. 219/1426 brought in by Saudi Arabia Cabinet Decision No. 117/1446 are expected to come into effect on 18 February 2025.

These changes involve amendments to 38 articles, the removal of a further seven articles, and the addition of two new articles. In addition, the amendments include references to 'executive regulations' which it is expected will be issued in the near future and will provide further details on these changes.

The changes include a new definition of the term 'resignation' which is 'A written disclosure by a worker, under no coercion, expressing their wish to unconditionally terminate a fixed-term employment contract, with the acceptance of the employer'. In addition, 'Outsourcing' is now defined as the service of providing labour to work for a non-employer through an establishment licensed for those purposes.

In the past, there was sometimes uncertainty on the duration of the term of a contract for any non-Saudi nationals employed under indefinite term contracts.

As a result Article 37 of Saudi Arabia Cabinet Decision No. 219/1426 has been amended and if a non-Saudi national is employed on an indefinite term contract, then the contract duration will be deemed to be for a one-year fixed-term commencing on the date when employment started and will be renewed for the same period after then.

There are significant changes on probation periods. Parties can now agree the probation period will be a total of 180 days from the outset of employment instead of the previous of 90 days which could be extended by written consent. In addition, both parties equally have the

right to terminate the contract during the probation period. The Executive Regulations are expected to provide further details on the leave periods that will not be included in the probation period duration. There have also been changes on notice periods and the way termination is handled. Article 75 of Saudi Arabia Cabinet Decision No. 219/1426 will allow Saudi nationals to terminate an indefinite term contract for a valid reason with 30 days' notice. However, it should be noted that the notice for termination by an employer is still 60 days.

There is also a new provision in Article

### KUWAIT - RESIDENCY



A new Kuwaiti Law on the Residency of Foreigners has been issued in Kuwait. Kuwait Decree-Law No. 114/2024 repeals Kuwait Emiri Decree No. 17/1959 and any other provisions which contradict it. It will prohibit residency trafficking through the exploitation of recruitment in exchange for money or benefits, and employment violations where a foreign worker is employed for purposes other than those they were originally brought into the country. Other areas covered include unjust refusal to pay a foreigner's wages or benefits. There will also be penalties for, housing or employing a foreigner without a valid residency permit, and assisting a foreigner who does not have a valid residency permit. Legal entities found guilty of residency trafficking will be fined 5,000 to 10,000 Dinars per violation, and their license to operate will be revoked.

### SAUDI ARABIA - LITIGATION



Saudi Arabia Cabinet Decision No. 284/1446 on the extension of the obligation to apply to the labour office before filing labour law suits before the labour courts has been issued. As a result the provision in Article 1(a) of Saudi Arabia Royal Decree No. M14/1440 has been extended for one year from 26 August 2024.

79 of Saudi Arabia Cabinet Decision No. 117/1446. It provides further details on how resignation works in practice. After an employee resigns, if their employer does not accept or respond within 30 days, their resignation is automatically deemed as having been accepted. However, an employer may delay acceptance of a resignation by 60 days if there is a valid reason to do so (i.e. due to work interests) and if they have provided these reasons in writing within the first 30 days of the employee's resignation. Employees also have the right to withdraw their resignation within seven days if their employer has

## OMAN - TAX



An Oman Shura Council Member has stated that planned Income tax changes in Oman will apply to individuals earning above 2,500 Rials. According to the Chairman of Economic and Financial Committee at Majlis Al Shura, individuals who are earning monthly salaries over 2,500 Rials (over 30,000 Rials annually) will be subject to income tax once it is implemented in Oman. As a result, Oman will become the first GCC state to implement personal income tax. In other jurisdictions employers are often required to administer tax deductions from payroll. At present there have been no announcements on how the new personal income tax will be administered in Oman.

## BAHRAIN - WORK PERMITS



Bahrain Administrative Decision No. 3/2024 has been issued on the controls and reconciliation procedures when crimes are committed which violate the Bahrain labour law (Bahrain Law No. 19/2006). It repeals and replaces Bahrain Decision No. 75/2008. Under this law it is possible for there to be a reconciliation with employers who have committed certain immigration offences by paying specific fines within set periods. The required payments increase as the period since the permit has expired increases. For example, where an employee is still employed after their work permit has expired it is possible to reach a reconciliation with the authorities if 100 Dinars is paid within 10 days of the permit's expiration but 200 Dinars has to be paid between 10 and 20 days after it expires.

not already accepted it. There have also been changes on overtime, as Article 107 of Saudi Arabia Cabinet Decision No. 117/1446 now allows the employer and employee to agree to provide the employee time off in lieu instead of paid overtime, for any approved overtime. This is another area where the forthcoming Executive Regulations are expected to provide further detail. In order to support the Saudisation policy it is perhaps not surprising that these amendments include provisions on training policies for Saudi nationals. Employers must

now develop and implement a policy for training Saudi nationals to acquire technical, administrative, vocational, and other skills. The Executive Regulations are also expected to provide further details on this area. In addition, Saudi Arabia Cabinet Decision No. 117/1446 now confirms that employees have 30 days to appeal internally against a disciplinary sanction they have received. However, if the employer rejects the appeal or does not make a decision within 15 days of receiving it, the employee will be able to submit a claim against the disciplinary

## TURKEY-HEALTH



A bill has been proposed in Turkey which will introduce new charges on health care. The proposals include charging foreign nationals for primary health care services. In addition, Turkish citizens would be required to pay for certain reports obtained from family doctors, including those required for driver's licences.

sanction to the Labour Court within 30 days from the date of the rejection or the expiry of the specified period, whichever comes first. Although, it should be noted that these time limits do not include official public holidays. This also means that Saudi employers will now need to include an internal appeal process in their disciplinary procedures.



# CASE FOCUS

**Case No** .... Shiraz Mahmood v Standard Chartered Bank DIFC, DIFC Case No. 044/2021 on 1 October 2024

**Jurisdiction** .... DIFC

**Court** .... DIFC Court of First Instance

**Recommended by** .... Hamdan Al Shamsi Lawyers & Legal Consultants

## WHAT IS IT ABOUT?

An employee brought a claim against his employer alleging racial discrimination and victimisation throughout his employment. He was a British national of Asian (Pakistani) descent, who had been employed as Head of Compliance for Global Islamic Banking (GIB), based in Dubai, from June 2017 until January 2021 and had been made redundant. He claimed he had suffered discrimination at the hands of his Pakistani colleagues on grounds of his race/nationality because of his British Asian Pakistani origins and had faced discrimination from senior members of the bank compliance department because he was not Caucasian in appearance or origin. He sought compensation because of the bank's failure to provide a workplace free of discrimination under Article 43(2) of DIFC Law No. 2/2019 and requested damages of three times his annual salary under Article 40(2) of DIFC Law No. 7/2005 (the Law of Damages and Remedies).

The bank claimed the issues which arose were not related to his race or nationality but were mainly due to his way of working and confrontational approach. He had been made redundant as a result of a restructure because of COVID 19, and not based on his race or nationality. The judgment was robust in examining the entire evidence of each witness, and there were few references to applicable law and precedent on discrimination and victimisation from the Courts of England and Wales. The claim was dismissed on the basis that Mahmood had failed to properly establish the direct nexus between the discrimination and the detriment.

## WHAT WAS DECIDED?

Under Article 59 of DIFC Law No. 2/2019 employers were prohibited from discriminating against employees on 'protected characteristics' - sex; marital status; race; nationality; age; pregnancy and maternity; religion; or mental or physical disability. Article 60 of DIFC Law No. 2/2019 stated employers were prohibited from causing any detriment to an employee who has done 'a protected act' which included bringing proceedings under Part 9 of DIFC Law No. 2/2019 (for discrimination and/or victimisation), giving evidence in or doing anything in connection with such proceedings; or making allegations an Employer had contravened a Part 9 provision. The Court identified a number of principles in alleged discrimination and victimisation cases. Discrimination should be on the grounds of any of the protected characteristics and should result in dismissal or detriment. There should be a causal connection between the detrimental treatment and protected characteristic. When deciding a discrimination case, there should be a comparator assessment - a comparison of the complainant's treatment with treatment experienced by another employee who did not share the protected characteristic. Discrimination could also occur if an employer engaged in unwanted treatment creating an offensive and degrading workplace or which violated an employee's dignity, based on a protected characteristic. The unwanted treatment should have a 'purpose or effect' of creating a hostile environment or should violate an employee's dignity. With victimisation there should be a causal connection between the detriment or dismissal and the protected act. The employer merely had to believe the employee had undertaken a protected act. They did not need to actually have done so. The employer was vicariously liable under Article 54 of DIFC Law No. 2/2019 unless they could show they had taken necessary steps to prevent an employee from engaging in discrimination or victimisation, and the employee's acts should have occurred during the course of the employment. The



burden of proof in these cases lay with the complainant (in this case, Mahmood). They must be able to prove the detriment suffered had a causal connection with a protected characteristic or a protected act to establish discrimination or victimisation respectively. There was no direct evidence to support Mahmood's claims of racial or national discrimination. His testimony alone was insufficient to establish the treatment he described was racially motivated. He had a history of escalating perceived grievances and misconduct, so it was implausible he would not have formally reported incidents where his accent had been mocked and his nationality disparaged if they had occurred. This lack of documentation weakened his case. It was not enough to have been treated badly if others of different races/nationalities were being treated in a similar way. There had to be the racial/nationality element claimed. The individual who had gained the post following the restructuring was also the same race/nationality as Mahmood so there was no causal connection that his dismissal was due to race/nationality. This case is the first to have considered discrimination since DIFC employment law was amended to make it more robust on this area and the first case to consider victimisation since these provisions were introduced. Cases of this type are highly circumstantial and depend on their specific facts, but this case provides a litmus test for future cases in the DIFC on discrimination and victimisation on vital themes such as the threshold for an employee's burden of proof and the way employers can fend off and even prevent these cases being filed. It is also a reminder that these are serious issues which require constant, proactive steps from management to ensure issues do not end up in Court.

**Case No .... Boom General Contractors WLL v Sharq Insurance LLC [2024] QIC (A) 11 on 16 October 2022**  
**Jurisdiction .... QFC**  
**Court .... QICDRC, Court of Appeal**  
**Recommended by .... Umar Uzmeh, Registrar, QICDRC**

**WHAT IS IT ABOUT?**

An Employer applied for permission to appeal against a Court of First Instance Decision to strike out their claim for non-compliance with Court directions, particularly a direction to disclose documents vital to the Defendant's case ([2024] QIC (F) 29).

Two of the employer's employees were killed in accidents and they had to pay compensation to the workers' families. The Employer had various insurance policies covering these types of accidents - one with the Defendant Insurer. The policy provided the insurer could make insurance payments subject to an excess sum which was the cover provided in a primary, compulsory insurance policy the Employer was required to hold. The Insurer sought disclosure of the other policy, as they could not quantify any claim or properly defend themselves without knowing the figure. The employer ignored the request. The Court ordered them to

disclose the other policy but this order was also ignored. Ahead of trial, the insurer applied to strike out the claim under Article 31.1 of the Court's Regulations and Procedural Rules which stated where a party had without reasonable excuse failed to comply with a Court order, the Court could 'dismiss the claim or application wholly or in part' (see Article 31.1 and 31.1.2). After considering *Mohamed Al-Emadi v Horizon Crescent Wealth LLC* [2021] QIC(F) 12 – and hearing the explanation for the non-compliance from the Employer's lawyer, that he personally was not aware of the directions (which was no explanation at all), the Court felt the seriousness of the Employer's failure was at the top end of the spectrum. It could only be overlooked if there was no serious prejudice to the other party. The documents sought were of 'vital importance' to their case and the Court struck out the Employer's claim and awarded indemnity costs. The Employer applied for permission to appeal but their grounds of appeal did not address the Court of First Instance decision to strike out the claim for non-compliance with the Court order. It simply argued the merits of the claim. The Employer was contacted by the Court Registry to point out the deficiency in their grounds of appeal, but they resubmitted the same document and attached some of the documentation the Defendant had sought disclosure of prior to trial.

**WHAT WAS DECIDED?**

Despite Registry assistance the Applicant had failed to remedy the fatal defects in its grounds of appeal. It did not address the Court of First Instance decision it sought to challenge. Court orders must be complied with, and there is a risk, as in this case, that if they are not, the case can be struck off. The assertion the disclosure request was irrelevant was no answer to the failure to comply with the order or explain that failure to the Court. These documents were clearly relevant. The Employer belatedly provided some of the documents to the Appellate Division, but they should have been produced to the First Instance Circuit. When parties fail to do this it is generally not possible to provide the documents or evidence on appeal. The Applicant also complained the Court's orders were in English not Arabic. The QICDRC Court is a bilingual Court. It usually works in English but always conducts correspondence, makes orders or conducts hearings in Arabic if requested but no such request had been made. The application was dismissed.

**WHY IS IT IMPORTANT?**

This case is important as it clarifies the process for applications for permission to appeal. It highlights the guidance available, such as the User Guide to the QFC Court (the 'Maroon Book'), and the Registry's willingness to assist unfamiliar parties. However, if parties ignore the guidance and Court procedures, their applications will be dismissed.

This serves as a reminder to thoroughly review the guidance and understand the Court's practices before filing.

# HR PROFILE

## HR MANAGER – LAW



### HR Leadership in Law

Vera Vadakkumpatt, HR Manager at Stephenson Harwood LLP, discusses her role in fostering employee wellbeing, diversity, and organisational growth.

#### YOUR BACKGROUND

I am an experienced HR leader based in the Middle East with a focus on global professional services, including international law firms head-quartered out of the UK and the US.

I am currently studying for a Master's Degree in Psychology and Neuroscience of Mental Health at King's College London, and already have a Bachelor of Business Administration (BBA), a City & Guilds certification in Human Resources Management and am a member of the Chartered Institute of Personnel and Development (CIPD).

I have experience in strategic HR initiatives, organisational development, and employee engagement. My career began at 18. Since then, I have worked for a number of Fortune 100 companies, including the global technology company ABB, Caterpillar, CH2M HILL, and Pernod Ricard. At ABB, I joined the Leadership Training Programme as a Future Young Leader and at Caterpillar I learnt to work with simple powerful Six Sigma approaches. Throughout my career I have worked with admirable leaders, mentors, and teammates which has helped me to confidently engage with a diverse range of people while being sensitive to cultural nuances. I have been lucky to have the chance to work on a range of areas including compliance-based and ethics issues, whistleblowing, post M&A integration, downsizing and restructuring, and also led on the roll-out of employee engagement surveys where very high engagement scores were achieved.

#### YOUR CURRENT ROLE

At present, I work for Stephenson Harwood which has eight offices across the Middle East, Europe, and Asia. Our Middle East regional office is in the UAE and has over 70 people, including 16 partners.

Our firm provides a full service offering in the region covering banking and finance (including Islamic finance), corporate and commercial law, dispute resolution and international arbitration, financial services regulatory work, insurance, private wealth, projects and construction.

A particular strength for us in the region is being one of the few international law firms with specialist expertise in employment law.



Our Middle East team has experience in common and civil law, including freezone laws and regulations. We act for international, locally listed and private-owned companies, institutions, private equity firms, sovereign wealth funds and high-net worth individuals and families throughout the region. I am most proud of my day-to-day role as an employee champion and strategic business partner.

Regular dialogue with colleagues and leaders helps me to stay connected with our people, and influence business decisions including helping to shape some of our industry's leading people policies and programmes.

#### CURRENT TRENDS

This is a transformative time for the legal sector, and we are working on leveraging AI and technological advances to enhance human capabilities and client services, and to mitigate cyber risk.

There is also a shift towards competitive, clear, predictable pricing and billing models. Within HR, people's well-being is a top priority alongside diversity and inclusion, and promoting social and geographical mobility.

#### WHAT TO BE MINDFUL OF

The DIFC's landmark ruling in recent case law in the area of discrimination has shown how crucial it is for HR leaders region-wide to continue to invest in regular training and implement robust practices in this area.

Our firm has consistently prioritised diversity and inclusion, embedding policies and regular workplace behaviour training to raise awareness and ensure a

**PRACTITIONER PERSPECTIVE**



**Dhana Pillai**  
Cygal Attorneys

Dhana Pillai of Cygal Attorneys explains the UAE’s groundbreaking requirements for female representation on the boards of all public and private Joint Stock Companies.

A UAE Ministerial decision, Ministerial Decision No. 137/2024, which came into force on 1 January 2025 has introduced a significant new requirement that at least one female board member must be represented on the boards of Private Joint Stock Companies with statutory boards. Previously, this requirement which was originally brought in on 14 March 2021 by an amendment by the UAE Securities and Commodities Authority (SCA) to the Corporate Governance Guide for PJSCs, only applied to Public Joint Stock Companies (PJSCs) which were listed on the Abu Dhabi Securities Exchange (ADX) or the Dubai Financial Market (DFM). However, this new regulation which is applicable to Private Joint Stock Companies is part of a broader effort to enhance gender diversity within corporate governance structures in the UAE. Ministerial Decision No. 137/2024, regulates the work of the Registrar, controls for Private Joint Stock Companies, and sets governance rules. It was issued on 30 July 2024 and came into force on 1 January 2025. Article 63 of Ministerial Decision No. 137/2024 now requires there to be at least one seat for a woman on the board of every applicable company. This requirement takes effect at the end of the term of the board of directors from the date the decision comes into force. This means, any new board elections which take place after 1 January 2025, will need to comply with Article 63 of Ministerial Decision No. 137/2024. Under the previous rules, applicable companies had to have a minimum female representation of 20% on their boards but had the option to disclose reasons for non-compliance. Under the new rule, this flexibility has been removed, and female representation is now a mandatory requirement. Non-compliance will now be treated as a failure to meet governance standards, and companies

will be unable to merely explain their inability to meet the requirement. This new rule specifically applies to UAE-based Private Joint Stock Companies. The SCA’s amendments applied to companies listed on the DFM and those established in UAE free zones that were subject to the Governance Code, in accordance with the DFM Regulations for Listing Free Zone Companies. Under Federal Decree No. 32/2021, the term of office for a board of directors should not exceed three years, as specified in the company’s Articles of Association (AOA). It is important to note if a board’s term expires, and it is not reconstituted within six months, the General Assembly is required to elect new directors. If this does not occur, the relevant Competent Authority can intervene and appoint new directors. The changes brought in by the new rule may mean that amendments have to be made to companies’ AOA on gender diversity. In addition, companies will also have to make sure they have sought out suitably qualified female candidates for these roles and have also obtained shareholder approval. The UAE Ministry of Economy and local authorities are responsible for overseeing these governance rules are properly implemented. They have departments in each of the emirates, such as the Department of Economic Development which support economic development. The SCA and the Ministry of Economy are responsible for making sure companies comply with the new regulations. Those who fail to do so could face several penalties, including administrative sanctions under Cabinet Decision No. 102/2022 the Regulation on the Administrative Penalties for Acts Committed in Violation of the Provisions of Federal Decree-Law No. 32/2021 on the Commercial Companies. The Ministry of Economy can also require that boards be restructured to meet these gender diversity requirements. Companies must also disclose non-compliance to regulators.

respectful, inclusive workplace for everyone. The UAE’s January 2025 requirement for mandatory female inclusion in board positions of joint-stock private companies, is a progressive step toward gender diversity.

The region must continue to adjust recruitment and governance strategies to foster gender-balanced leadership and develop successful workplace cultures. As the UAE sets this global precedent, our proactive steps on diversity in the workplace will help encourage equality and create opportunities.

**CHALLENGES**

According to World Health Organisation research, mental health is a top five global challenge at present. I believe it is important to support our people’s well-

being, and recognise people have different personal and professional, pressures.

We have a range of approaches and policies to help with this including our benchmark-setting global fertility and pregnancy loss policies and employee assistance programme – but the key point is in how we apply these in practice and ensure we are taking a consistent, compassionate approach to colleague well-being.

Another challenge in the legal sector is attracting and retaining top talent, including expatriates and nationals.

In HR, agile, empathetic leadership and constructive feedback allows for tailored solutions and is key to productivity across diverse, multi-generational teams, whether working in-person or remotely.

# MOVES AND CHANGES

A ROUND-UP OF BUSINESS NEWS, APPOINTMENTS AND PROMOTIONS

## COOL LEADERSHIP

Tabreed, the leading district cooling utility company in the GCC, which is based in the UAE, has appointed Dalal Al Yafei as its new Vice President of Human Capital. In this new position, Dalal will oversee human capital strategies and drive initiatives which align with Tabreed's work on sustainability, innovation and operational excellence. Prior to taking on her new role, she spent nine months as the company's Acting Vice President of Human Capital, during which time she successfully spearheaded leadership initiatives and contributed to strategic planning. She also worked for over two years as Tabreed's Senior Manager - Talent Acquisition. Other previous positions have included time spent in HR generalist roles, as a Human Capital Business Partner and a Recruitment specialist at the Cleveland Clinic, Etihad Rail and the Corniche Hospital in Abu Dhabi.

## GASTRONAUT'S NEW STAR

Gastronaut Hospitality has appointed Uchenna Okpara Izuagba as their new Chief Human Resources Officer (CHRO). In this strategic leadership role, Izuagba will oversee HR operations across the company's diverse portfolio of brands, including Trove, BOHOX, GMC, and others, across the UAE, Qatar, Oman, and Saudi Arabia. The company has over 1,100 employees working with those multiple brands across the Middle East. His focus will be on enhancing employee engagement and streamlining HR processes to support the company's regional growth. Previously, Izuagba was Gastronaut Hospitality's Human Resources and Training Director. During that time he developed employee handbooks, created standard operating procedures and implemented training programmes. He has also worked in the past for Q Food & Beverage and the Galliard Restaurant. Early on in his career he worked as a host and designated trainer for The Cheesecake Factory in Dubai.



Resources strategy, and oversee all aspects of talent management, including workforce planning, recruitment, succession planning, compensation, and benefits.

Fahad has over 15 years of experience of working in human resources. Prior to joining Alba, he held senior leadership positions at a number of Bahraini companies including Beyon (Bahrain Telecommunications Company), Bahrain International Circuit, KPMG – Bahrain & Qatar and Ernst & Young – Europe, Middle East, India and Africa (EMEIA). Fahad has an MBA from the University of Strathclyde and a BSc in Business Administration from the New York Institute of Technology

## DOING WELL

Majid AlMegil has been appointed as the Chief People Officer (CPO) at the King Faisal Specialist Hospital and Research Centre (KFSH&RC) in Saudi Arabia. The hospital has facilities in Riyadh, Jeddah and Madinah and over 16,000 employees. In this new role he will be responsible for overseeing the human resources

## SMELTING SUCCESS

The world's largest aluminium smelting company, Aluminium Bahrain BSC (Alba) which is based in Bahrain has appointed Fahad Mohamed Abdulla Danish as its new Chief Human Resources Officer (CHRO). Fahad will lead the Human

strategy, driving workforce development, organisational transformation and talent management. Before joining the hospital, he was the General Manager of Human Resources at the Communications, Space & Technology Commission (CST). He also held a part-time role as Acting General Manager of Human Resources for the Saudi Space Commission and spent time as Deputy Minister for HR Innovation and Excellence at the Saudi Ministry of Human Resources and Social Development. AlMegil began his career as a Process Engineer at an advanced electronics company and believes it is this which has given him the foundation for his analytical and strategic approach to HR.

## A WINNING MOVE

AlgoSoftware, a UAE business which provides pre-calculated solutions for games and is working towards becoming a household name in the gaming AI sector has appointed Diksha Hinduja Upadhyay as their new Head of Human Resources.

Diksha, previously worked at AntWorks, where she held various roles including Vice President of HR in Dubai, Associate Vice President of HR and Senior Manager of HR.

Prior to that she spent eight years with Capita India Pvt Ltd as Manager and Assistant Manager of HR. However, her HR career began with AXA Business Centre Pvt Ltd where she was a Human Resources Specialist. She hopes to be able to help create a progressive workplace culture in her new role which will support AlgoSoftware's technological enhancements in the gaming industry. Her responsibilities will include leading HR operations, and driving the company's organisational development and talent strategy. During her three year term at AntWorks she led high-impact HR projects, championed diversity and inclusion and supported HR transformation.

## OTHER CHANGES

**Abdul Latif Jameel:** Mohammed M Al Najjar is now Head of Talent Management and Development at the Saudi based conglomerate, Abdul Latif Jameel.

## SEND US YOUR NEWS

If you have news of an appointment or promotion within the legal or financial professions you would like to see reported in Lexis Middle East Law, please send details to: [bonolo.malevu@lexisnexis.co.za](mailto:bonolo.malevu@lexisnexis.co.za)



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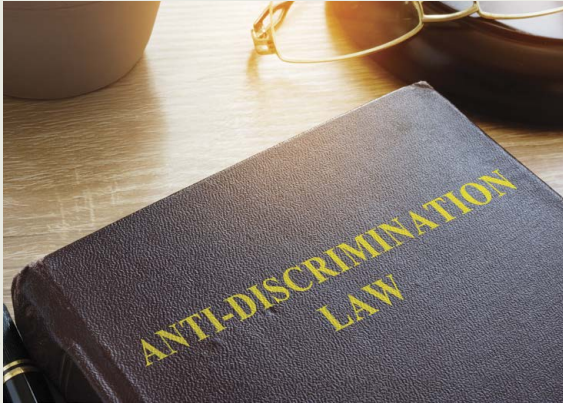
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## Anti-discrimination



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In September 2023, the UAE enacted a specific law Federal Decree Law No. 34/2023 on Combating Discrimination, Hatred, and Extremism. This law does not specifically relate to discrimination in the workplace, particularly in the private sector but it has criminalised and led to penalties for all types of discrimination, hate speech and blasphemy.

There are also specific provisions in the DIFC Employment Law (Article 43, 54 and 59 of DIFC Law No. 2/2019) which prevent employers from discriminating against employees, require them to ensure workplaces are discrimination free and make them liable for employees' conduct. Article 4(1) of Federal Decree-Law No. 33/2021 (the UAE Labour law) also prohibits discrimination on the basis of certain characteristics which would impair equal opportunities or prejudice equality in obtaining or continuing a job and enjoying the rights. Middle Eastern countries including the UAE have made positive strides in aligning with global best practices prohibiting discrimination and have included in legislation provisions that prohibit discrimination based on several protected characteristics. Both UAE and DIFC Employment Law include specific characteristics such as race,

colour, sex, religion, national origin, social origin, or disability. However, it is worth noting that colour is a specific protected characteristic under UAE Employment Law but not DIFC Employment law.

In many countries in the region, anti-discrimination laws do not always explicitly cover areas such as sexual orientation and gender identity which appear in the law in some other jurisdictions, as this can be construed as being against public morality in the Middle East. However, anti-discrimination law is strict and does not excuse any type of discrimination, hate speech or blasphemy. It also includes more protected characteristics than those specifically listed in the UAE Employment Law and the DIFC Employment Law.

### POLICY OBLIGATIONS

Employers in the UAE should create anti-discrimination policies that raise awareness among employees and management about the consequences of workplace discrimination. While DIFC Law No. 2/2019 allows employees to claim compensation for discrimination, UAE Employment Law does not explicitly provide this right, unlike some jurisdictions where compensation and punitive damages are available. However, employers must still adopt a robust approach to avoid reputational harm from discrimination complaints. Although UAE laws do not mandate anti-discrimination training or reporting mechanisms, employers are implicitly responsible for maintaining a discrimination-free workplace under DIFC and UAE employment laws. Regular, tailored training for managers and HR professionals is essential, along with workshops to ensure understanding and implementation.

Training should cover anti-

discrimination laws, employee rights, and consequences of violations. Employers should establish separate, trustworthy complaints channels to provide employees a safe space to report issues. Policies should also extend to social media, ensuring employees' online comments or posts do not foster discrimination or harm the workplace environment. Consulting legal experts familiar with UAE court decisions on discrimination can also help employers refine these policies effectively.

### PRACTICAL ISSUES

Employers in the UAE and the Middle East often face challenges due to the diverse cultural backgrounds of their largely expatriate workforce. Workplaces become melting pots of varying beliefs, requiring employers to respect and reflect this diversity in their policies. Resistance from employees or management accustomed to traditional practices may arise, so careful training and policy implementation is needed. However, the unclear scope of UAE anti-discrimination laws may complicate compliance, and has prompted many employers to adopt international best practices. It is possible the UAE courts and legislators may expand protected categories in the future, potentially covering socio-economic status and intersecting identities. For instance, the recent DIFC case *Shiraz Mahmood v Standard Chartered Bank* (DIFC Case No. 044/2021) examined discrimination involving colleagues of similar racial backgrounds but differing nationalities. Anticipated developments include mandatory training programs, internal policies, and the establishment of specialist bodies to monitor compliance and address grievances.



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