

**ABU DHABI FREE ZONE (ADFZ)**  
**EMPLOYMENT REGULATIONS**

**DEC 2011**

## CONTENTS

Clause	Page
1. Interpretation and Application.....	1
2. Employment of Sponsored and Non-Sponsored Employees.....	3
3. Entry Permits and various other Visas and Permit.....	5
4. Medical Cover for Employees Sponsored by ADFZ.....	6
5. Health and Safety.....	6
6. Third Party Liability and Worker's Compensation Insurance.....	6
7. Salary Certificates for Sponsored Employees.....	7
8. Recruitment of Employees and Employment Conditions.....	7
9. Resolution of Labour Disputes.....	8
10. Fines Imposed on Licensees for Violation of the Regulations.....	8

## **ABU DHABI FREE ZONE (ADFZ)**

### **1. INTERPRETATION AND APPLICATION**

#### **1.1 Short Title And Commencement**

These Regulations (as amended from time to time) are to be referred to as Abu Dhabi Free Zone (ADFZ) Employment Regulations.

#### **1.2 Interpretation**

(a) In these Regulations unless the context otherwise requires:

**ADPC** means the Abu Dhabi Ports Company or any other entity or company designated by it (including ADFZ) to carry out its functions under the Licensing Regulations, and which is tasked with the responsibility of procuring employment related services for the Employees of the Licensee in ADFZ, including, but not limited to the issue of, entry permits, various types of visas, work permits, identification cards, medical certificates, medical tests and other Employee related matters to enable the Employees to work in ADFZ;

**AED** means the lawful currency of the UAE;

**Decree** means the Decree No 6 of 2006 in respect of the establishment of Abu Dhabi Ports Company "Public Joint Stock Company" as amended from time to time;

**Employee** means any individual authorised by ADFZ to work for a Licensee who has a valid Employment Contract;

**Employer** means any Licensee employing one or more Employees with Remuneration;

**Employment Contract** means a valid written employment contract signed by Employer and Employee governing the employment relationship between them, whether for a limited or unlimited period of time;

**Health, Safety, Security and Environment Department** means the health, safety, security and environment department in ADFZ;

**Immigration Law** means Federal Law No. 6 of 1973, as amended or re-enacted from time to time, together with any applicable ministerial resolutions and directions as may be issued from time to time;

**ADFZ** means Abu Dhabi Free Zone LLC with Commercial License No CN-1280435 and those areas located within Khalifa Industrial Zone Abu Dhabi designated as free zones by Executive Council Resolution No.59 of 2010 (concerning land plots designated for Abu Dhabi Ports Company as a free zone area), as such areas may be varied or extended from time to time and such other areas in Khalifa Industrial Zone Abu Dhabi as may be designated as free zones from time to time

**Licence** means a licence issued pursuant to the Licensing Regulations;

**Licensee** has the meaning given to it in the Licensing Regulations;

**Licensing Regulations** means ADFZ Business Licensing Regulations, as amended from time to time;

**Personnel Sponsorship Agreement** means the agreement concluded between ADFZ (and/or a company authorized by ADPC for this purpose and references to ADFZ in this context shall be construed as references to ADPC or any such authorized company as the case may be) and a Licensee whereby ADFZ agrees, subject to the terms and conditions therein; to sponsor Employees for employment by a Licensee by procuring the Employees' entry permits and residence visas;

**Remuneration** means payments (in any form whatsoever) made to an Employee on an annual, monthly, weekly, daily, hourly, piece work, production or commission basis in return for the work the Employee performs under an Employment Contract;

**Sponsor** means to sponsor a person for legal residence in the UAE in compliance with the requirements of the Immigration Law;

**Third Party Liability Insurance** means insurance cover pursuant to these Regulations and the Personnel Sponsorship Agreement;

**Transfer** means a transfer of the employment of and responsibility for an Employee, from one Licensee to another Licensee;

**UAE** means the Federal State of the United Arab Emirates;

**UAE Labour Law** means Federal Law No. 8 of 1980, as amended or re-enacted from time to time, together with any applicable Ministerial resolutions and directions issued by the Ministry of Labour;

**Workers Compensation Insurance** means insurance to cover compensation to an Employee and all related medical expenses in respect of any employment injury pursuant to these Regulations; and

**Working Day** means all weekly days except Friday and any public holidays announced by the Government of the UAE for Employees working in the private sector in the UAE (including free zones); and

- (b) A reference in these Regulations to a Clause without further identification is a reference to Clause in these Regulations.
- (c) The headings herein are included for convenience of reference only and shall be ignored in the construction or interpretation of these Regulations.
- (d) References in these Regulations to time periods are to be construed in accordance with the Gregorian calendar.
- (e) References in these Regulations to any requirement for any document to be written, in writing, to be presented in writing or for the giving of any notice are to be construed as satisfied by an electronic record and any references in these Regulations to any requirement for a signature on any document or notice are to be construed as satisfied by an electronic signature which may be proved in any manner.
- (f) References to the male gender shall also include the female gender unless the context otherwise requires.

### **1.3 Application**

These Regulations apply to all Licensees and these Regulations shall regulate the employment relationship and all related matters between a Licensee and its Employee(s).

## **2. EMPLOYMENT OF SPONSORED AND NON-SPONSORED EMPLOYEES**

### **2.1 Sponsorship of Employees by ADFZ**

- (a) Where a Licensee desires an Employee to be sponsored by ADFZ, the Licensee shall first enter into a Personnel Sponsorship Agreement with ADFZ in the form prescribed by it.
- (b) Where ADFZ sponsors an Employee for employment by a Licensee, it shall, at all times, be the responsibility of the Licensee to pay the Employee's Remuneration and any other payments and emoluments due to the Employee (and whether in connection with his employment or in relation to the circumstances of his dismissal) and in accordance with the terms of his Employment Contract and any applicable laws and regulations. ADFZ shall not be responsible in any way whatsoever for any entitlements of an Employee, including without limitation, any entitlements to Remuneration or end of service payments.
- (c) Where an Employee is sponsored by ADFZ he shall only work in ADFZ but he may reside and move freely in the UAE.
- (d) ADFZ may permit, in its absolute discretion, a sponsored Employee to work outside ADFZ:
  - (i) to carry out any specialist consultancy, advisory or installation or repair and maintenance work on behalf of the Licensee; or
  - (ii) to perform any other activity in furtherance of the business of the Licensee.
- (e) Any Employee sponsored by ADFZ shall only work for the Licensee who is at any given time the Employer of the Employee.
- (f) A Licensee shall not recruit, employ or otherwise make use (either temporarily or permanently) of an Employee who is already employed by another Licensee, unless ADFZ first permits a transfer, in writing, of that Employee.
- (g) Subject to Clause 2.1(h)), ADFZ will accept a request for a transfer of an Employee provided that:
  - (i) both Licensees and the relevant Employee consent to the transfer in writing;
  - (ii) the receiving Licensee has a valid Personnel Sponsorship Agreement with ADFZ; and
  - (iii) the Employee confirms in writing that he has received from the transferring Licensee, all outstanding amounts (including without limitation, any end of service benefits under applicable laws and regulations) or alternatively, where the Employee confirms that it has received a binding commitment from the receiving Licensee that it will be responsible for paying any such accrued entitlements to the Employee (in such manner as is agreed between the Employee and the receiving Licensee.
- (h) Where the consents stated in Clause 2.1(g)(i) (other than the consent of the Employee) or the confirmation stated in Regulation 2.1(g)(iii) have not been obtained, ADFZ may nonetheless approve a transfer if ADFZ determines, in its absolute discretion, that it is reasonable in all the circumstances to approve that transfer.
- (i) Where ADFZ does not approve a transfer, ADFZ may cancel its sponsorship of the Employee, and in that event the Employee shall not be permitted to work for a new Employer unless a valid entry permit and residence visa have been obtained. The provisions related to payment of all outstanding

amounts stated in Clause 2.1 (g) (iii) shall be binding on the Licensee with whom the Employee has a Employment Contract prior to ADFZ cancelling its sponsorship.

- (j) ADFZ may, in its absolute discretion, limit the number of Employees which ADFZ will be willing to sponsor for a Licensee.

## **2.2 Bank Guarantee for Sponsored Employees**

- (a) Pursuant to the terms and conditions of the Personnel Sponsorship Agreement, a Licensee shall lodge with ADFZ a bank guarantee in a standard form approved by ADFZ in respect of the obligations of the Licensee to each anticipated non UAE national Employee, and non-Gulf Co-Operation Council (GCC) Employee, to be sponsored by ADFZ on behalf of the Licensee, subject to any specified maximum number ADFZ may prescribe.
- (b) ADFZ may waive, in its absolute discretion the requirement for a bank guarantee in whole or in part.
- (c) For the purposes of calculating the value of a bank guarantee for sponsored non UAE and non-GCC national Employees, the value shall be ascertained as a fixed amount per sponsored non UAE national and non-GCC Employee and shall be such amount as ADFZ shall, in its sole discretion, determine from time to time.
- (d) ADFZ may amend the amount of the bank guarantee by notice to the Licensee from time to time and the Licensee shall provide ADFZ with an amended or replacement bank guarantee within thirty (30) days of such notice.

## **2.3 Employment of Employees not sponsored by ADFZ**

- (a) Subject to the prior written approval of ADFZ, Licensees may employ Employees who are not sponsored by ADFZ (a non-sponsored Employee) , either temporarily or permanently, provided the non-sponsored Employee:
  - (i) is a female sponsored by her relative; or
  - (ii) is already working for a company which is registered in the UAE (including without limitation, any of its free zones) and where that company is the controller of the Licensee or is closely linked to the Licensee as those terms are defined in the Licensing Regulations;
- (b) Where ADFZ approves a Licensee's application to employ a non-sponsored Employee, the Licensee shall acquire an appropriate identity card for the non-sponsored Employee, as detailed in Clause 3.1(f), so that the Employee may freely enter and leave ADFZ.
- (c) Where the non-sponsored Employee is to be employed by a Licensee temporarily, the Licensee must apply to ADFZ for prior approval to obtain a temporary access pass.

## **2.4 Employment of persons not approved by ADFZ**

- (a) No Licensee shall employ a person who is not sponsored by ADFZ under Clause 2.1 or not approved by ADFZ under Clause 2.3.
- (b) A person who works for a Licensee and who is not sponsored by ADFZ under Clause 2.1 or otherwise approved by ADFZ under Clause 2.3 shall not be recognised by ADFZ as an Employee for the purposes of these Regulations.

- (c) ADFZ shall have the right to exercise the powers granted to it under clauses 5, 6 and 7 of Part 3 of the Licensing Regulations to confirm the status of Employees and other persons at the premises of a Licensee in ADFZ.

### **3. ENTRY PERMITS AND VARIOUS OTHER VISAS AND PERMIT**

#### **3.1 Permits and passes for working in and entering ADFZ**

- (a) All Employees shall carry and display at all times an appropriate identity card issued by ADFZ (**ID Card**).
- (b) The ID Card shall serve as a means of Employee identification in ADFZ in lieu of the Employee's passport or the UAE identification card.
- (c) Subject to Clause 3.1(l), a valid ID Card shall permit an Employee:
  - (i) to enter into ADFZ;
  - (ii) to work in ADFZ for the Licensee with whom the Employee is employed.
- (d) In the event that an Employee loses his ID Card, ADFZ may charge a fee to issue a replacement ID Card to an Employee.
- (e) ADFZ may issue a temporary ID Card in the following circumstances:
  - (i) where an Employee has commenced working for a Licensee, pending the issue of a permanent ID Card; or
  - (ii) in the event an Employee loses his permanent ID Card pending the issue of a replacement ID Card.
- (f) ADFZ shall issue an ID Card to an Employee who works for a Licensee in ADFZ and is sponsored by a party other than ADFZ as described in Clause 2.3(a).
- (g) Where a person wishes to enter ADFZ to visit a Licensee, the Licensee shall apply to ADFZ's security department for a visitor's day pass. The Licensee shall provide such identification information to ADFZ's security department personnel as is requested by ADFZ's security department.
- (h) ADFZ shall have the right to charge a Licensee for any passes, permits and/or visas issued in respect of the Licensee's Employees and visitors, in accordance with a schedule of tariffs issued by ADFZ.
- (i) Where an Employee ceases to work for a Licensee or a Licensee does not know the location of an Employee and the Licensee has been unable to make contact with an Employee for a period of more than five days despite reasonable efforts on the part of the Licensee, it shall be the responsibility of the Licensee to inform ADFZ and to return to ADFZ, as soon as is reasonably possible, the relevant permit(s) and/or pass(es) issued to that Employee, together with the Employee's passport, where the Employee is sponsored by ADFZ under Clause 2.1, for cancellation of the residence visa.
- (j) Where a Licensee fails to comply with its obligations under Clause 3.1(i), and where the Employee is sponsored by ADFZ as set out in Clause 2.1, then it shall become the responsibility of the Employee to return the Employee's passport to ADFZ for cancellation of the residence visa.

- (k) Where both the Licensee, and thereafter the Employee, fail to attend to the obligations set out in Clauses 3.1(i) and 3.1(j), ADFZ may, in its discretion, take such further action as ADFZ deems fit including registering the Employee as an absconder under the terms of the Immigration Law.
- (l) The health, safety, security and environment department may, in exceptional circumstances pertaining to the security of ADFZ and to persons working in ADFZ, deny entry to ADFZ for such periods as are reasonable in all the circumstances.

### **3.2 Employees' passports**

A Licensee may not retain the passports of Employees under any circumstances.

## **4. MEDICAL COVER FOR EMPLOYEES SPONSORED BY ADFZ**

### **4.1 Medical cover for sponsored Employees**

- (a) Subject to the payment of the applicable fees, medical cover for Employees sponsored by ADFZ may be arranged through the Health Authority – Abu Dhabi (**HAAD**). Where a sponsored Employee requires hospital treatment, he may obtain treatment at any government hospital in Abu Dhabi.
- (b) It shall be compulsory for a Licensee to obtain a government health card from HAAD in respect of every sponsored Employee and also obtain a medical fitness certificate for each Employee from a government hospital and/or clinic. ADFZ shall not procure a residence permit for an Employee unless a valid medical fitness certificate has already been issued by an authorised government hospital and/or clinic in the Emirate of Abu Dhabi.

## **5. HEALTH AND SAFETY**

### **5.1 Accidents in the workplace**

- (a) In the event an Employee suffers any serious or fatal accident, the Licensee shall report the accident to ADFZ
- (b) ADFZ shall subsequently notify the Abu Dhabi Police.
- (c) In addition to the provisions of clause 5.1(a), the Licensee shall maintain written or electronic records of every accident that any Employee suffers at the Licensee's place of work or during the performance of his employment duties.
- (d) In order to minimise accidents in the workplace, each Licensee shall follow and implement, and shall require its Employees to follow and implement, the safety and injury prevention programme as set out in 5.1 (e).
- (e) The Licensee shall comply with the relevant provisions of the ADFZ Rules and Regulations on matters related to Health, Safety, Security and Environment.

## **6. THIRD PARTY LIABILITY AND WORKER'S COMPENSATION INSURANCE**

### **6.1 Employer's insurance cover**

- (a) Every Licensee shall take out and maintain insurance cover in respect of third party liability or public liability insurance and worker's compensation insurance in accordance with the requirements of the Personnel Sponsorship Agreement.



- (b) A Licensee's worker's compensation insurance shall include cover for every employment injury and/or disability and related medical expenses in accordance with the UAE Labour Law.
- (c) A Licensee shall, at the request of ADFZ, lodge with ADFZ a copy of its insurance policy both in respect of third party liability insurance and worker's compensation insurance.

## **7. SALARY CERTIFICATES FOR SPONSORED EMPLOYEES**

### **7.1 Attestation of salary certificates by ADFZ for sponsored Employees**

Where a Licensee has entered into an Personnel Sponsorship Agreement with ADFZ, ADFZ, shall, at the request of a sponsored Employee of the Licensee, attest a salary certificate for that Employee comprising the following information:

- (a) the name of the employing Licensee;
- (b) the name of the Employee;
- (c) the monthly salary of the Employee;

provided the information is consistent with that information held for the Employee by ADFZ.

## **8. RECRUITMENT OF EMPLOYEES AND EMPLOYMENT CONDITIONS**

### **8.1 Recruitment of Employees under the sponsorship of ADFZ**

- (a) Where a Licensee recruits an Employee who is to work for the Licensee under the sponsorship of ADFZ, the Licensee shall be responsible for the following costs:
  - (i) the cost of processing the Employee's entry permit;
  - (ii) the cost of the Employee's air ticket from the Employee's point of origin to Abu Dhabi;
  - (iii) the cost of processing the Employee's residence permit;
  - (iv) the cost of processing the Employee's health card;
  - (v) the cost of renewal of the Employee's residence permit and health card, including the cost of a medical fitness certificate.
- (b) The Licensee is prohibited from charging these costs to the Employee or from recouping the costs by making deductions from his salary.
- (c) The terms and conditions of employment for Employees recruited by Licensees but sponsored by ADFZ shall be a matter of negotiation between the Employer and the Employee, subject to the terms of Employment Contract at all times complying with the terms and conditions of the UAE Labour Law.
- (d) ADFZ shall have the right to require Licensees to observe the rules regulating the relationship between them and their respective Employees as provided in these Regulations.
- (e) Every Employee shall sign an Employment Contract which sets out the minimum acceptable terms and conditions of employment for Employees working in ADFZ which shall be the minimum terms and conditions prescribed under the UAE Labour Law.

- (f) A Licensee shall submit an entry permit, passport and Employment Contract in respect of every new Employee within forty eight (48) hours of the Employee's arrival in Abu Dhabi to ADFZ.
- (g) Working conditions for Employees, including but not limited to, hours of work, holiday leave entitlement, end of service benefits and termination of employment shall as a minimum be as set out in the UAE Labour Law.

## **8.2 Transfer of employment to another Employer**

Where an Employee transfers his employment to another Employer, his Employment Contract shall be deemed to have ended and his period of employment with the former Employer shall not be treated as continuous unless special arrangements to the contrary are agreed in writing between the parties and ADFZ has given its approval.

## **9. RESOLUTION OF LABOUR DISPUTES**

### **9.1 Resolution of labour disputes between Employers and Employees**

- (a) ADFZ shall not be responsible for the resolution of any labour disputes arising between a Licensee and an Employee.
- (b) In the event of a labour dispute arising between a Licensee and an Employee, ADFZ will, on the application of either the Licensee or the Employee, issue a letter on behalf of ADFZ referring the dispute to the Ministry of Labour. The Ministry of Labour may, in turn, refer the matter to the Abu Dhabi Courts.
- (c) No labour dispute may proceed direct to either the Ministry of Labour or the Abu Dhabi Courts without first being referred thereto by ADFZ under the provisions of Clause 10.1(b).
- (d) ADFZ will not refer a labour dispute under the provisions of Clause 9.1(b) where Clause 2.4(b) applies.
- (e) ADFZ shall implement any decision or order of the Ministry of Labour or the Abu Dhabi Courts with respect to a labour dispute.

## **10. FINES IMPOSED ON LICENSEES FOR VIOLATION OF THE REGULATIONS**

### **10.1 General**

- (a) A Licensee shall not be allowed to rely on ignorance of these Regulations as an excuse for its failure to comply with them.
- (b) ADFZ reserves the right to impose a ban on the entry and/or exit of a Licensee's Employees where, after receiving a warning, the Licensee fails to remedy a violation of these Regulations.
- (c) Without prejudice to the specific powers in certain sections of these Regulations to prescribe matters or issue implementing regulations and notwithstanding the absence of such powers in certain other sections, ADFZ may, by a decision of the chief executive officer of Abu Dhabi Ports Company PJSC, make implementing regulations from time to time to prescribe any matter to be prescribed under these regulations or for the better carrying out of these Regulations including by amending or supplementing these Regulations.

## 10.2 Employment Violations

- (a) Where a Licensee is found to be illegally employing Employees of other Licensees in breach of the provisions of these Regulations, ADFZ may impose a fine of AED 5,000 for each such illegal Employee on the employing Licensee and the Employee shall also receive a warning.
- (b) Where a Licensee is found to be illegally employing persons who are not sponsored by ADFZ under Clause 2.1 or not approved by ADFZ under Clause 2.3, ADFZ may impose a fine of AED 10,000 for each such Employee on the employing Licensee. Where a Licensee continues to employ Employees or other persons illegally, ADFZ shall have the right to increase the fine imposed on the employing Licensee to AED 15,000 for each such Employee.
- (c) Where a Licensee fails to renew the residence and employment visa of its Employees (each, an **RE Visa**) thirty (30) days from the date that the Employee's RE Visa expires, ADFZ may impose a fine on the employing Licensee of AED 2,500 for each such Employee. Where the period of failing to renew the RE Visa is greater than ninety (90) days after the RE Visa expired, the fine may be increased to AED 5,000 for each such Employee.
- (d) Where a Licensee supplies Employees sponsored by ADFZ to work for the Licensee for the use of third parties (including without limitation, other Licensees, unless permitted by ADFZ), ADFZ may impose a fine on the supplying Licensee of AED 10,000 for each such Employee and cancel the RE Visa of any such Employees.
- (e) Where a Licensee fails to cancel a RE Visa within thirty (30) days of the date of termination of employment of an Employee or thirty (30) days from the date that the Employee's RE Visa expires, whichever occurs first, ADFZ may impose a fine on the Licensee of AED 2,500 for each such Employee. Where the period of failing to cancel the RE Visa is greater than ninety (90) days after an Employee has left the employment of the Employer, or ninety (90) days after the RE Visa expired, whichever occurs first, the fine may be increased to AED 5,000 for each such Employee.
- (f) Where the RE Visa of an Employee of a Licensee is cancelled because the Employee has been continually out of the UAE for a period exceeding six (6) months, ADFZ may impose a fine on the employing Licensee of AED 5,000 for each such Employee.
- (g) Where a Licensee, in breach of Clauses 3.1(i) through 3.1(k), fails to inform ADFZ within 14 days of the Licensee knowing (or within 14 days from when the Licensee should reasonably have known) that an Employee cannot be located or has absconded within 14 days of the Licensee knowing, ADFZ may impose a fine on the Licensee of AED 5,000 for each such Employee. Any fines imposed under this Clause 10.2(g) are in addition to any other fines that may be imposed under Clause 10.2.
- (h) Where a Licensee employs a person sponsored by ADFZ on a visit or tourist visa (a **Visit Visa**) ADFZ may impose on the employing Licensee a fine of AED 5,000 for each such Employee.
- (i) Where a Licensee supplies persons sponsored by ADFZ on a Visit Visa for the Licensee for the use of or employment by third parties, ADFZ may impose a fine on the Licensee of AED 10,000 for each such Employee and cancel the Visit Visa of any such persons.
- (j) Where a Licensee fails to ensure that persons sponsored by ADFZ on a Visit Visa for the Licensee leave the UAE prior to the expiry of the Visit Visa ADFZ may impose a fine on the Licensee of AED 1,500 for each such person.

- (k) Where a Licensee continues to employ Employees or other persons illegally, ADFZ shall have the right to increase the fine imposed on the Licensee to AED 10,000 for each such Employee and suspend the Licensee's licence.
- (l) Where a Licensee has failed to pay any fines imposed by ADFZ (under Clauses 10.2(a) through Clause 10.2(k)) within a period of two (2) weeks following a suspension of the Licensee's licence under Clause 10.2(k), ADFZ may cancel the Licensee's Licence. Any cancellation of a Licensee's Licence under this Clause 10.2(k) is without prejudice to the obligation of the Licensee to pay any fines so imposed by ADFZ (under Clauses 10.2(a) through Clause 10.2(k)).
- (m) Nothing in this Clause 10.2 shall prejudice the right of ADFZ to impose any sanction or penalty under the Licensing Regulations 2011 including, without limitation, the authority of ADFZ to cancel, revoke or suspend the Licence of a Licensee as set out in Clause 13 of the Licensing Regulations. Any action by ADFZ to cancel, revoke, or suspend a Licensee's Licence under Clause 13 of Part 2 of the Licensing Regulations is without prejudice to the obligation of the Licensee to pay any fines so imposed by ADFZ under this Clause 10.2.

These Regulations shall come into effect in ADFZ on the date of its issuance.



Chief Executive Officer of Abu Dhabi Ports Company PJSC<sup>1</sup>

Issued in Abu Dhabi; Dec 2011

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<sup>1</sup> Authorised by ADPC Board of Directors