

MINISTERIAL RESOLUTION NO. (318) OF 2024 ON THE PROCEDURE FOR ADDRESSING ESTABLISHMENTS WITH REGISTERED EMPLOYEES THAT ARE NOT CONDUCTING THEIR LICENSED ACTIVITIES

Minister of Human Resources and Emiratization:

Having considered:

- Federal Law No. (1) of 1972 on the competencies of the Ministries and Powers of the Ministers as amended
- Federal Decree-Law No. (33) of 2021 concerning Regulation of Labor Relations as amended, and its executive regulations
- Cabinet Resolution No. (21) of 2020 concerning Service fees and administrative fines of the Ministry of Human Resources and Emiratization, as amended
- Cabinet Resolution No. (95) of 2022 on the violations and administrative penalties relating to initiatives and programs of the Emirati Cadres Competitiveness Council
- Ministerial Resolution No. (45) of 2022 concerning the establishment of a Grievance Committee to examine decisions issued by the Ministry of Human Resources and Emiratization
- Ministerial Resolution No. (48) of 2022 on Labor Inspection Procedures
- Ministerial Resolution No. (543) of 2022 regarding the administrative suspension of establishments
- Ministerial Resolution No. (296) of 2023 establishing the criteria for imposing administrative penalties conforming to Cabinet Resolution No. (95) of 2022 on the violations and administrative penalties relating to initiatives and programs of the Emirati Cadres Competitiveness Council
- In furtherance of labor administration interests

Resolved:

Article (1)

If the inspection processes and procedures of the Ministry provide evidence that an establishment fails to perform its licensed functions, but employs a number of

employees without a legitimate employment relationship, such establishments will be subject to the provisions of this resolution.

Article (2)

Business entities listed in Article (1) above, and their owners, will be subject to the following administrative sanctions until restrictions are observed and employees' conditions are resolved:

1. Suspension of all work permits issued to the establishment
2. Administrative fines will be imposed as set forth in Cabinet Resolution No. 21 of 2020, and the establishment will be reclassified as a category three establishment.
3. Immediately suspending all Ministry services to the violating establishment, except for the cancellation of a work permit or filing an absconding report, if the absence is proven in accordance with the Ministry's policies.
4. The suspension of all sole proprietorships and businesses owned exclusively by the owner of the violating business, while taking into account the unity of the partners, except for the cancellation of a work permit or filing an absconding report.
5. Inhibiting non-compliant owners from registering a new establishment in the Ministry's database.
6. The prescribed procedures in cases of fictitious Emiratisation will be applied if citizens are registered in these establishments.
7. Enforcing administrative and penal sanctions against these establishments in compliance with the provisions of the Federal Decree Law No. 33 of 2021, its executive regulations, and its implementation decisions.

Article (3)

An administrative decision shall be issued by the Undersecretary for Human Resources Affairs to enact the sanctions mentioned in Article (2) above against any establishment failing to actually engage in the licensed activity as defined in Article (1) of this Resolution.

Article (4)

A report on the violating establishments and the actions taken by the Ministry against them will be provided to all relevant authorities, including the Ministry of Economy, the Federal Authority for Identity and Citizenship, Customs and Ports Security, the Departments of Economic Development, Municipalities, Chambers of Commerce and Industry in the relevant emirate in order for these entities to pursue legal action against the owners and establishments in accordance with their policies and practices.

Article (5)

This Resolution shall be published in the Official Gazette and shall come into force from the date of its publication.

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

Signature appears

Issued by us on: 15-May 2024