



Glossary: UAE Employment Law Part 2

As in any area of law, local peculiarities also apply to labour regulations prevailing in the United Arab Emirates ("UAE"). With our glossary of UAE employment law, we make terms frequently used in employment relationships in the UAE understandable. Today, we will give you an overview of important documents that are typically required to establish an employment relationship in the UAE.

Offer Letter

The Offer Letter constitutes a preliminary stage of the employment contract. It covers the main parameters of a future employment relationship. These usually include the designation, salary, first working day, duration of the fixed term, probation period, annual leave days and notice period.

The Offer Letter is initiated by the employer and forwarded to the prospective employee for countersignature.

Employers located in the mainland of the UAE and therefore falling under the jurisdiction of the Ministry of Human Resources & Emiratisation ("MoHRE") must (also) use the standardised Offer Letter, called Job Offer, issued by MoHRE, provided the prospective employee applies for the residence visa through the employer.

Occasionally, free zone authorities, such as the Dubai Multi Commodities Centre Authority, also require the submission of an Offer Letter.

Standard Employment Contract

In mainland UAE, it is mandatory to use the Standard Employment Contract provided by MoHRE. The details mentioned therein are automatically extracted from the Offer Letter and cannot be changed.

Employers in certain free zones, such as the Jebel Ali Free Zone, are also required to use the Standard Employment Contract provided by the respective free zone authority. Other free zone bodies, such as the Dubai Multi Commodities Centre Authority or the Dubai Development Authority, allow the parties to use either the Standard Employment Contract or their own employment contract. The latter, however, requires that it is in compliance with UAE labour law regulations.

Additional Terms and Conditions

Since Standard Employment Contracts can only be customised to a very limited extent, it is common, especially for higher positions, to conclude supplementary agreements between the employer and the employee, so-called Additional Terms and Conditions.

Additional Terms and Conditions may include, for example, provisions on bonuses, commissions and relocation expenses, the use of company cars and non-compete obligations.

Additional Terms and Conditions should ideally refer to and not contradict the Standard Employment Contract to which they apply.

Do you have questions? – We would be glad to answer them!

From our office located in the heart of Dubai, our team of German attorneys has been advising small and medium-sized companies, corporations and individuals on the laws of the United Arab Emirates for more than 18 years. Our areas of expertise include corporate law (in particular business set-up), commercial agency law, employment law as well as tenancy and real estate law. We would be happy to attend to your questions as well. Contact us!

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