



# Sharjah Media City Free Zone Authority

## Employment Regulations 2017



## Table of Contents

<b>Part 1 - Definitions, application and interpretation</b>	<b>1</b>
<b>1 Short title and commencement</b>	<b>1</b>
<b>2 Definitions and interpretation</b>	<b>1</b>
<b>3 Application</b>	<b>3</b>
<b>4 Powers and authorities of the Authority</b>	<b>3</b>
<b>Part 2 - Recruitment of Employees and Employment terms</b>	<b>4</b>
<b>5 Recruitment of Employees under the Sponsorship of the Authority</b>	<b>4</b>
<b>6 Contract of Employment</b>	<b>4</b>
<b>7 Wages</b>	<b>5</b>
<b>8 No deductions or payments</b>	<b>5</b>
<b>9 Right to itemized pay statement</b>	<b>6</b>
<b>Part 3 - Sponsorship of Employees</b>	<b>6</b>
<b>10 Sponsorship of Employees by the Authority</b>	<b>6</b>
<b>11 Employment of Employees not sponsored by the Authority</b>	<b>7</b>
<b>12 Employment of persons not approved by the Authority</b>	<b>7</b>
<b>13 Emirates Identity Authority Card</b>	<b>7</b>
<b>14 Employees' passports</b>	<b>7</b>
<b>Part 4 - Termination of Sponsorship</b>	<b>7</b>
<b>15 Unilateral termination of Sponsorship by the Authority</b>	<b>7</b>
<b>16 Termination of Sponsorship at the request of the Company or Branch</b>	<b>8</b>
<b>17 Termination of Sponsorship at the request of an Employee</b>	<b>8</b>
<b>18 Consequences of Termination of Sponsorship</b>	<b>8</b>
<b>19 Transfer of employment to another Company or Branch</b>	<b>9</b>
<b>Part 5 - Health and safety</b>	<b>9</b>
<b>20 Duties of Companies or Branches</b>	<b>9</b>



<b>Part 6 - General issues</b>	<b>9</b>
21 <b>Company or Branch's insurance cover</b>	<b>9</b>
22 <b>Discrimination</b>	<b>10</b>
23 <b>Notifications and record keeping</b>	<b>10</b>
24 <b>General</b>	<b>10</b>
<b>Part 7 - Resolution of labour disputes</b>	<b>11</b>
25 <b>Resolution of labour disputes between Company or Branch and Employees</b>	<b>11</b>
<b>Annex 1 – Employment Violations and applicable fines and penalties</b>	<b>122</b>



## Sharjah Media City Employment Regulations 2017

### Part 1- Definitions, application and interpretation

#### 1 Short title and commencement

These Employment Regulations shall come into force on the date of their signature and are to be referred to as the Sharjah Media City Free Zone Authority (Shams) Employment Regulations 2017. These Employment Regulations may be amended or supplemented from time to time by the Authority.

#### 2 Definitions and interpretation

##### 2.1 In these Regulations:

**AED** means United Arab Emirati Dirham;

**Authority** means the authority of the Sharjah Media City established in the Emirate of Sharjah pursuant to the Decree;

**Branch** has the meaning given to it in the Companies Regulations;

**City** means the Sharjah Media City Free Zone Authority (Shams) established in the Emirate of Sharjah pursuant to the Decree;

**Companies Regulations** means the Sharjah Media City Free Zone Authority Companies and Licensing Regulations 2017 promulgated by the City, as may be amended from time to time;

**Company** has the meaning given to it in the Companies Regulations;

**Competent Authority** means any UAE or Emirate of Sharjah governmental, judicial or regulatory authority;

**Contract of Employment** means any agreement in writing, whether for a limited or an unlimited period of service concluded between a Company or Branch and an Employee whereby the Employee agrees to work in the Company or Branch's service, and under the Company or Branch's management and control, in return for remuneration which the Company or Branch agrees to pay;

**Decree** means Emiri Decree No.11 of 2017 establishing the Sharjah Media City Free Zone Authority (Shams);

**Electronic Record** has the meaning given to it in the Companies Regulations;

**Electronic Signature** has the meaning given to it in the Companies Regulations;

**Employee(s)** means any individual(s) authorised by the City to work for a Company or Branch in return of a Wage of any kind, for or work done or services provided under a Contract of Employment and under the Company or Branch's management and control;



**Employee Sponsorship Agreement** means the agreement concluded between the City and a Company or Branch whereby the City agrees, subject to the terms and conditions therein, on Sponsorship of Employees for employment by the Company or Branch by procuring the Employees' and where appropriate their dependants' entry permits and residence visas;

**Employment Regulations or Regulations** means these Sharjah Media City Free Zone Authority Employment Regulations 2017 promulgated by the City, as may be amended from time to time;

**Health and Safety Regulations** means the Sharjah Media City Free Zone Authority Health and Safety Regulations 2017 promulgated by the City, as may be amended from time to time;

**Licensee** has the meaning given to it in the Companies Regulations and who, for the purposes of these Regulations, employs Employees to perform services in return of a Wage of any kind;

**Regulatory Instrument** means any law, regulation, rule, code, decree, decision, direction, notice, policies, procedures or by-laws issued by the City or a Competent Authority;

**Sponsorship** means authorisation for an individual to work in the City whether on a permanent or temporary basis and reside in the UAE in compliance with the requirements of the UAE Immigration and Residence Law;

**Transfer** means a transfer of employment of and responsibility of an Employee, from one Company or Branch to another Company or Branch;

**UAE** means the United Arab Emirates;

**UAE Immigration and Residence Law** means Federal Law No.6 of 1973, as amended or re-enacted from time to time and any ministerial orders, decrees, resolutions, directions, circulars or regulations as may be issued under UAE Immigration and Residence Law;

**UAE Labour Law** means Federal Law No. 8 of 1980, as amended or re-enacted from time to time and any ministerial orders, decrees, resolutions, directions, circulars or regulations issued by the Ministry of Human Resources and Emiratization, including those in relation to employment of nationals of the Gulf Cooperation Council (GCC) member states or the UAE;

**Wages** means all payments made to an Employee in return for work done or services provided under a Contract of Employment including wages defined under Article 1 of the UAE Labour Law; and

**Working Day** means any calendar day except for a Friday and any public holiday observed by the Authority in the UAE.

2.2 In these Regulations, the terms City and Authority are used interchangeably where the context permits.

2.3 References in these Regulations to time periods are to be construed in accordance with the Gregorian calendar. A calendar year must be deemed as 365 days, and the month as 30 days, unless the Contract of Employment provides otherwise.



2.4 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.

2.5 In the event of any inconsistency in these Regulations or between these Regulations and any other applicable Regulatory Instrument, the Authority will determine the correct interpretation and each Licensee must be so bound.

### 3 Application

3.1 The UAE Labour Law, the UAE Immigration and Residence Law, these Regulations and any other applicable Regulatory Instrument must apply to a Contract of Employment of an Employee based within or who ordinarily works within or from the City.

3.2 The requirements of these Regulations and the UAE Labour Law are minimum requirements and a provision in a Contract of Employment to waive any of those requirements, except where expressly permitted, has no effect.

3.3 Nothing prevents a Company or Branch from engaging an Employee on terms and conditions of employment that are more favourable to the employee than those required by these Regulations and the UAE Labour Law.

### 4 Powers and authorities of the Authority

4.1 The Authority, in its absolute discretion, has the right to:

- (a) make directions or decisions in relation to any matter under these Regulations or any other Regulatory Instruments;
- (b) publish a list of sanctions for breaches of these Regulations;
- (c) ensure that Companies or Branches observe the rules regulating the relationship between the Company or Branch and Employee as provided in these Regulations and any other applicable Regulatory Instrument;
- (d) utilise the powers granted to it to confirm the status of Employees and other persons at the premises of a Company or Branch in the City;
- (e) impose any sanction or penalty including to cancel, revoke or suspend the Licence of a Licensee under the Companies Regulations and any action as such is without prejudice to the obligation of the Licensee to pay any fines imposed by the Authority or by a Competent Authority;

4.2 Where the Authority, in its absolute discretion, considers that there has been a breach of these Regulations, the Authority may, without prejudice to any of its other powers under these Regulations, the Companies Regulations or any other Regulatory Instruments, impose any or all of the following sanctions:



- (a) issue a warning to the relevant Licensee and require the Licensee to remedy the breach or cause the breach to be remedied;
- (b) apply a fine/s for the Licensee's breach of these Regulations or any other regulations issued by the Authority;
- (c) terminate any existing Sponsorships of a Company or Branch's Employees or otherwise refuse to grant new applications or to renew applications for Sponsorship by a Company or Branch; or
- (d) suspend or revoke the Licensee's license issued under the Companies Regulations where the Licensee has failed to remedy a breach or pay a fine.

4.3 All directions and decisions of the Authority made under these Regulations are final.

4.4 Nothing in these Regulations must take away the right of any Competent Authority to impose more or additional sanctions or penalty under any other Regulatory Instrument including, without limitation, the UAE Labour Law and/or UAE Immigration and Residence Law.

## Part 2 - Recruitment of Employees and Employment terms

### 5 Recruitment of Employees under the Sponsorship of the Authority

5.1 Where a Company or Branch recruits an Employee to work under the Sponsorship of the Authority, the Company or Branch must be responsible for all costs related to the employment of this Employee, including the costs of air ticket to the UAE, processing the Employee's entry and residence permits, medical fitness certificate, repatriation upon termination if the Employee is leaving the UAE, and any other costs applied by the Authority or a Competent Authority.

5.2 The Company or Branch is prohibited from charging these costs to the Employee or from recovering the costs by making deductions from his Wages.

5.3 A Company or Branch must submit records of an entry permit, passport and the Contract of Employment in respect of every new Employee.

### 6 Contract of Employment

6.1 Every Employee must sign a Contract of Employment which sets out the terms and conditions of employment. The Contract of Employment must include as a minimum:

- (a) the name of the Company or Branch and Employee;
- (b) the Commencement date of work;



- (c) the Employee's Wages;
- (d) the type of work;
- (e) the duration of employment;
- (f) the place of work;
- (g) the title of the Employee's job and a brief description of the Employee's work; and
- (h) the length of notice that the Employee and the Company or Branch is obliged to give and is entitled to receive to terminate the employment.

6.2 Any amendment to an Employee's written Contract of Employment must be agreed upon in writing by the Company or Branch and the Employee.

6.3 An Employee may Transfer his employment from one Company or Branch to another without the consent of the former Company or Branch provided there are no active labour disputes between the parties.

## 7 Wages

7.1 Wages must be paid on a Working Day and in AED or its equivalent in any currency.

7.2 Employees employed in return for an annual or a monthly Wage must be paid at least once per month.

7.3 The daily Wage of Employees employed on part-time basis must be calculated as the equivalent of the average daily Wage received by the Employee for the effective Working Days during the six months that precede the termination of the employment.

## 8 No deductions or payments

8.1 A Company or Branch must not deduct from an Employee's Wages or accept payment from an Employee, unless:

- (a) the deduction or payment is required or authorized under a statutory provision or the Employee's Contract of Employment;
- (b) the Employee has previously agreed in writing to the deduction or payment;
- (c) the deduction or payment is a reimbursement for an undisputed amount owed by the Employee to the Company or Branch;
- (d) the deduction or payment is a reimbursement for an overpayment of Wages or expenses; or



(e) the deduction or payment has been ordered by a Competent Authority.

8.2 A Company or Branch must not request, charge or receive, directly or indirectly, from a person seeking employment a payment for:

- (a) employing or obtaining employment for the person seeking employment; or
- (b) providing information about Companies or Branches seeking Employees.

## 9 Right to itemized pay statement

A Company or Branch must give to a written itemised pay statement evidencing payment of Wages to their Employees on a regular basis. A Company or Branch satisfies this requirement if it provides electronic access to the itemised pay statement.

## Part 3 - Sponsorship of Employees

### 10 Sponsorship of Employees by the Authority

10.1 A Company or Branch must enter into an Employee Sponsorship Agreement with the Authority, if the Company or Branch wants to engage Employees and must obtain Sponsorship in respect of each Employee who is a non GCC national.

10.2 Where the Authority sponsors an Employee for employment by a Company or Branch, it must be the responsibility of the Company or Branch to pay the employee's remuneration and any other payments due to the Employee and in accordance with the terms of his Contract of Employment, the UAE Labour Law and the Employee Sponsorship Agreement.

10.3 The Authority must not be responsible in any way whatsoever for the remuneration or any other payments of an Employee, including end of service or severance payments.

10.4 The Authority may permit a sponsored Employee to work outside the Authority but within the Emirate of Sharjah and subject to complying with any applicable Regulatory Instrument at all times:

- (a) to carry out any specialist consultancy, advisory or installation or repair and maintenance work on behalf of the Company or Branch; or
- (b) to perform any other activity in furtherance of the business of the Company or Branch.

10.5 A Company or Branch must not recruit, employ or otherwise make use of an Employee who is already employed by another Company or Branch, unless permitted by the Authority.



## 11 Employment of Employees not sponsored by the Authority

Subject to the prior written approval of the Authority and subject to complying with any applicable Regulatory Instrument at all times, Companies or Branches may employ non sponsored non UAE national Employees in the City, either temporarily or permanently, provided:

- (a) the Employee is sponsored by a spouse or relative; or
- (b) the Employee already works for a company which is registered in the UAE.

## 12 Employment of persons not approved by the Authority

No Company or Branch may employ a person who is not sponsored by the Authority or not approved by the Authority.

## 13 Emirates Identity Authority Card

13.1 All Employees must carry and display at all times their Emirates Identity Authority Card (**ID Card**) which must serve as a mean of identification in lieu of the Employee's passport.

13.2 The Authority may, in exceptional circumstances pertaining to the security of the City and to persons working in the City, deny entry to the City for such periods as are reasonable in all the circumstances.

## 14 Employees' passports

14.1 Where the Authority sponsors Employees of a Company or Branch, the Authority may, in its discretion, retain the passports of Employees for a maximum period of thirty (30) days.

14.2 A Company or Branch may not retain the passports of Employees under any circumstances.

## Part 4 - Termination of Sponsorship

### 15 Unilateral termination of Sponsorship by the Authority

15.1 The Authority may terminate the Sponsorship of any Employee in the event that any one or more of the following occur:

- (a) the breach of any material terms or conditions of a Contract of Employment by the Company or Branch which is not remedied within seven (7) days of the written notice given by the Authority;
- (b) the Company or Branch ceasing to carry on business within the City or being struck off the companies register or becoming insolvent, or entering into liquidation, receivership, administration, or any analogous event;



- (c) the failure by the Company or Branch or Employee to abide by these Regulations, or any other Regulatory Instrument;
- (d) the Employee is sentenced by a competent court for an offence contrary to honour, honesty or the public morals of the UAE;
- (e) it is determined by a Competent Authority that the Employee has failed to abide by these Regulations, or any other Regulatory Instrument;
- (f) false or misleading information or documentation has been provided to the Authority by or in respect of that Employee;
- (g) the Company or Branch notifies the Authority that the Employee has been absent from work without the Company or Branch's authorisation for a period of seven (7) consecutive days or more; or
- (h) the Authority determines, in its absolute discretion, that the Employee has damaged the reputation of the Authority or has otherwise brought it into disrepute or has caused or is likely to cause financial loss to the Authority.

## 16 Termination of Sponsorship at the request of the Company or Branch

- 16.1 A Company or Branch may request the termination of an Employee's Sponsorship. Such request must be without prejudice to the Company or Branch's or the Employee's entitlements under the Contract of Employment between the Employee and the Company or Branch.
- 16.2 A Company or Branch must pay an Employee's final entitlements or payments arising out of the employment with the Company or Branch following termination of employment and prior to and upon termination of Sponsorship by the Authority.

## 17 Termination of Sponsorship at the request of an Employee

An Employee may request the Authority to terminate his Sponsorship, providing there is no active labour dispute, by serving a written request to the Authority and providing evidence that his employment has terminated and the Company or Branch has been notified by the Employee of this request.

## 18 Consequences of Termination of Sponsorship

Immediately on expiry of notice to terminate Sponsorship of an Employee for whatever reason the Company or Branch must return to the Authority any documents issued to the Company or Branch in respect of that Employee and if required, the passport of the Employee to facilitate the cancellation or Transfer of the Employee's residency visa and work permit.



## 19 Transfer of employment to another Company or Branch

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

## Part 5 - Health and safety

### 20 Duties of Companies or Branches

20.1 The Company or Branch must observe the rules provided in the Health and Safety Regulations 2017 and the provisions under the UAE Labour Law in relation to the health and safety of its Employees and any person within its premises in the City.

20.2 Every Company or Branch has the duty to:

ensure, as far as is reasonably practical, the health, safety and welfare at work of all its Employees;

- (a) provide and maintain a workplace that is free of harassment, safe and without risks to an Employee's health and adequate and safe access to and from the workplace;
- (b) report to the Authority any serious or fatal accident that any Employee suffers;
- (c) maintain records of every accident that any Employee suffers at the Company or Branch's place of work or during the performance of his employment duties;
- (d) inform each Employee in writing at the time of recruitment of the dangers, if any, connected with the employment and of the protective measures the Employee must take; and
- (e) provide information, instruction, training and supervision to Employees, in English, Arabic or, if necessary, another language understood by the Employees, to ensure their health and safety at work.

## Part 6 - General issues

### 21 Company or Branch's insurance cover

21.1 Every Company or Branch must take out and maintain compulsory health insurance cover for all Employees with a company licensed in the UAE.



- 21.2 Every Company or Branch must take out and maintain insurance cover in respect of third party liability or public liability insurance in respect of their business operations and worker's compensation insurance to cover permanent injury/disability and all related medical expenses in accordance with the provisions of the UAE Labour Law.
- 21.3 A Company or Branch's worker's compensation insurance must include cover for every employment injury and/or disability and related medical expenses in accordance with the UAE Labour Law.
- 21.4 A Company or Branch must, at the request of the Authority, lodge with the Authority a copy of its insurance policy both in respect of third party liability insurance and worker's compensation insurance.

## 22 Discrimination

- 22.1 The Authority aims to create an environment where employment and advancement is based on merit. An Employee must not be discriminated against by reason of gender, marital status, race, religion, disability or nationality. Licensees must adhere to this principle of non-discrimination when engaging Employees.
- 22.2 Licensees must ensure they are compliant with the relevant anti-discrimination laws in force in the UAE.

## 23 Notifications and record keeping

- 23.1 A Company or Branch must notify the Authority in writing of the following actions within five (5) days of the event:
- (a) engaging an individual as an Employee;
  - (b) engaging an individual as an Employee who is at the same time an Employee of another Company or Branch;
  - (c) the Transfer of an Employee from or to the employment of another Company or Branch;
  - (d) terminating the employment of an Employee;
  - (e) the occurrence of a dispute with an Employee;
  - (f) a breach by the Company or Branch of any of its obligations under these Regulations, or
  - (g) such additional matters as the Authority may require from time to time.
- 23.2 A Company or Branch must maintain employment records in compliance with the UAE Labour Law and for a minimum of five (5) years.



## 24 General

- 24.1 A Company or Branch must not be allowed to rely on ignorance of these Regulations as an excuse for its failure to comply with them.
- 24.2 The Authority reserves the right to impose a ban on the entry and/or exit of a Company or Branch's Employee where, after receiving a warning, the Company or Branch fails to remedy a violation of these Regulations.
- 24.3 Without prejudice to the specific powers in certain Parts of these Regulations to prescribe matters or issue implementing regulations and notwithstanding the absence of such powers in certain other Parts, the Authority may create other implementing regulations from time to time to prescribe any matter under these regulations or for the better carrying out of these Regulations including by amending or supplementing these Regulations.

## Part 7 - Resolution of labour disputes

### 25 Resolution of labour disputes between Company or Branch and Employees

- 25.1 The Authority must not be responsible for the resolution of any labour disputes arising between a Company or Branch and an Employee.
- 25.2 In the event of a labour dispute arising between a Company or Branch and an Employee, the Authority will, on the application of either the Company or Branch or the Employee in writing, issue a letter on behalf of the Authority referring the dispute to the Competent Authority.
- 25.3 The Authority may, if necessary, without considering the merits of such dispute, issue a written referral notice permitting the Company or Branch or Employee to raise the dispute with the Competent Authority.
- 25.4 No labour dispute may proceed directly to any Competent Authority without being referred thereto by the Authority.
- 25.5 The Authority must implement any decision or order by a Competent Authority with respect to a labour dispute.

**Signature:**

**Date of signature:**



## Annex 1 – Employment Violations and applicable fines and penalties

Violation	Fine in AED	Penalty
1 Company or Branch is found to be illegally employing Employees of other Companies or Branches.	5,000.00	Warning to the Employee
2 Company or Branch is found to be illegally employing persons who are not sponsored or not approved by the Authority.	7,500.00 per person	
3 Company or Branch continues to employ Employees or other persons illegally.	10,000.00 per person	Suspension of the Licence
4 Company or Branch fails to renew the residence visa of Employees within thirty (30) days of the Employee's residence visa expiring.	2,500.00 per person 5,000.00 per person if period of failing to renew the residence visa is greater than ninety (90) days after the residence visa expired	
5 Company or Branch supplies Employees sponsored by the Authority to work for the Company or Branch for the use of third parties.	10,000.00 per person	Cancellation of the visa
6 Company or Branch fails to cancel a residence visa within thirty (30) days of the date of termination of employment of an Employee or thirty (30) days of the Employee's residence visa expiring, whichever occurs first.	2,500.00 per person 5,000.00 per person if period of failing to cancel the residence visa is greater than ninety (90) days after the residence visa expired date of termination of an Employee's employment, or ninety (90) days after the residence visa expired, whichever occurs first	
7 Company or Branch fails to inform the Authority within 14 days of the Company or Branch knowing (or within 14 days from where the Company or Branch should reasonably have known) that an Employee cannot be located or has absconded within 14 days of the Company or Branch knowing.	5,000.00 per person	
8 Company or Branch employs an Employee sponsored by the Authority on a visit or tourist visa.	5,000.00 per person	
9 Company or Branch supplies Employees sponsored by the Authority on a visit or tourist visa for the Company or Branch for the use of or employment by third parties.	10,000.00 per person	Cancellation of the visa
10 Company or Branch fails to ensure that Employees sponsored by the Authority on a visit or tourist visa for the Company or Branch leave the UAE prior to the expiry of the visit or tourist visa.	1,500.00 per person	