



Simplifying Employment  
Tasks Worldwide

# Statutory Change Alert

United Arab Emirates – New UAE Labour Law



**UNITED ARAB EMIRATES**



9 February 2022

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# We help you achieve your global ambitions

Thank you for trusting Mercans to outsource your HR and Payroll functions. We propose HR consulting services, actionable solutions, and cost-effective global payroll processing tools to energize your human capital management in real-time and augment your performance. We are dedicated to becoming your business growth facilitator.



## **Global Payroll Solutions – Boost your HR brand and employee satisfaction**

Rationalize your HR budgets, monitor your data, and optimize your global payroll tasks in real-time. Systematize processes and streamline HRM lifecycles with HR Blizz™, our unified SaaS platform, to ensure your employees are paid accurately and on time.



## **PEO/GEO Services – Easily hire, deploy and manage your workforce abroad**

A reliable Professional Employer Organization (PEO), Mercans is your trusted employer of record to globally select, engage, and manage highly qualified personnel on your behalf, through integrated Global Employment Outsourcing (GEO).



## **Global Talent Acquisition – Quickly fill vacancies with only the best candidates**

Mercans supports you in designing/deploying long-term HR strategies and processing full-cycle recruitment. Our ATS Suite Mesar™ and our hiring experts help to screen, select, attract the right candidates for your organization and populate your pipeline of prequalified talents.



## **BPO Services – Reclaim the focus on your core activities to expand your business**

Concentrate on the essentials: outsource non-primary activities and your front- and back-office functions to Mercans. Save the time, money, and energy needed to refine the value chain engagement of your customers and suppliers and increase revenue.



## **HR Management SaaS – Access customizable cloud-based online platforms**

Centralize your HR function on an all-in-one user-friendly and self-service platform. Combined with the expertise of our consultants, the Mesar SaaS offers a built-in applicant tracking system and easy-integration features to improve internal processes.



## **Local Statutory Compliance – Forget the hassle of setting up branches abroad**

Mercans seasoned HR advisory team are compliance experts specialized in local cultures, business protocols, and tax and legal specificities. They are committed to ensure quick go-to-market abroad and achieve a compliant global expansion, risk-free from A to Z.



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## Mercans at a Glance

**160+**

Countries

**20**

Years of Success

**850+**

Payroll and HR Specialists

**8k+**

Clients Worldwide

**97%**

Client Retention Rate

**1.5X**

Annual Revenue Growth

**45k+**

Largest Single Country  
Payroll

**9M+**

Pay Slips per Annum

**0**

Security Breaches

**Number one** for outsourced payroll services, we are endorsed by international authorities.



Mercans has the highest industry quality and IT security certificate





# **United Arab Emirates - The Federal Decree Law no. 33 of 2021 concerning the regulation of labour relations (the “New UAE Labour Law”) will take effect on February 2, 2022**

The new UAE Labor Law that comes into effective on 2 February 2022 has been summarized below:

## **Fixed-Term Employment Contracts**

All employees must be employed on fixed-term employment contracts not exceeding three years, which may be extended for the same or period. Employers will have 12 months from Feb. 2, 2022, to transition all their employees onto new contracts.

## **Probationary Period**

1. The employer may appoint the worker under a probationary period not exceeding (6) six months from the date of commencement of work.
2. The employer may terminate the service of the worker during this period after notifying the latter of the same in writing fourteen (14) days at least before the date specified for the termination of service.
3. If the worker wishes to move during the probationary period, to work for another employer in the State, he shall notify the original employer of the same in writing within not less than one month from the date of his wish to terminate the contract. Then, the new employer shall compensate the original employer for the costs of recruitment or contracting with the worker, unless otherwise agreed upon.
4. If the foreign worker wishes to terminate the employment contract during the



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probationary period, to leave the State, he shall notify the employer of the same in writing not less than fourteen (14) days from the date specified for the termination of the contract. If he wishes to return to the State and obtain a new work permit within (3) three months from the date of departure, the new employer shall pay the compensation stipulated in Clause (3) of this Article, unless in case of an agreement between the worker and the original employer to the contrary.

5. If either party terminates the employment contract without taking into consideration the provisions of this Article, it shall pay to the other party compensation equal to the worker's wages for the notice period or the remaining period of the notice period.
6. If the foreign worker leaves the State without abiding by the provisions of this Article, he shall not be granted a work permit to work in the State for one year from the date of leaving the State.

#### **End of Service Benefits for Full-Time Workers**

1. The UAE national worker shall be entitled to end of service benefits at the end of his service, in accordance with the legislation regulating the pensions and social securities in the UAE.
2. The full-time foreign worker, who completed a year or more in continuous service, shall be entitled to end of service benefits at the end of his service, calculated according to the

Basic wage as per the following:

- A wage of (21) twenty-one days for each year of the first five years of service.
  - A wage of (30) thirty days for each year exceeding such period.
  - The foreign worker shall be entitled to a benefit for parts of the year in proportion to the period spent at work, if he completed one year of continuous service.
3. The end of service benefits shall be calculated according to the last basic wage the employee was entitled to. Unpaid days of absence from work shall not be included in the calculation of the end of service benefits.
  4. End of service benefits for the foreign employee in its entirety does not exceed two years' wage.

Please contact your Mercans' services delivery team for any additional information regarding the implications of the above change.



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## They already trust Mercans







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# What Makes Mercans your HR and Payroll Partner of Choice?

## We Simplify Employment Tasks Worldwide

### Everywhere for Everyone

We are a borderless people engagement enabler, driven by technology and innovation. We deliver bespoke human capital management services and global payroll solutions to empower businesses across 110+ countries regardless of their organizations' size and their industry. We pride ourselves on being global people experts with a striking local presence, committed to making your teams happy, and ensuring the consistent and sustainable growth of your organization.

### Local Presence. Regional Strategy. Global Success

Supported by 500+ payroll and HR specialists with in-depth local knowledge, Mercans operate globally. Our pioneering human resources consulting services and trailblazing SaaS platforms are already satisfying 5,000+ international clients, ensuring timely measurable results and bottom-line savings. Thanks to success-oriented teams striving for excellence and taking care of our clients' tasks within budget, we have gained the trust of major multinational companies.

### A Revolutionary Service Delivery System

Say goodbye to third-party service providers, offshore call centers, fragmented data, and endless chains of sub-contracts.

Mercans cloud-based SaaS Products, HR Blizz™ & Mesaar™, combine the performance of proprietary technologies with a human touch. Cost-effective, they are fully-compliant self-service tools, packed with smart built-in features for your peace of mind. All your data are integrated into single interfaces accessible from everywhere and on any device.

### Trailblazing Cloud-Based SaaS Products

HR Blizz & Mesaar, our Software-as-a-Service platforms, both propose a preconfigured API integration capability with all the major global HRMS platforms, including SuccessFactors, Workday, Oracle HCM, and MS Dynamics. All Mercans systems and processes are GDPR compliant, ISO 9001, 20000, 27001 certified, and SOC 1 and SOC 2 audited. A registered Finpro expert, Mercans is also a member of the Global Payroll Association and the Global Payroll Management Institute.



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