

ADGM Employment Regulations 2024

The Registration Authority (RA) of the international financial center of Abu Dhabi – ADGM, has published the Employment Regulations 2024 (the “New Employment Regulations”), which reflect global changes in workplace practices, and provide greater clarity to employers and employees with respect to their rights and obligations. Such changes aim to promote and foster best employment practices in ADGM.

Repealing the existing Employment Regulations 2019, the New Employment Regulations will become effective on **1st April 2025**, thereby granting ADGM entities sufficient time to align their internal policies, employment contracts and other employment-related matters with the requirements provided under the New Employment Regulations.

Key Changes

Some of the key changes in the New Employment Regulations are as follows:

1. Application:

- The new regulations will not apply to Employers which hold a dual license issued by the Abu Dhabi Department of Economic Development and whose employees are governed by the UAE Labour Law.

2. Remote Employees:

- Amending the definition of 'employee' to enable employers to hire remote employees and to allow for more flexible working arrangements.
- Remote employees who do not reside and work in the UAE do not require a UAE residence visa or ADGM work permit.

3. Employee's Entitlements & Benefits

- Clarifying ambiguities related to employee entitlements, including part-time employees.
- New ADGM Employment Regulations introduce concept of a "Part-Time Employee" which will assist employers with calculating leave and other entitlements for employees who work a reduced week.
- The probationary period remains capped at six months. However, the New Law specifies that during probation, employees are entitled to sick leave but not sick pay.

3. Employee's Entitlements & Benefits (Continued)

- During the Holy month of Ramadan, Muslim Employees shall have their normal working hours reduced by twenty-five percent (25%) each Working Day. There shall be no reduction in an Employee's Wages as a result.
- An Employee's working time shall not exceed forty-eight (48) hours in a seven (7) calendar day period, unless the Employer has first obtained the Employee's consent in writing

4. Work Permit / Visa Cancellation

- Clarifying certain requirements regarding obtaining and cancelling an employee's work permit and visa.
- The New Law also provides that the employer must not make the cancellation of the employee's visa (if sponsored by the employer) conditional on the employee waiving any rights.

5. Discrimination

- Expanding obligations and responsibilities related to discrimination and victimisation in the workplace.
- Pregnancy and maternity will be a protected characteristic.
- Specific remedies will be available for employees who experience discrimination, harassment or victimisation, including compensation of up to three years' wages.

Protected Disclosures

- The New Law incorporates an amendment made to the Old Law in 2024 which provides robust protections for employees who make protected disclosures, commonly known as whistleblowing.
- *Non-Breach of Confidentiality*: Employees are not in breach of confidentiality obligations for making a protected disclosure
- *No Civil or Contractual Liability*: Employers cannot subject employees to civil or contractual liability for making a protected disclosure
- *Prohibition of Retaliation*: Employers and related parties must not retaliate or threaten to retaliate against employees for making or intending to make a protected disclosure. Retaliation includes dismissal, disciplinary actions, forced retirement, refusal of employment benefits, and any other actions likely to cause detriment
- *Court Remedies*: Employees subjected to retaliation can apply to the Court for a declaration and compensation.

Employment Contract

- The employers must provide the employee with a copy of written Employment Contract that has been signed by both employer and employee as soon as reasonably practicable but in any event no later than one (1) month after the commencement of employment
- Any amendment to an Employment Contract must be in writing and signed by both Employer and Employee, unless such amendment is of an administrative nature only, in which case the Employer shall be required to record such amendment in writing and to give written notice thereof to Employee prior to amendment taking effect.