



# Employment Rules

## Employment Rules

Introduction.....	2
1. Work in Ajman Free Zone.....	2
2. General Rules.....	2
3. Responsibility towards Sponsored Employees.....	3
4. Work Permits and Visas .....	3
5. Employment Contracts.....	5
6. Wages:.....	7
7. Leaves and Working Hours .....	7
8. Insurance of the Employees' Dues.....	8
9. Health Insurance .....	9
10. Occupational Safety on Work Site.....	9
11. Employment Termination.....	10
12. Disciplinary Actions as per the Law .....	10
13 Cancellation of the Work Visa .....	11
14 End of Service Gratuity .....	12
15 Accommodation .....	14
16 Absconding.....	14
17 Labor Disputes .....	14
18 Filing a Complaint.....	15

## **Introduction**

This Policy explains the concepts and requirements for both the employers and sponsored individuals in line with the legal requirements that help the employers understand and implement them.

### **1. Work in Ajman Free Zone**

1.1 Labor Law in Ajman Free Zone is based on the UAE Labour Law No. 8 of 1980

Regarding the Organization of Labour Relations between the employer and employees. Labor Law in Ajman Free Zone also stipulates certain requirements for the Ajman Free Zone, all licensed companies and sponsored individuals in full compliance under the applicable laws and any amendments to the Law.

All employment processes, work permits and residency procedures taken by Ajman Free Zone.

1.2 This rules and its interpretations were developed for guidance and reference regarding the organization of the work relationship.

### **2. General Rules**

1.2A Sponsored Employee is only allowed to work for the third party under a prior permit from the Free Zone.

2.2 The Sponsored Employee shall only be allowed to work within Ajman Free Zone. The Holder of the License shall be temporarily permitted to carry out business requiring the Sponsored Employee to work outside Ajman Free Zone to perform certain works, including but not limited to (repairing, dismantling and assembly, technical maintenance operations), which may be permitted by Ajman Free Zone as per the nature of the intended works. In any case, the official approval shall be obtained.

2.3 The Employer shall ensure his employees' compliance with the applicable laws and requirements of Ajman Free Zone.

2.4 No company is permitted to recruit any employee without obtaining the official approvals in accordance with Laws.

2.5 Ajman Free Zone shall impose financial fines on whomever violates such requirements and laws.

- 2.6 The Employer shall pay all charges imposed by Ajman Free Zone and the Federal Authority for Identity and Citizenship for the work permits and new residencies / renewal and the employee shall not pay any of such charges.
- 2.7 Ajman Free Zone is entitled to use any of the guarantees to cover the charges for employees' cancellation of visas or any other charges whatsoever.
- 2.8 The Employer shall provide Ajman Free Zone with a financial or insurance guarantee for each employee as per the terms and conditions.

### **3. Responsibility towards Sponsored Employees**

- 1.3 The Holder of the License is the responsible person before Ajman Free Zone for payment of the employees' wages and dues as per the applicable labor laws and provisions.
- 3.2 The Employer shall provide a safe and healthy environment for the sponsored employees and reduce risks.
- 3.3 The Employer shall provide the necessary guides in the internal working environment to limit the occupational accidents.
- 3.4 The Employer shall pay salaries on time.

### **4. Work Permits and Visas**

The investors are allowed to apply for utilizing the sponsorship systems for the employees. Ajman Free Zone is the first sponsor of all sponsored employees. Moreover, Ajman Free Zone shall specify the permitted number under the requirements and laws based on the investment requirements, taking into consideration the areas and nature of sites as well as the requirements of safety and hygiene.

Further, Ajman Free Zone provides a number of permits that allow the investors to apply for temporarily. Ajman Free Zone shall have the right to accept or reject any of the permits as per the requirements and laws as updated.

Permanent Permits		
Category	Relationship	Nature of the Permit
Employer and Employees	Holders of work permit (visa) from Ajman Free Zone and Ajman Free Zone Work Cards	Permanent, related to the residency validity

Temporary permits		
Non-sponsored by Ajman Free Zone	Affiliate	No Objection / Temporary Permit
	Children Sponsored by their Parents of the First Degree	No Objection / Annual Permit
	Sponsored by the Third Party (Contracting Companies/ Suppliers and Contractors)	Temporary Entry Permit, Terms and Conditions apply
	University Interns	No Objection / Monthly Permit
	Sponsored by other Free Zones	Temporary Permit/ No Objection from the Sponsoring Free Zone

❖ Note: To approve the abovementioned permits, terms and conditions apply.

- 4.1 Companies willing to employ and recruit employees shall apply for a work permit.
- 4.2 They can apply for the service through the Investors Portal as per the applicable regulations and requirements.
- 4.3 Companies can apply subject to the permitted number.
- 4.4 Therefore, Ajman Free Zone will submit the visa and entry permits to the Federal Authority for Identity and Citizenship.
- 4.5 Ajman Free Zone shall not be accountable for any resolution issued by the competent authorities to reject the permit application.

- 4.6 All applicable charges of Ajman Free Zone are available for companies on the Portal and may be paid by multiple methods.
- 4.7 Applicable Laws of the Official Authorities stipulate certain restrictions on some passports from time to time; therefore, Ajman Free Zone shall not be responsible for rejection or delay.
- 4.8 The license shall be valid for all operations of the company to accept the application.
- 4.9 The company, on the issue date of work permit, shall initiate the procedures of residency confirmation before the expiry of the permit.
- 4.10 Permits in different kinds shall be renewed and Ajman Free Zone shall impose delay fines.
- 4.11 The Employer shall provide the employee with a copy of the employment contract and requirements.
- 4.12 The licensed person shall not employ visitors to Ajman Free Zone.
- 4.13 The work permit in Ajman Free Zone authorize the companies' employees to obtain a work card.
- 4.14 The Employer shall not have the right to keep the employee's passport without obtaining a written approval from the employee.
- 4.15 If the employee agreed upon the requirements of the keeping the passport by the Employer, the Employer then should have specific requirements through which the employee can get the passport back upon request.

## **5. Employment Contracts**

- 5.1 The Employer shall sign an initial job offer with the employee before applying for the permit.
- 5.2 The Employer, at the time of initiating the procedures of residency confirmation, shall sign a formal employment contract with the employee. The employment contract shall state the job title, basic salary, gross salary and allowances.
- 5.3 Any additional conditions stipulated under the contract shall comply with the terms and conditions of Labor Law and any violating conditions shall be disregarded.
- 5.4 The Employer and employee shall know the difference between the limited and unlimited employment contracts. For the purpose of clarification:

Unlimited Employment Contract	Limited Employment Contract
<p>A. The unlimited employment contract is not limited to a specific period of time and can be terminated by either the employer or the employee by giving prior written notice of not less than one month, in case the notice period is stipulated under the contract. The Employer and employee shall comply with their obligations throughout the notice period.</p> <p>B. The employment contract shall be deemed of an undetermined term in any of the following cases:</p> <ul style="list-style-type: none"> <li>- If it is not made in writing.</li> <li>- If it is concluded for an undetermined term.</li> <li>- If it is made in writing and concluded for a determined term, and the parties continue to apply it after the expiry thereof without a written agreement between them.</li> <li>- If it is concluded for a specific job with undetermined term, or which is recurrent by nature, and the contract continues after the completion of the agreed job.</li> </ul>	<p>A. The limited employment contract is designed for a specific period of time which shall not exceed three years and it can be renewed several times for the same period of time or less.</p> <p>B. If the contract is renewed, the new term(s) is considered an extension to the original term and shall be added to the calculation of the worker's total period of services.</p>

5.5 The employer and employee shall comply with the conditions of the approved employment contracts of Ajman Free Zone.

5.6 If the employment contract is updated, the Employer shall make the changes and officially submit the same to Ajman Free Zone for approval.

## **6. Wages:**

- 6.1 The employment contract shall state the salary in details in terms of the basic salary, allowances, their type, amount and the gross salary.
- 6.2 The employment contract shall state the commissions, which are a part of the wage, if any.
- 6.3 Where the Employer assigns the worker to work more than the normal working hour, the worker shall be entitled to receive a compensation and the same shall be calculated within the wages.
- 6.4 The wages shall be regularly transferred on time via banks or exchange companies and all companies shall comply with that condition.
- 6.5 The Employer shall upload the statements of salary payment via system (Employees Services) as per the requirements of Wages Protection System for those who employ 5 workers and above.
- 6.6 Ajman Free Zone may apply fines and suspend the company's services in case of delay in delivering the monthly salaries statements.
- 6.7 Any delay in payment of workers' wages shall be deemed a breach of the work relationship.
- 6.8 The worker shall be entitled to receive the wage as per the actual working hours and days.

## **7. Leaves and Working Hours**

- 7.1 Labour Law specified leaves as follows:
  - Two days a month, where the worker's period of service is more than six months but less than one year.
  - 30 days a year, where the worker's period of service is more than one year.
  - Should the worker spend more than three month after the end of the probation period in the continuous service of the employer and contracted an illness , he shall be entitled to a sick leave not exceeding 90 consecutive or non-consecutive days for every year of service, calculated as follows
    - A. The first fifteen days with full pay
    - B. The following thirty days with half pay
    - C. The last forty five days without pay
- 7.2 Muslim employees are entitled to a 21 working day paid Hajj leave to perform Hajj once during the service.



- 7.3 Where the female employee's period of service is one year and half, the female employee is entitled to a 45 working day paid and half paid where the period of service is less than one year.
- 7.4 Male employees who have a newborn baby inside the country are to be granted a 5 working day paternity leave with full pay, to be taken during the first two months of the baby's birth
- 7.5 The employee shall be entitled to a full pay leave in the below holidays. If the work circumstances required the employee to work during the public holidays, the Employer shall compensate the employee for the public holiday and pay the increase at 50% of the daily wage, and if the employee was not compensated for the public holiday, the wage shall be increased to 150% for the working days:
- A. New Year's Day ( Hijri ) (One day)
  - B. New Year's Day ( Gregorian ) (One day)
  - C. Eid al Fitr (Two days)
  - D. Eid al Adha and Arafat Day (Three days)
  - E. Prophet Mohammed Birthday Anniversary (One day)
  - F. Isra and Mi'raj (One day)
  - G. National Day (One day)
- 7.6 The employee shall not be entitled to any leave during the probation period.
- 7.7 The maximum number of ordinary working hours for adult workers shall be eight hours per day, or forty-eight hours per week. The number of hours may be increased to nine hours per day for people employed in commercial jobs with the nature requiring work for additional hours
- 7.8 Should the work circumstances require the carrying out by the worker of a work for more than the ordinary working hours, the additional period shall be deemed an overtime, for which the worker shall be paid a wage equivalent to the ordinary hourly wage with an addition of at least 25 % of the said wage.

### **8. Insurance of the Employees' Dues**

All Employers shall provide their sponsored employees with all guarantees. Ajman Free Zone, in cooperation with the insurers, had allocated an insurance policy for the dues

of the employees of the companies licensed by Ajman Free Zone. It is an alternative for the financial guarantees.

8.1 The Employer, when applying for a new work permit/ renewal, shall obtain an insurance policy for each employee.

Insurance policy shall not relieve the Employer from his responsibility towards the sponsored employees and the insurer will claim the Employer to pay all covered amounts.

8.2 Each employee shall immediately inform Ajman Free Zone whenever the Employer ceases to pay the wages for two consecutive months and no insurance coverage will be accepted if the report was submitted after 90 days.

8.3 Insurance policy ensures the employee's rights:

- A. End of Service Gratuity
- B. Unpaid wages
- C. The cost of return ticket
- D. Compensation for injuries

8.4 Insurer will cover the cost as per the resolution of Ajman Free Zone or the Disputes Committee, under which the Employer will pay the dues paid to the insurer.

8.5 The Employer who has claims with the insurers shall provide financial guarantees for any of the residency transactions, new / renewal, until the dues of the insurer are paid.

## **9. Health Insurance**

Health insurance aims at protecting the parties to the work relationship (employee and Employer) from work incidents and injuries.

9.1 Ajman Free Zone advises and encourages the investors to obtain a health insurance for the employees for the employees' safety. Ajman Free Zone provides multiple insurance options against affordable prices.

9.2 Health insurance shall not relieve the Employer from compliance with the occupational health and safety standards.

## **10. Occupational Safety on Work Site**

The establishment shall apply the standards of safety and risk control in work sites to reduce the work incidents and injuries with the factories, laboratories and workshops. Therefore, the Employer shall verify the following:

- 10.1 Provide the appropriate means of occupational safety in the working environment,
- 10.2 Provide safe passages,
- 10.3 Provide the necessary ventilation and lighting,
- 10.4 Reduce noise and provide the appropriate safety equipment,
- 10.5 Provide first-aid box,
- 10.6 Verify the effectiveness of safety and firefighting devices,
- 10.7 Train employees on dealing with risks, and
- 10.8 Provide a register for work injuries and incidents.

### **11. Employment Termination**

- 11.1 Each party may terminate the employment contract as per the terms and regulations stipulated under the Labour Law or the employment contract.
- 11.2 If either party desired to terminate the work relationship, it should notify the other party in writing at least 30 days in advance, unless a longer period is stipulated under the contract.
- 11.3 The Employer may terminate the employee immediately without any obligations and refrain the employee from the end of service gratuity if the employee violated the provisions stipulated under Article 120 of the Labour Law.
- 11.4 The worker may leave the work without notice period in case the Employer violated the provisions stipulated under Article 121 of the Labor Law.
- 11.5 In case the Employer dismissed the employee, the reasons for dismissal shall be related to work and actual, otherwise, the dismissal shall be deemed arbitrary and the second party may claim for compensation for the arbitrary dismissal.
- 11.6 The Employer, when applying for cancellation of any employee's residency, shall prove the discharge and payment of the dues duly paid through banks or exchange companies.

### **12. Disciplinary Actions as per the Law**

- 12.1 Labour Law specified the disciplinary actions against the employees and the Employers should follow up the consequence. In case of investigation, the following should be considered:

- A. The employee shall be informed about the deficiencies against him in writing,
  - B. The employee shall have the opportunity to reply and hearing,
  - C. The employee shall receive a written notice of the punishment and the punishment shall be determined,
  - D. If the punishment is a deduction, it shall be determined as per the Labour Law, and
  - E. Documents and files shall be kept.
- 12.2 The Employer shall not charge the employee of a disciplinary violation in case 30 days passed after detection.
- 12.3 The Employer cannot sign a disciplinary punishment in case 60 days passed after investigation.

### **13 Cancellation of the Work Visa**

- 13.1 The Employer shall be responsible for cancelling the employee's residency as agreed upon and the reasons for end of relationship.
- 13.2 The Employer shall be responsible for remedying the employee's status upon cancellation, either by departure or amending the internal status and the Employer shall attach the evidence.
- 13.3 Ajman Free Zone will cancel the employee's residency if the Employer failed to respond in case of demanding for appearance within 7 days. Cancellation by Ajman Free Zone is deemed (an administrative cancellation) and all charges shall be deducted from the Employer.
- 13.4 The Employer shall not charge the employee any of the cancellation fees and the Employer shall be entitled to deduct any other amounts due from the employee, e.g. advances, loan, value of the in-kind custody or if the employee caused losses, and Ajman Free Zone shall be informed.
- 13.5 The Employer shall not leave the employee's work visa is expired in case of any dispute between parties. The Employer shall keep the work permits valid and the Employer shall be responsible for any delay fines.
- 13.6 If damage was proved as per the Law and the Employer's failure to respond, Ajman Free Zone may grant the employee a temporary permit to work for any of the Free Zone companies.
- 13.7 Ajman Free Zone will cancel the employee's residency if the Employer failed to respond in case of demanding for appearance within 7 days.

Cancellation by Ajman Free Zone is deemed Ajman (an administrative cancellation) and all charges shall be deducted from the Employer.

#### 14 End of Service Gratuity

14.1 The worker having spent one year or more in continuous service shall be entitled to an end of service gratuity upon the termination of his service. The days of absence from work without pay shall not be included in the calculation of the period of service.

14.2 The end of service gratuity is calculated as per the employee's last basic salary.

14.3 Calculation of the end of service gratuity differs in termination (dismissal) from leaving work (resignation). Therefore, terms and conditions apply as per the Labour Law.

Explanation and Details of the Employment Contract Requirements	Limited Employment Contract		Unlimited Employment Contract	
	Termination by the company (Dismissal)	Termination by the worker (Resignation)	Termination by the company (Dismissal)	Termination by the worker (Resignation)
<b>End of Service Gratuity</b>	The wage of twenty-one days for each of the first five years of service and the wage of thirty days for every additional year.	The worker shall not be entitled to an end of service gratuity unless the duration of the service period exceeds five years	The wage of twenty-one days for each of the first five years of service and the wage of thirty days for every additional year.	A. In case of resignation, if an employee has served between 1 and 3 years, he is entitled to one-third (1/3) of 21 days' basic salary as gratuity pay. B. If an employee has served between 3 and 5 years, he is entitled to

				two-thirds (2/3) of 21 days' basic salary as gratuity pay. C. If an employee has served more than 5 years, he is entitled to full 21 days' basic salary as gratuity pay. (5 years)
<b>Notice Period as per the Labour Law 115/116</b>	As per the contract conditions, provided that it shall not be less than 30 days	As per the contract conditions, provided that it shall not be less than 30 days	As per the contract conditions, provided that it shall not be less than 30 days	As per the contract conditions and termination, provided that it shall not be less than 30 days
<b>Contract Renewal</b>	If the contract was not renewed, it should be deemed an unlimited contract.		The contract shall be automatically renewed as per the reference to the unlimited employment contract.	
<b>Other conditions</b>	<ul style="list-style-type: none"> <li>- Violation of the employment contract or the employment termination unduly may expose the violating party to pay compensation for the arbitrary dismissal.</li> <li>- The resigned employee shall pay the costs of returning to his country.</li> <li>- If the Employer terminated employment, the Employer shall pay the costs of worker's return ticket.</li> <li>- If the worker joined work with another employer, the Employer shall not pay the costs of the return ticket.</li> <li>- If it is proved that the worker is unable to provide the return ticket, the Employer shall pay the costs of return.</li> </ul>			

	<ul style="list-style-type: none"> <li>- The employee shall only be prevented from the end of service gratuity as per the cases stipulated under the Law, which are: <ul style="list-style-type: none"> <li>A. If the employee was dismissed for one of the reasons stipulated under Article (120) of the Labour Law, and</li> <li>B. If the employee left work without notice in cases other than what is stipulated under Article (121) of the Labour Law for the unlimited contracts or before completing five consecutive years of service for the limited contract.</li> </ul> </li> </ul>
--	---

## **15 Accommodation**

- 15.1 Ajman Free Zone takes care of health requirements and safety in the sponsored employees' accommodation.
- 15.2 Ajman Free Zone imposes restrictions on companies to provide a proper accommodation for their employees as per the applicable standards.
- 15.3 Ajman Free Zone provides a residential complex for companies as per the highest standards and provided with contemporary and advanced facilities that meet all needs and the investors can book places in such compound.
- 15.4 If the accommodation provided by the company was outside Ajman Free Zone, the company should justify the reasons and obtain the formal approvals from Ajman Free Zone.
- 15.5 Ajman Free Zone will not approve any accommodation that is not allocated for labor accommodation and not approved by an official authority.
- 15.6 If the accommodation was outside Ajman Free Zone, the Employer should provide the necessary means of transport for the employees.

## **16 Absconding**

- 16.1 The Employer shall immediately report on each absent employee for more than 7 consecutive days without knowledge of his location.

## **17 Labor Disputes**

Ajman Free Zone advises the Employers and employees to settle the disputes amicably between them. In case of failure, Ajman Free Zone provides an office specialized in individual and collective labor disputes. The office works on providing intermediation

to resolve the dispute. If the parties failed to reach a mutual agreement, the complaint should be referred to courts as per the request of either party or both parties.

17.1 Terms and Laws shall apply as per the Labour Law and Ajman Free Zone Private requirements,

17.2 Disputing parties shall attend the settlement meetings scheduled by Ajman Free Zone,

17.3 The employee shall file his complaint to the Employer by formal means and wait for reply before filing the case before Ajman Free Zone, and

17.4 The complainant shall submit the evidence on the complaint and the respondent shall provide the necessary evidence.

### **18 Filing a Complaint**

18.1 On website: <https://www.afz.ae/>

18.2 By Email: [labour.disputes@afz.ae](mailto:labour.disputes@afz.ae)

18.3 Appear in person in the Headquarter: Ajman, Sheikh Rashid Bin Saeed Al Maktoum Street, AFZ Building, Building C1, First Floor.