

**Cabinet Resolution No. (18) of 2022**  
**Concerning the Classification of Private Sector Establishments Subject to the**  
**Provisions of the Law Regulating Labour Relations**

**The Cabinet,**

- Upon reviewing the Constitution; and
- Federal Law No. (1) of 1972 Concerning the Jurisdictions of Ministries and the Powers of Ministers, and any amendments thereto; and
- Federal Decree-Law No. (33) of 2021 Regulating Labour Relations, and its Executive Regulations; and
- Federal Decree-Law No. (27) of 2021 Establishing and Organizing the Emirati Cadres Competitiveness Council; and
- Cabinet Resolution No. (26) of 2010 Concerning the Classification System for Establishments Subject to the Law on Regulating Labour Relations and Bank Guarantees Established therein, and its amendments; and
- Cabinet Resolution No. (21) of 2020 Concerning the Service Fees and Fines at the Ministry of Human Resources and Emiratisation; and
- Cabinet Resolution No. (52M/2C) of 2022 Concerning the Policy of Manpower Planning by Promoting Cultural and Demographic Diversity in the Labour Market in the State; and
- Upon the proposal of the Minister of Human Resources and Emiratisation and the Cabinet's Approval,

**Has resolved:**

**Article (1)**

**Classification Categories of Establishments**

The establishments subject to the provisions of Federal Decree-Law No. (33) of 2021, referred to, shall be classified into three categories:

1. First category.
2. Second category.
3. Third category.

## **Article (2)**

### **First Category**

Establishments shall be classified within the first category, provided that they comply with all procedures related to the aforementioned Federal Decree-Law No. (33) of 2021, executive regulations thereof and all resolutions issued by the Ministry of Human Resources and Emiratisation regarding Work permits and contracts for citizens and the wage protection system, at a rate of 100%, in addition to meeting one of the following criteria:

1. Raise its Emiratisation rates annually in accordance with the resolutions of the Council of Ministers at a rate not less than 3 times the target.
2. Cooperating with the Emirati Talent Competitiveness Council (Nafis) in terms of hiring and training Emirati citizens, with a number of no less than 500 citizens per year.
3. To categorize the projects of young citizens, small and medium, at the local or federal level, or of an innovative nature.
4. To be among the training and employment centres that support the implementation of the workforce planning policy by promoting cultural and demographic diversity in the labour market in the country.
5. To be within the targeted economic sectors and activities as determined by the Council of Ministers based on the proposal of the Minister of Human Resources and Emiratisation.
6. To be among the establishments affiliated with the Higher Corp for Specialized Economic Zones (Zone Corp).

## **Article (3)**

### **Second Category**

Establishments shall be classified in the second category, provided that they comply with all procedures related to the aforementioned Federal Decree-Law No. (33) of 2021, executive regulations thereof, and all resolutions issued by the Ministry of Human Resources and Emiratisation regarding work permits and contracts for citizens and non-citizens and the wage protection system, in addition to the commitment to the workforce planning policy by promoting cultural and demographic diversity in the labour market in the approved country.

## **Article (4)**

### **Third category**

Establishments shall be classified within the third category, according to the following criteria:

1. All establishments that are not committed to the policy of manpower planning by promoting cultural and demographic diversity in the labour market in the approved country.
2. Establishments that the Ministry has proven to have violated the provisions contained in the aforementioned Federal Decree-Law No. (33) of 2021 or executive regulations thereof or ministerial resolutions issued in implementation of them and in the manner issued by a resolution of the Minister of Human Resources and Emiratisation.

## **Article (5)**

### **Transitional Period**

As an exception to the provisions of Article (3) regarding commitment to the policy of manpower planning by promoting cultural and demographic diversity in the labour market in the approved country, establishments that have 50 or more workers shall be classified in the transitional period, and the Ministry, in coordination with the Ministry of Finance, determines the time frame for the end of the period transitional.

## **Article (6)**

### **Transferring Facilities from One Category to Another**

The Ministry of Human Resources and Emiratisation may transfer the facility from one category to another based on its fulfilment of the criteria and controls of the category to which it will be transferred and stipulated in this resolution.

## **Article (7)**

### **Classification of New Establishments**

New establishments, regardless of the size of the establishment, shall be classified within the second category provided that they adhere to the policy of manpower planning by promoting cultural and demographic diversity in the labour market in the approved country when issuing work permits. The third category shall be classified if any of the criteria set out in Article (4) of this Resolution are met.

## **Article (8)**

### **Protection of Labour Rights**

1. The establishments subject to Federal Decree-Law No. (33) of 2021, referred to, shall be obligated to pay a bank guarantee of (3000) Dirhams for each worker or insurance for each worker, in accordance with the mechanisms approved by the Ministry of Human Resources and Emiratization.
2. As an exception to Clause (1) of this Article, establishments that are classified by the Ministry of Human Resources and Emiratization as high-risk shall be obligated to ensure each worker in accordance with the mechanisms approved by the Ministry.

## **Article (9)**

### **Executive Resolutions**

The Minister of Human Resources and Emiratization shall issue the necessary resolutions to implement this Resolution.

## **Article (10)**

### **Repeals**

Cabinet Resolution No. (26) of 2010 Concerning the Classification System for Establishments Subject to the Law on Regulating Labour Relations and Bank Guarantees Established thereon, and amendments thereof, shall be repealed, and any provision that contradicts or contravenes with the provisions of this resolution shall also be repealed.

## **Article (11)**

### **Publication and Enforcement**

This Resolution shall be published in the Official Gazette and shall come into force as of June 01, 2022.

**Mohammed bin Rashid Al Maktoum**

**Prime Minister**

**Issued by Us:**

**On: 11 Shaban 1443 A.H.**

**Corresponding to: 14 March 2022 AD**