



Wages Protection System Guideline



Wages Protection system

- | | |
|--|---|
| 1. Wages Protection System Guideline | View Download |
| 2. Payment of Workers' Wages Declaration | View Download |
| 3. Ministerial Decree No. (788) of 2009 on Protection of Wages | View Download |
| 4. Agents List | View download |

[Back](#)

Wages Protection System (WPS) is an electronic salary transfer system that allows institutions to pay workers' wages via banks, bureaux de change, and financial institutions approved and authorized to provide the service.

The system, developed by the Central Bank of the UAE, allows the Ministry of Labour to create a database that records wage payments in the private sector to guarantee the timely and full payment of agreed-upon wages.

The WPS covers all institutions registered with the Ministry across all sectors and industries and will benefit different categories of labour.

The WPS reflects the UAE's leading position in the region, and will increasingly project the country as a model worth emulating in the following areas:

- Reiterating commitment to protect workers' wages;
- Providing innovative solutions that help employers safeguard their own interests and reduce the time and effort needed to pay workers' wages;
- Taking serious steps to improve job security in order to strengthen work relationships in the UAE and safeguard the rights of all parties concerned;
- Entrenching transparency and competitiveness;
- Ensuring that the UAE Ministry of Labour is regularly and constantly updated on wages data in the private sector in order to guarantee that employers fulfill their salary obligations;
- Taking protective and proactive measures to reduce labour disputes pertaining to wages.

WPS targets the following parties from the Ministry partners:

- **Workers:** each and every individual who works in the private sector in return for agreed-upon wages and who has a labour card issued by the Ministry;
- **Employers:** whoever owns a company or institution registered with the Ministry and hires one or more workers in return for agreed-upon wages;
- **Banks:** the financial institution which the employer has a bank account with,, that is used to transfer the wages amount through WPS to the appointed agent to distribute to the labours.
- **Agent:** any bank, bureau de change, or financial institution approved and authorized by the Central Bank of the UAE to offer wages payment services via WPS. The Central Bank of the UAE will issue a regularly updated list showing names of approved and authorized agents.

Joining WPS requires:

1. The company needs to be registered with the Ministry;
2. The company should have a bank account with one of the banks operating in the UAE;
3. The company should enter into contract with any bank, bureau de change or financial institution approved and authorized by the Central Bank of the UAE to provide the service. The two parties shall agree on any service fees and charges.
4. Workers' wages will be transferred via WPS by the deadlines specified in the Ministerial Resolution No. 788 of 2009.

Deadlines for institutions to start transferring workers' wages via WPS

Number of workers*	Period granted	Deadline
100 and above	3 months (starting September 1)	30 November 2009
15 to 99 workers	6 months (starting September 1)	28 February 2010
Less than 15	9 months (starting September 1)	31 May 2010

*The periods granted to comply with the new system and start transferring workers' wages via WPS will not apply to institutions which were already denied new work permits when the Ministerial Resolution 788 for 2009 was issued for failing to pay workers' wages on time, nor to institutions which failed to pay workers' wages for one month or more after the Ministerial Resolution was issued.

5. The institution will have to transfer workers' wages via WPS within two weeks of their due date, or on the dates specified in the work contract if wages are paid more frequently than monthly.
6. The employer will be responsible for all expenses incurred upon joining WPS, including bank fees, service provider charges, and all other costs. Employers are not allowed to share any costs with workers' by any means, including deducting from their wages, directly or indirectly.

The mechanism to apply for WPS is as below:

The WPS applying mechanism is as below:

- The company shall open an account with one of the banks operating in the country, in case it doesn't have one upon joining the WPS system;
- The company shall enter into contract with a WPS agent that is approved and authorized by the Central Bank of the UAE to provide this service, be it a bank, bureau de change, or a financial institution;
- The employer shall issue instructions to its bank to transfer wages to workers. Instructions shall be accompanied by a detailed wages list and a copy of the list shall be sent to the agent.
- The WPS will send workers' details and wages as well as the salary transfer instructions electronically to the Central Bank of the UAE, who will then forward those details to the Ministry of Labour database in order to make sure that the details received correspond with those registered with the Ministry;
- The WPS will send the approved information to the appointed agent in order to start paying the wages.

Consequences of failing to join WPS


- Institutions failing to transfer workers' wages by the deadlines specified above will be denied the right to have new work permits. This ban will only be lifted in the month following the transfer of workers' wages in full.
- Institutions that delay wages' payment more than one month of the due date will be denied the right to have new work permits, along with all institutions owned by the owner of the violating institution, and to refer all those responsible for the violation to the court, in accordance with Ministerial Resolution No. 788 of 2009.

For inquiries about ways of joining WPS

- **Employers:** can call the Ministry of Labour toll-free number 800-665 or send an email to: wps@mol.gov.ae.
- **Banks, bureaux de change and financial institutions providing the service:** can write to the Central Bank of the UAE on the following email address: wps@cbuae.gov.ae

[Back](#)

Payment of Workers' Wages Declaration

Name of institution/company: ----- TradeRegistration Number: -----
 Area: ----- Street: ----- Building: -----
 Telephone: ----- Fax: ----- Mobile: -----
 Due Month:  Year: -----

Total number of workers as per the Ministry's records	Total number of workers as per the wages sheet	Total number of workers paid	Total number of workers not paid	Total amount of money paid to workers

I, the undersigned, -----, (title: -----), as the authorized signatory of the institution/company declare that I have read and understood all the provisions stipulated in the Cabinet Decree No. 788 of 2009 on the Protection of Wages, and that I am fully aware of the penal code and other laws that regulate this declaration.

I declare that:

- All workers' wages, as stated above, have been paid in full without any deductions that violate the provisions of the Labour Law.
- Non-payment of workers' wages in certain cases is in accordance with the Labour Law and respective work contracts.

I also declare that all information mentioned above is correct and I understand that I may face civil and criminal liabilities for any of the information provided proves to be false.

Day: _____ Date: _____
 Name: _____
 title: _____
 Signature: _____

[Back](#)

Ministerial Decree No.(788) of 2009 on Protection of Wages

After perusal of Federal Law No. (1) of 1972 concerning the jurisdictions of Ministries and power s of Ministers and the amending laws thereto; and

The Federal Law No. (8) of 1980 concerning the Regulation of Labour Relations and the amending laws thereto; and

The UAE Federal Penal Code promulgated by the Federal Law No. (3) of 1987 and the amending laws thereto; and

The Cabinet Decree No. 133/1 of 2007 which makes it mandatory for institutions and companies to transfer their workers' wages via banks; and

The Ministerial Decree No. (156) of 2003 on the Protection of Wages; and

The briefing given by the acting Undersecretary of the Ministry;

The Minister of Labour hereby promulgates the following Decree:

Article (1)

All institutions registered with the Ministry must pay their workers' wages once a month, at least, or on the dates specified in the work contract if wages are paid more frequently than monthly. The payment of wages should comply with the procedures and dates specified in this Decree. The institutions should, when requested, present all supporting documents that wages have been paid.

Article (2)

All institutions mentioned in Article (1) of this Decree must, as of 1 September 2009, start transferring all its workers' wages to the banks and financial institutions working in the UAE via the Wages Protection System (WPS). The payment process should be made by the deadlines specified in Article (3) of this Decree.

Article (3)

All institutions mentioned in Article (1) of this Decree should transfer their workers' wages via WPS by the deadlines below:

Number of workers	Maximum period of time granted	Deadline
100 and above	3 months (starting September 1)	30 November 2009
15 to 99 workers	6 months (starting September 1)	28 February 2010
Less than 15	9 months (starting September 1)	31 May 2010

The above-mentioned periods shall not apply to:

1. Institutions which were already denied new work permits when the Decree was issued for failing to pay workers' wages on time;
2. Institutions which failed to pay their workers' wages for one month or more after this Decree was issued.

Institutions mentioned in items (1) and (2) above should start transferring wages in accordance with Article (2) of this Decree in order to lift the ban imposed on issuing new work permits, without prejudice to imposing other penalties on the institution in question.

Article (4)

Institutions failing to transfer their workers' wages in compliance with Article (2) of this Decree and within the periods specified in Article (3) of the same Decree will be denied the right to have new work permits. This ban will only be lifted in the month following the transfer of workers' wages in full.

Article (5)

Until the workers' wages are transferred in compliance with Article (2) of this Decree, it is mandatory for institutions with fifty workers or more to submit a monthly declaration as per the form attached to this decree.

Nonetheless, the Undersecretary of the Ministry, or whoever is delegated to task, may apply Paragraph 1 of this Article to other institutions or exempt others from the provisions of the same Paragraph.

Article (6)

The declaration stipulated in Article (5) of this Decree should be submitted within two weeks from the wages' due date and in accordance with the procedures decided by the Undersecretary of the Ministry.

Article (7)

Taking into consideration Article (8) and Article (9) of this Decree, the authorized signatory of the institution will submit the declaration stipulated in Article (5) of this Decree, and will be held responsible for the information and data contained in the declaration, and may face civil and criminal liabilities for any violations.

Article (8)

If the Ministry is certain and assured that one of the following violations has occurred:

- (a) Wages are not paid within a month of their due date;
- (b) The declaration, stipulated in Article (5) of this Decree, has not been submitted within a month of the wages' due date

and taking into consideration the provisions of other Cabinet Decrees pertaining to other administrative procedures, the institution in question shall be denied the right to have a new work permit for the following periods:

- Until the violation is rectified (the first violation);
- For one month after the violation is rectified (second violation);
- For two months after the violation is rectified (third violation);
- For three months after the violation is rectified (fourth violation).

If the Ministry arrives at a conclusion that the different bans mentioned above have been to no avail, it may, at its own discretion, decide to impose a ban on issuing any work permits to all institutions owned by the owner of the violating institution, provided they are owned by the same partners, and to refer all those responsible for the violation to the court. The ban shall persist until after the court proceedings or the violation is rectified, whichever comes first.

Article (9)

If the Ministry is certain and assured that the declaration, stipulated in Article (5) of this Decree, provides false information, the institution in question shall be denied the right to have a new work permit, and all those responsible for the false information shall be prosecuted, while the ban on work permits shall remain in force until after the court proceedings.

Article (10)

This Decree shall annul, as of the date it comes into force, the above-mentioned Cabinet Decree (156) of 2003 which makes it mandatory for the institutions to submit a certificate issued by an auditor.

Article (11)

This Decree shall be published in the Official Gazette and shall enter into force as of September 1, 2009.

Saqr Ghobash Saeed Ghobash
Minister of Labour

Issued in Abu Dhabi on 20/07/2009