

Minister of Labour's decree (765) of 2015 on
Rules and Conditions for the Termination of Employment Relations

The Minister of Labour,

Upon consulting Federal Law (1) of 1972 on the mandates of ministries and the powers granted to ministers.

And of Federal Law (8) of 1980 and its amendments governing labour relations.

Decrees:

Article (1)

An employment relation between employer and worker may be terminated as follows:

I – In the case of fixed-term contracts (approved by the Ministry for a term of no more than two years), an employment relation is terminated if any of the following instances occurs:

- 1- The term of the contract expires and the contract is not renewed.
- 2- Employer and worker mutually consent to terminate the contract during the course of its term.
- 3- Either party (employer or worker) acts unilaterally to terminate the contract and complies with the legal steps that are described in clause (4) of this article. The terminating party bears any legal consequences of early termination.
- 4- Either party (employer or worker) acts unilaterally to terminate a renewed term contract, whether renewal has occurred before or after this decree enters into effect, provided the terminating party complies with the following legal steps:
 - a. Notify the other party in writing of its intent to terminate the contract in accordance with the notice period to be agreed to by the two parties, not to be less than one month and not to exceed three months. If renewal occurred before this decree enters into effect and the parties had not agreed to a notice period, this notice period shall be three months.
 - b. Continue to honor his/her contractual obligations for the duration of the notice period.
 - c. Indemnify the other party to the level that was agreed to by both parties, not to exceed the equivalent of three months of gross wages. If renewal occurred before this decree enters into effect and the parties had not agreed to the amount of indemnification, this indemnification shall be the equivalent of three months of gross wages.
- 5- Either party (employer or worker) acts unilaterally to terminate the contract without complying with the legal steps that are described in clause (4) of this article, and for no reason of non-compliance by the other party; in this case the terminating party bears any legal consequences of early termination.
- 6- The Employer acts to terminate the contract of a worker who commits any of the violations that are described in Article (120) of the Federal Labour Law.

II – In the case of unlimited (not term-bound) contracts, an employment relation is terminated if any of the following instances occurs:

- 1- The two parties consent to termination.
- 2- One party acts, at any time, to terminate the contract subject to notifying the other party and continuing to honor contractual obligations for the duration of the notice period, which cannot be less than one month and cannot exceed three months.
- 3- One party (Employer or Worker) acts unilaterally to terminate the contract, without complying with the legal conditions described in (2) above and without reason of non-compliance by the other party; in this case the terminating party bears any legal consequences of early termination.
- 4- The Employer acts to terminate the contract of a worker who commits any of the violations that are described in Article (120) of the Federal Labour Law.

In all instances of termination described in this Article (1), either Employer or Worker may refer to the judicial system to seek indemnification or recover other rights under the Federal Labour Law and its implementing decrees.

Article (2)

An employment relation is considered to have de facto ended if any of the following instances occurs:

- 1- It is duly established that the employer has failed to meet contractual or legal obligations to the worker (as in, but not limited to, the non-payment of wages for a period exceeding 60 days)
- 2- The worker has filed a court complaint against an employer who failed to secure employment of the worker as a result of the shutting down of the employer's business, in which case a report by Labour Inspection attesting to the fact that the business has been inactive for a period exceeding two months must be obtained and the worker must have reported to the Ministry during this period.
- 3- A labour complaint is referred to the court by the Ministry and a final ruling is obtained in favor of the worker stating that the worker is entitled to no less than two-month wages or to indemnification for arbitrary firing or early termination of a fixed-term contract, or any other benefits denied to him by the employer for no lawful reason or the including the end-of-service benefit.

Article (3)

An employment relation is deemed to have ended without due process when:

- 1- The employer terminates the employment relation without complying with legally mandated procedures;
- 2- The worker employer terminates the employment relation without complying with legally mandated procedures;

In which cases the wronged party may initiate legal action to seek indemnification or the recovery of other rights as stipulated by the aforementioned Law governing labour relations.

Article (4)

Any and all provisions of previous ministerial decrees that are contrary to, or inconsistent with the provisions of this present decree are hereby rendered null and void.

Article (5)

This Decree shall be published in the Official Gazette and become effective on 1/1/2016.

Saqr Ghobash
Minister of labour

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