

# **Employment Affairs Office – Guidance on the ADGM Employment Regulations 2024**

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**Employment in Abu Dhabi Global Market**

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## Introduction

Abu Dhabi Global Market (“**ADGM**”) is an international financial centre established in the Emirate of Abu Dhabi pursuant to the UAE Federal Decree No. 15 of 2013 and Abu Dhabi Law No. 4 of 2013, as amended (“**ADGM Law**”). With its own civil and commercial laws based on English common law, ADGM offers the local, regional and international business community a world-class legal system and regulatory regime.

This guidance (“**Guidance**”) is issued under Section 71(2) of the ADGM Employment Regulations 2024. The Guidance has been prepared by the Registration Authority to support ADGM establishments in attracting and retaining the best talent in the market.

This Guidance applies to all ADGM establishments that have a valid licence issued by the ADGM Registration Authority to carry on one or more activities in ADGM (being the “**Employer(s)**”) and their employees (the “**Employee(s)**”). All capitalised terms shall have the meaning ascribed to them in the Employment Regulations and subordinate rules, including Employment Regulations (Temporary Work Permit) Rules 2024 unless otherwise defined in this Guidance.

## Legal Framework in ADGM

The UAE Federal Law No. 8 of 2004 exempts financial free zones and the activities conducted within these zones from federal civil and commercial laws. ADGM is a financial free zone generally exempt from most of the UAE federal civil and commercial laws, including the UAE Federal Labour Law (UAE Federal Decree-Law No. 47 of 2021) and any resolutions and decisions issued by the Ministry of Human Resources & Emiratisation (“**MOHRE**”).

The ADGM Employment Regulations 2024 (the “**Employment Regulations**”) and its subordinate rules were enacted by the Board of Directors of ADGM in exercise of its powers under Article 6(1) of the ADGM Law. The Employment Regulations apply to all Employers and their Employees.

A copy of the Employment Regulations is available on the ADGM website by following this link: <https://en.adgm.thomsonreuters.com/rulebook/employment-regulations-2024>.

For subordinate rules, including Employment Regulations (Temporary Work Permit) Rules 2024, they are available on ADGM website by following this link: <https://en.adgm.thomsonreuters.com/rulebook/employment-regulations-rules>.

The sections below have been prepared to provide Employers and Employees with a summary of the legal framework governing employment matters in ADGM.

## ADGM Employment Regulations 2024

The Employment Regulations provide **minimum employment entitlements** for Employees and promote a fair balance of rights and obligations between Employees and Employers to foster employment practices that will contribute to the success of ADGM.

This means that any agreement between an Employer and an Employee to waive or exclude any of these minimum requirements, except where expressly permitted under the Employment Regulations, shall be void.

However, the Employer may at any time provide terms and conditions that are more favourable to the Employee than those required by the Employment Regulations.

The Employment Regulations apply to the following persons:

1. An Employer, which is:
  - a. a person incorporated, established or registered in the ADGM; or
  - b. ADGM,and employs one or more Employees.
2. An Employee, which is an individual employed by an Employer under an Employment Contract who:
  - a. is based within or is ordinarily working within or from the ADGM for an Employer; or
  - b. agrees in an Employment Contract to be subject to the Employment Regulations.

The Employment Regulations set out provisions regulating, among other provisions, the hiring Employees, protection of wages, working hours, leave entitlements, health insurance, safety of Employees, duties of Employers and Employees at work as well as termination of Employment Contracts and end of service entitlements.

## Application of Employment Regulations 2024 on Dual Licensed Employers

In cases of dual licensed entities, which refers to Employers that have branch office established and licensed under the dual licensing regime in place between ADGM and the Abu Dhabi Department of Economic Development (“**Abu Dhabi DED**”), the employees of the entity licensed by the Abu Dhabi DED are not subject to the application of the Employment Regulations 2024.

In other words, if the employee’s employment contract is with the Abu Dhabi DED licensed entity – and not with the ADGM Entity (an entity licensed in ADGM) – then such employee’s employment shall be governed by the UAE Federal Labour Law.

Additionally, ADGM entities that have been designated by the ADGM Board of Directors as exempt from commercial licensing, are exempt from the application of the Employment Regulations 2024.

Reference: ADGM Employment Regulations 2024 – Section 75 (Short title, application, commencement)

## Key Employment Rights and Obligations in ADGM

### 1. Employment Contracts

An Employment Contract is a document containing the employment terms and conditions that will govern the employment relationship between the Employer and Employee, which must be compliant with the minimum standards set out in the Employment Regulations. An Employee

should not commence their employment with an Employer until the Employment Contract has been signed by both the Employee and the Employer.

The Employer must ensure that any Employee, who does not have sufficient competency in the written English language, understands the terms of the Employment Contract before signing it.

Any amendments to such contract must be in writing and signed by both the Employee and Employer, unless such amendment is of an administrative nature only, in which case the Employer is required to record such amendment in writing and to give written notice of the amendment to the Employee prior to the amendment taking effect.

The Employer is required to provide a copy of the signed Employment Contract to the Employee no later than 1 month after the employment commencement date. The employment commencement date is the Employee's first day at work. Therefore, if the Employee's first day at work falls on 1 December, the Employer must provide the Employee with the signed Employment Contract copy by 31 December.

Furthermore, for each Employee, an Employer must keep records of the following:

- a) a copy of the Employee's Employment Contract;
- b) a copy of the Employee's passport, telephone number and personal email address;
- c) the date of commencement of the Employee's employment with the Employer;
- d) the Employee's Wages (gross and net, where applicable), and the applicable Pay Period;
- e) the benefits provided to the Employee by the Employer;
- f) each deduction made from the Employee's Wages and the reason for it;
- g) the dates of the vacation leave taken by the Employee;
- h) any sick leave taken by and sick pay paid to the Employee;
- i) any repatriation flight paid for by the Employer for the Employee; and
- j) the amount of any end of service gratuity paid to the Employee on termination of the Employee's employment.

The records must be kept in English and must be accessible at the Employer's principal place of business in the ADGM. Such records must also be retained by the Employer in accordance with the ADGM Data Protection Regulations 2021.

In practice, there are two common types of Employment Contracts: (1) limited (e.g., fixed term contracts), and (2) unlimited (e.g., open-ended contracts). Limited Employment Contracts are for a specific duration with specific commencement and completion dates; in other words, a fixed term. Employment automatically terminates at the end of the period specified in the Employment Contract, but can be renewed with mutual consent of the parties.

With unlimited Employment Contracts, only a commencement date will be specified, with an indefinite duration. The contract can be terminated in one of the following ways:

- a) mutual agreement of the parties;
- b) if one party wishes to do so, by giving prior notice of termination that is normally no less than 30 days; or
- c) for cause without notice.

It should be noted that the Employment Regulations, as currently drafted, do not mandate a minimum or maximum term for Employment Contracts. Therefore, the term can be determined by agreement between the Employer and Employee.

As per the Employment Regulations, an Employment Contract should include:

- a) the names of the Employer and Employee;
- b) the date of commencement of the Employee's employment;
- c) the Employee's job title;
- d) the Employee's Wages;
- e) the applicable Pay Period;
- f) any terms and conditions relating to -
  - i. hours or days of work;
  - ii. vacation leave; and
  - iii. sick leave and sick pay;
- g) the length of notice that the Employee and the Employer are obliged to give and are entitled to receive to terminate the Employment Contract;
- h) where the Employment Contract is not intended to be for an indefinite duration, the period for which it is expected to continue or the date when it is to end;
- i) the Employee's place of work or, if applicable, confirmation that the Employee is a remote Employee;
- j) a reference to any disciplinary rules and/or grievance procedures applicable to the Employee;
- k) confirmation that it is governed by the laws of the ADGM; and
- l) any other matter that may be prescribed by rules made by the Board.

The Employment Regulations provide minimum rights and obligations. The parties to the Employment Contract can agree to terms more favourable to the Employee.

ADGM's standard Employment Contract templates, which contain the minimum standards set out in the Employment Regulations, can be found under "Useful documents" on the EAO website, which can be accessed [here](#).

Reference: ADGM Employment Regulations 2024 – Section 5 (Right to a written contract)

## **2. Probation**

Employees may be subject to a probationary period. However, such period should not exceed six (6) months. It is also possible for parties to an Employment Contract to agree to commence the Employee's employment without a probationary period.

The Employee on probationary period is entitled to (i) vacation leave (subject to the Employer's approval), (ii) sick leave (not for sick pay), and (iii) special leave (Hajj pilgrimage). The Employee serving a probationary period shall not be entitled to paid maternity/paternity leave and paid time-off for ante-natal care and adoption proceedings.

During the employee's probationary period, their employment can be terminated without cause on one (1) week's notice to the other party or for cause without notice. If the Employee's employment is terminated during the probationary period, the Employee is not eligible for the end of service gratuity. However, the Employer is required to provide an Employee with a one-way repatriation flight in accordance with Section 62 (Repatriation Flight).

Both parties should note that once the probationary period is completed, such period should be counted as part of the Employee's employment with the employer. In other words, this period must be taken into account when calculating the Employee's end of service gratuity and other termination entitlements.

Reference: ADGM Employment Regulations 2024 – Section 8 (Probationary Period)

### **3. *Employment Visas and ADGM Work Permits***

As per the Employment Regulations, Employers are responsible for obtaining and maintaining the Employee's ADGM work permit, and as applicable, UAE residency visa and UAE identity card. This includes paying for any associated costs for obtaining it and its cancellation.

This requirement also applies to Employers hiring remote Employees who reside in and perform work in the UAE. With respect to remote Employees who do not reside in and do not perform work in the UAE, there is no obligation on the Employer to obtain a residency visa or ADGM work permit.

If an Employee is self-sponsored, such as a UAE Golden Visa holder, an Employer is not required to obtain a residency visa for such Employee, however, the Employer must obtain, or must have applied for, the Employee's ADGM work permit prior to the Employee's work commencement date.

ADGM Corporate Relations supports Employers and their Employees with the following processes:

- a) Residency Visa Applications:
  - To obtain a UAE residency visa for an Employee, an Employer must have a valid establishment card with the ADGM Registration Authority and the Employee must have an employment offer from or signed Employment Contract with the Employer;
- b) ADGM Work Permits Applications:
  - Obtaining ADGM work permits for Employees, including part-time Employees;
- c) ADGM Temporary Work Permit Applications:
  - Obtaining ADGM temporary work permits for Non-Employees, referring to an individual who performs work or provides services to ADGM registered entities or through a third party engaged by the ADGM registered entities for at least 30 days or more in any 12-month rolling period; and
- d) Cancellation of the Employee's Residency Visa and ADGM Work Permit:
  - Once an employment is terminated, the Employer must cancel the Employee's residency visa and ADGM work permit within the timeframe stipulated by the relevant onshore authority.

For more information regarding the process of obtaining or cancelling residency visas and ADGM work permits (including temporary work permits), please refer to the [ACCESSADGM](https://accessadgm.com) portal or send an email to [accessadgm.cases@adgm.com](mailto:accessadgm.cases@adgm.com).

Reference: ADGM Employment Regulations 2024 – Section 4 (Visa and permits)

## 4. Pension Registration

### A. Pension Registration for UAE or GCC Nationals

For Employees who are UAE nationals, the Employer is required to register such UAE national with the relevant pension authority in the UAE within 30 calendar days from the first day of their employment.

For Employees who are GCC nationals (excluding UAE), the Employer is required to register such GCC national with the relevant federal pension authority in the UAE (e.g. General Pension and Social Security Authority (“**GPSSA**”)) within 30 calendar days from the first day of their employment.

Such Employees will not be eligible to receive an end of service gratuity unless they have the written approval of the applicable pension authority to not participate in the applicable pension scheme. A copy of this approval will need to be provided by the Employee to the Employer prior to or within 30 calendar days of the first day of their employment.

To raise awareness amongst the ADGM Community, the ADGM Registration Authority issued a circular, effective from 19 February 2024, concerning the Employer’s obligation to enrol eligible Employees in the relevant pension scheme. The full circular can be found [here](#).

Reference: ADGM Employment Regulations 2024 – Sections 60 (Pension for UAE and GCC nationals) and 61 (End-of-service gratuity) & ADGM Registration Authority Circular No. 1 of 2024 (concerning the requirement for all ADGM Licensed Persons to ensure that UAE or GCC National employees are enrolled in the relevant UAE pension scheme)

### B. Option for Pension Registration for all Employees

Alternatively, Employers may give all Employees (including UAE or GCC nationals who have chosen not to participate in the applicable UAE statutory pension schemes described above under subsection 4A) the option of participating in a pension or savings scheme as an alternative to receiving an end of service gratuity. Employees must then confirm their choice in writing. If the Employee chooses to participate in the pension or savings scheme, they will not be entitled to any end of service gratuity (unless otherwise agreed by the Employer).

Reference: ADGM Employment Regulations 2024 – Sections 61(5) and (6) (End-of-service gratuity)

## 5. Employment of Youth

Employers may employ individuals between the ages of 15 and 18, subject to any rules issued by the ADGM Board of Directors.

Regardless, the Employer must take all appropriate measures to ensure that the working conditions for such youth are safe, reasonable and appropriate for their age and well-being.

For Non-Employees (e.g. interns), if such Non-Employee is between 15 and 18 years of age, the ADGM Entity (an entity licensed in ADGM) shall take all appropriate measures to ensure that conditions of that Non-Employee's engagement are safe, reasonable and appropriate for their age and wellbeing.

Reference: ADGM Employment Regulations 2024 – Section 3 (Hiring children and youth) and ADGM Employment Regulations (Temporary Work Permit) Rules 2024 – Rule 2(4) (Specific Requirements)

## **6. Employee's Duties**

As per the Employment Regulations, Employees shall, except as and to the extent specified in their Employment Contract:

- a) perform their employment duties with reasonable diligence and care;
- b) comply with the lawful and reasonable instructions of the Employer;
- c) take reasonable care of any of the Employer's property which is in the Employee's possession or control and to return such property to the Employer as soon as practicable following the Termination Date;
- d) not offer, promise, give, accept, or solicit any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly;
- e) not hold themselves in a position which may create a conflict of interest between the Employee and the Employer;
- f) serve the Employer faithfully; and
- g) not disclose to any third party any confidential information of the Employer, unless such disclosure is –
  - i. in the proper course of the Employee's duties for the Employer;
  - ii. authorised by the Employer; or
  - iii. compelled by a Competent Authority, competent court or required or permitted by applicable law or regulation.

Reference: ADGM Employment Regulations 2024 – Section 52 (General duties of Employees)

## **7. Employer's Duties**

The Employment Regulations mandate that every Employer should provide its Employees with protection against occupational hazards during work and the use, handling, storage and transport of dangerous articles and substances. The Employer shall also display instructions regarding fire prevention, provide sufficient lighting and clean and hygienic working environment, provide adequate supply of wholesome drinking water for all Employees, ensure workplace is ventilated by a sufficient quantity of fresh or purified air and provide and maintain adequate and safe access to, and from, the workplace.

The Employer should also provide and maintain a workplace that is free of discrimination, victimisation, harassment, and that is safe and without risks to an Employee's health.

Reference: ADGM Employment Regulations 2024 – Part 7 (Employer's Obligations)



## 8. Payment of Wages

The Employer must pay the Employee the agreed wages as mentioned in the signed Employment Contract. The Employer must arrange wage payment to the Employee within 14 calendar days of the end of the relevant pay period, which must be determined by the Employer and the Employee prior to commencement of the employment. The pay period cannot exceed one month.

For example, if the pay period is one month (i.e., the Employee is paid on a monthly basis), the Employer is required to pay the Employee's wages within 14 calendar days from the last day of the month.

In addition, the Employee is entitled to a written pay statement (i.e., payslip) on or around the date on which the Employee is paid their wages, which states the Employee's payable wages and any deductions made (including the reasons behind any deductions). Such pay statement may be provided via electronic access, however, the Employer should ensure that the Employee is able to obtain a hard copy of such pay statement.

The Employment Regulations do not prescribe any minimum wage or specific payment methods, such as the UAE Wage Protection Scheme ("WPS"). The UAE WPS does not apply within ADGM. However, the payment of wages must not fall below the standards set out under Section 7 and Part 3 of the Employment Regulations.

Reference: ADGM Employment Regulations 2024 – Sections 12 (Pay period) and 74 (Interpretation)

## 9. Working Hours & Breaks

Generally, an Employer should not require or allow – directly or indirectly – an Employee to work hours that are detrimental to the Employee's health and safety. The maximum working hours for an Employee should not exceed 48 hours in a 7 calendar day period. Anything in excess of this requires the Employee's consent in writing.

For daily breaks, if an Employee's daily working hours are more than 6 hours, the Employer must provide the Employee with rest and prayer breaks of not less than 1 hour in total during the workday. The Employee can spend such rest and prayer breaks away from their designated workstation.

For instance, if the Employee works 8 hours per day for 5 days per week, his total weekly working hours shall be 40 hours, and the Employer should ensure that (i) such Employee's working hours do not exceed 48 hours unless the Employee consents in writing, and (ii) such Employee gets rest and prayer breaks of not less than 1 hour per working day.

Reference: ADGM Employment Regulations 2024 – Sections 15 (Maximum weekly working time), 16 (Excessive hours) and 20 (Breaks)

## 10. Ramadan Working Hours

During the holy month of Ramadan, the normal working hours for Muslim Employees shall be reduced by 25% each working day. The Employer must ensure that there is no reduction in the Employee's compensation due to reduced working hours during Ramadan.

For instance, if a Muslim Employee's normal working hours are 8 hours per working day, such Employee's working hours shall be 6 hours (\*25% of 8 hours) per working day during Ramadan.

Employers may choose to reduce the working hours of non-Muslim Employees as well.

Reference: ADGM Employment Regulations 2024 – Section 17 (Reduced hours during Ramadan)

## **11. Overtime Compensation**

The Employment Regulations do not prescribe any express requirements with respect to overtime compensation. However, the Employee's maximum weekly working hours, as stipulated under Section 15 (Maximum weekly working time), should not exceed an average of 48 hours per 7 calendar days unless the Employer has first obtained the Employee's consent in writing.

The Employee may be entitled to overtime payment for any hours worked exceeding the maximum weekly hours in accordance with rules or guidance issued by the Registrar.

In practice, it should be noted that the Employees in managerial or supervisory positions, as well as the Employees in industries in which overtime compensation is not reasonably expected shall not be entitled to overtime payment.

Employers may provide for overtime entitlements in Employment Contracts with its Employees or in an internal company policy.

Reference: ADGM Employment Regulations 2024 – Sections 15(1) (Maximum weekly working time) and 16 (Excessive hours)

## **12. Vacation Leave**

An Employee is entitled to minimum paid vacation leave of 20 working days per Vacation Leave Year, which is exclusive of national holidays. During the first year of employment, vacation leave is accrued at a monthly rate of 1/12th of such Employee's annual entitlement to vacation leave. Employers may choose to provide more than 20 working days per Vacation Leave Year, but not less. Additionally, Employees on their probationary period may take vacation leave, subject to the Employer's approval.

The Vacation Leave Year is defined as either:

- a) the vacation leave year specified in the Employment Contract or company policy; or
- b) the calendar year commencing on 1 January and ending on 31 December (if not specified in the Employment Contract or company policy).

For illustration purposes, if an Employee is entitled to 20 days of vacation leave per year, and if the Employee's first day of employment is 1 July, then such Employee's vacation leave will accrue pro rata at a rate of 1/12<sup>th</sup> for the remainder of the year:  $20 / 12 = 1.67$  days. So, 1.67 days of vacation leave will accrue each month. By the end of the year, the Employee will have accrued 10 days of vacation leave.

For any accrued but untaken vacation leave, an Employee is entitled to carry forward such leave for a maximum period of 12 months, after which any vacation leave carried forward will expire. The amount an Employee can carry forward may be agreed between the Employer and Employee,

provided that nothing will prevent an Employee from carrying forward a minimum of 5 days of accrued but untaken vacation leave.

Employees must obtain their Employer's consent before taking any vacation leave, and such consent should not be unreasonably withheld.

Upon termination of an Employee's employment, the Employee is entitled to payment in lieu of vacation leave accrued but not taken, which shall be calculated using the terminated Employee's daily wage at the termination date (i.e., the last working day). For the definition of "Daily Wage", please refer to Section 74 (Interpretation) of the Employment Regulations. Please refer to the EAO's FAQs – J. Termination Q12, which is published [here](#), for an example illustrating this calculation.

Reference: ADGM Employment Regulations 2024 – Sections 8 (Probationary Period), 21 (Vacation Leave), 22 (Compensation in lieu of Vacation Leave), 23 (Dates on which leave is taken) and 24 (Leave during the first year of employment)

### **13. Sick Leave and Sick Pay**

An Employee is entitled to sick leave not exceeding 60 working days in aggregate in any 12-month period. An Employee who takes sick leave must notify their Employer and, if required, provide a sick certificate from a registered medical practitioner.

An Employee shall be entitled to full pay, based on his daily wage, for the first 10 working days of sick leave, half pay for the next 20 working days, and no pay for the remaining 30 working days.

Reference: ADGM Employment Regulations 2024 – Sections 29 (Sick leave) and 30 (Sick pay)

### **14. Bereavement Leave**

An Employee is entitled to 5 working days of bereavement leave on the death of the Employee's spouse, parent, child (including an adopted child) or sibling, subject to the Employee satisfying any evidential requirements reasonably requested by the Employer. Such leave will be paid leave based on the Employee's daily wage.

Reference: ADGM Employment Regulations 2024 – Section 28 (Bereavement leave)

### **15. Maternity Leave**

A female Employee is entitled to 65 working days of maternity leave. Such maternity rights are also extended to female Employees adopting a child of less than 5 years old inside or outside the UAE, or female Employees who give birth to a stillborn baby or suffer a miscarriage after the start of the 24<sup>th</sup> week of the pregnancy.

An Employee is only entitled to maternity pay if the Employee has been continuously employed with the Employer at least 12 months preceding the expected or actual week of childbirth. The Employee must notify the Employer in writing confirming the pregnancy at least 8 weeks before the expected week of childbirth. The Employee must also provide a medical practitioner's certificate stating the expected or actual birth date (if requested by the employer), and must notify the Employer in writing at least 21 days before the day the Employee proposes to begin the maternity leave.

During the Employee's maternity leave, the Employee shall be entitled to full daily wage for the first 33 working days of maternity leave, and half of the daily wage for the next 32 working days. An Employee cannot receive any payment in lieu of maternity leave.

For the definition of "daily wage", please refer to Section 74 (Interpretation) of the Employment Regulations. Additionally, an example is provided for illustration purposes in the EAO's FAQs – J. Termination Q12, which is published [here](#).

The Employer should note that the Employee's vacation leave shall continue to accrue during the Employee's maternity leave and may be taken separately in addition to the maternity leave. Furthermore, any national holidays falling on a working day within the maternity leave period shall be treated as additional leave and will therefore have the effect of extending the maternity leave by the period of the national holiday.

Once the Employee returns to work from maternity leave, and if the Employee's daily working hours exceed 6 hours, the Employee is entitled to at least 1 nursing break (not less than 1 hour in total) during the working day, which is in addition to the Employee's daily rest break. This entitlement shall continue for 9 months after the child's actual birthdate.

For instance, if the daily working hours of an Employee who just returned from maternity leave are 8 hours, the Employer must provide the Employee with (i) one hour of daily rest and prayers break, and (ii) one hour of a nursing break.

**Note:** In cases of adoption, references to 'childbirth' shall be treated as references to 'date of adoption'.

Reference: ADGM Employment Regulations 2024 – Sections 20(2) (Breaks), 32 (Maternity Leave) and 33 (Maternity Pay)

## **16. Paternity Leave**

An Employee, who becomes a father to a newly-born child or an adopted child of less than 5 years old, shall be entitled to a minimum paternity leave entitlement of 5 working days to be taken within 2 months of the date of childbirth or adoption.

During paternity leave, the Employee shall be entitled to paternity pay, which is calculated at the Employee's normal daily wage. Any national holidays falling on a working day within the paternity leave period shall be treated as additional leave and will therefore have the effect of extending the paternity leave by the period of the national holiday. The Employee cannot receive any payment in lieu of paternity leave.

For the definition of "daily wage", please refer to Section 74 (Interpretation) of the Employment Regulations. Additionally, an example is provided for illustration in purposes in the EAO's FAQs – J. Termination Q12, which is published [here](#).

Reference: ADGM Employment Regulations 2024 – Section 34 (Paternity Leave and Paternity Pay)

## **17. Ante-Natal Care**

An Employee, who is pregnant or whose wife is pregnant, and on the advice of a registered medical practitioner, made an appointment to receive ante-natal care, is entitled to reasonable time off work during the Employee's working hours to attend the appointment.

In such instances, the Employer is entitled to request the Employee to provide a medical certificate confirming the pregnancy and evidence of ante-natal appointments.

Employees applying for adoption are also entitled to reasonable time off to attend adoption proceedings, subject to providing reasonable notice to the Employer and submitting any evidential requirements requested by the Employer.

An Employee who is permitted to take time off for ante-natal care or adoption proceedings is entitled to payment based on their normal hourly rate for any time-off taken. Such hourly rate shall be calculated using the Employee's daily wage divided by the Employee's number of normal working hours in a working day.

For example, if the Employee's daily wage is AED 4,000 and their working day consists of 8 hours per working day, such Employee's hourly rate will be AED 500 (AED 4,000 divided by 8 hours).

For the definition of "daily wage", please refer to Section 74 (Interpretation) of the Employment Regulations. Additionally, an example is provided for illustration purposes in the EAO's FAQs – J. Termination Q12, which is published [here](#).

Reference: ADGM Employment Regulations 2024 – Sections 35 (Right to time off for ante-natal care and adoption proceedings) and 36 (Right to remuneration for time off under section 35)

## **18. Health Insurance & Medical Assistance**

The Employer is required to obtain and maintain health insurance coverage for all its Employees (including UAE Golden Visa holders) and, where applicable, the Employee's dependents, except for Remote Employees who do not reside in and do not perform work in the UAE.

Furthermore, if the Employee gets injured as a result of an accident or illness arising out of or in the course of their employment, and provided that such expense is not covered by the Employer-provided health insurance, the Employer must immediately obtain adequate medical assistance for such Employee, and bear the expenses.

Reference: ADGM Employment Regulations 2024 – Sections 48 (Work-related injury and illness) and 49 (Health insurance)

## **19. Compensation for Employment-related Accidents & Occupational Diseases**

The Employee may be entitled to damages if they can prove that the accident or illness was caused by the Employer's negligent action or inaction. Such compensation will be determined by the ADGM Courts.

Reference: ADGM Employment Regulations 2024 – Section 48 (Work-related injury and illness)

## **20. Termination of Employment**

An Employment Contract can be terminated by either the Employer or Employee in the following circumstances:

1. by the mutual agreement of the two parties;
2. at the end of the contract term (e.g., a fixed term contract);
3. termination for cause by the Employer or Employee; or
4. if one of the parties wishes to terminate the contract, provided that they provide written notice as per the relevant provision of the Employment Contract, or if there are no contractual provisions, then in accordance with the Employment Regulations.

Both the Employee and the Employer may terminate the Employment Contract without notice (in other words, with immediate effect) if the termination is 'for cause'. Termination for cause is when an Employer or Employee terminates the Employee's employment due to the other party's conduct in circumstances where a reasonable Employer or Employee would consider termination with immediate effect for cause to be warranted. For example, if the Employer or Employee has committed a crime, such as fraud or embezzlement.

Unless the employment is terminated for cause, an Employer may choose to make a payment in lieu of all or part of an Employee's notice period, subject to the Employee's written consent to such payment.

After the termination of employment, an Employee is entitled to all wages and any other amounts owed to the Employee (excluding any variable payments such as bonuses or commissions) within 21 calendar days of the Employee's termination date. Variable payments may be deferred and subject to other reasonable conditions agreed in writing between the Employee and the Employer.

In addition, upon the termination of employment, the Employer must not request nor demand nor accept any sum from the Employee as reimbursement for costs incurred by the Employer in respect of its obligations pursuant to Section 4 (Visa and permits) of the Employment Regulations (e.g., visa cancellation fees).

Reference: ADGM Employment Regulations 2024 – Sections 56 (Rights of Employer and Employee to minimum notice of termination), 57 (Termination for cause) and 58 (Right to written statement of reasons for termination)

## **21. Notice Period for Termination of Employment**

Where the Employer or Employee wish to terminate the employment, the Employer or Employee must provide written notice to the other party.

For an Employee on probation or who has been with the Employer less than 3 months, the minimum notice period for terminating the employment is 7 calendar days. For the Employee who has been with the Employer for 3 months or more, the required minimum notice is 30 calendar days.

However, the Employer and Employee may agree to a longer notice period and the Employee may accept a payment in lieu of notice by providing their written consent to the Employer on or after notice of termination is given.

The requirement for notice period does not apply where the employment has been terminated for cause. Additionally, if an Employee is employed under a fixed term contract where the employment will terminate on the expiry of a fixed term, the minimum notice periods do not apply.

Reference: ADGM Employment Regulations 2024 – Section 56 (Rights of Employer and Employee to minimum notice of termination)

## **22. Competent Authority**

For any questions concerning the timeframe for the cancellation of an Employee's residency visa and ADGM work permit, the relevant competent authority is the UAE Federal Authority for Identity, Citizenship, Customs & Port Security.

With respect to health insurance requirements, the relevant competent authority is the Department of Health – Abu Dhabi.

## **23. Involuntary Loss of Employment Scheme**

The Involuntary Loss of Employment ("ILOE") scheme, which is also referred to as the unemployment insurance scheme, is not mandatory in ADGM.

However, ADGM encourages all Employees to register for the ILOE scheme as it provides financial security to Employees who involuntarily lose their jobs (excluding the scenarios where the job loss is due to resignation or as a result of disciplinary action).

For more details, please visit ILOE website ([www.iloe.ae](http://www.iloe.ae)).

## **24. End of Service Gratuity**

An Employee who completes continuous employment of 1 year or more is entitled to a gratuity payment at the termination of the Employee's employment, regardless of the reason for termination. This does not include Employees with a GCC or UAE nationality, who enrolled in the federal pension scheme, or non-GCC/UAE Employees who have chosen to participate in a pension or savings scheme.

The gratuity payment shall be calculated as follows:

- a) 21 days' Basic Wage for each year of the first 5 years of service; and
- b) 30 days' Basic Wage for each additional year of service.

When calculating the Employee's end of service gratuity, the Employer should note of the following:

- (1) The Employee's gratuity payment is calculated according to their Basic Wage as of the termination date (Basic Wage is defined as the Employee's Wages excluding allowances or variable payments, such as bonuses);
- (2) The daily rate of the Employee's Basic Wage will be calculated by dividing the Employee's Basic Wage by 365;
- (3) The Employees' Basic Wage must not be less than 50% of the Employee's Annual Wages;



- (4) Where an Employee is employed under multiple successive fixed-term employment contracts, the Employee's total period of service with the Employer must be included when determining their length of service; and
- (5) Where the termination occurs prior to the end of any full year of employment, the gratuity payment shall be calculated on a proportionate basis.

Please refer to the EAO's FAQs – J. Termination Q4 & 5, which is published [here](#), for an example illustrating this calculation.

The Employer may deduct from the gratuity any amounts owed to the Employer by the Employee.

Where the termination occurs prior to the end of any full year of employment, the gratuity payment shall be calculated on a proportionate basis.

Reference: ADGM Employment Regulations 2024 Sections 61 (End-of-service gratuity) and 74 (Interpretation)

## 25. Repatriation Flight

Upon termination of an Employee's employment, the Employer is required to provide the Employee with a one-way repatriation flight to the Employee's country of origin, or other country agreed with the Employee.

The Employer can either book a repatriation flight for the Employee directly or reimburse the Employee for booking their own flight. The repatriation ticket should be provided to the Employee within 30 calendar days of the termination date.

The entitlement to a repatriation flight will not apply if the Employee:

1. is a Remote Employee who does not reside in and does not perform work in the UAE; or
2. obtains alternative employment or visa sponsorship in the UAE within 30 calendar days of the Employee's ADGM work permit cancellation date; or
3. has been terminated for cause in accordance with the Employment Regulations.

Reference: ADGM Employment Regulations 2024 – Section 62 (Repatriation Flight)

## 26. Fines

The Employment Regulations include fines and other sanctions, which may be imposed on Employers who breach the Employment Regulations.

Please refer to the table below for the list of possible fines and other sanctions:

For the ADGM Standard Fines Scale, please refer to ADGM Commercial Licensing Regulations 2015 (Fines) Rules 2020, which can be accessed [here](#).

Reference	Contravention	Applicable Fines
Section 2	An Employer's failure to comply with requirements for no false representations	Up to Level 7



Section 3	An Employer's failure to comply with requirements for hiring children and youth	Up to Level 8
Section 4	An Employer's failure to comply with requirements for the Employee's visa and permits	Up to Level 7
Section 5	An Employer's failure to provide signed written employment contract to the Employee	Up to Level 3
Section 7	An Employer's failure to provide a pay statement to the Employee	Up to Level 3
Section 9	An Employer's failure to keep the Employee's records and information stipulated under Section 9	Up to Level 7
Section 15	An Employer's failure to comply with the Employee's maximum weekly working time	Up to Level 3
Section 16	An Employer's failure to comply with requirements concerning the Employee's excessive hours – Requiring/allowing the Employee to work hours which are detrimental to the Employee's health or safety	Up to Level 3
Section 17	An Employer's failure to reduce working hours during Ramadan for the Muslim Employees	Up to Level 3
Section 48	Where an Employee's accident or illness arose due to the Employer's negligence or actions	Up to Level 8 and as determined by the ADGM Court
Section 51	An Employer's failure to comply with the obligations mandated under Part 7 (Employer's Obligations)	Up to Level 4
Section 58	An Employer's failure to provide written statement of reasons for termination	Liable to Level 2
Section 59	An Employer's failure to provide the terminated employee with employment reference	Liable to Level 2
Section 63	[Non-Financial Sanctions] Contravention of an Employer not to comply with relevant requirements	The Registrar's (i) issuance of a private or public censure in relation to such contravention, (ii) imposition of a financial penalty, (iii) issuance of a prohibition order, or (iv) entering into an enforceable undertaking
Section 69 (1) or (3)	Publishing a Warning Notice or Decision Notice without the Registrar's consent	Up to Level 3

## 27. Employment Disputes

In accordance with the ADGM Application of English Law Regulations 2015, the statutory limitation period for filing employment claims with the ADGM Courts is 6 years.

As the ADGM Employment Affairs Office cannot provide legal advice, we recommend that you seek legal advice from a lawyer to assist you with your dispute.

If you do not have the financial means to pay for legal assistance, ADGM Courts offer a Pro Bono Scheme which is available to persons who need legal assistance with a civil or commercial dispute or any other legal issue that falls within the jurisdiction of ADGM Courts and have limited financial means to pay for such assistance. You can apply for this service, here: <https://www.adgm.com/adgm-courts/pro-bono-scheme>.

If you wish to commence a claim with ADGM Courts, please contact [enquiry@adgmcourts.com](mailto:enquiry@adgmcourts.com) for information regarding registration and commencing an employment claim. You can also find further information on the Courts' website here: [www.adgm.com/adgm-courts](http://www.adgm.com/adgm-courts).

## Emiratization

Given that ADGM is an independent jurisdiction with its own set of regulations and rules on employment, including the Employment Regulations and its subordinate rules, the UAE Federal Labour Law (UAE Federal Decree-Law No. 47 of 2021) does not apply to the Employers (ADGM registered entities) and their Employees.

Therefore, the UAE Federal Emiratization laws do not apply in ADGM. However, it is recommended that an Employer check with the relevant onshore authority with respect to the potential implication of any Emiratization requirements on such Employer.

## UAE Wage Protection Scheme ("WPS")

The UAE WPS does not apply in ADGM. The method of the Employee's Wage payment is a matter for the Employer and its Employee to decide on, provided that the minimum standards set out in Part 3 (Protection of Wages) of the Employment Regulations are met.

Reference: ADGM Employment Regulations 2024 – Part 3 (Protection of Wages)

## ADGM Employment Affairs Office

ADGM Registration Authority recognises that the Employment Regulations are an important component of ADGM's commercial legislation, contributing to ADGM's commitment to international best practice and supporting ADGM establishments to attract and retain the best talent.

The purpose of the ADGM Employment Affairs Office ("**EAO**") is to facilitate the operation of the Employment Regulations in respect of providing guidance and information to Employers and their Employees on ADGM's employment standards, requirements and application.

### Contact Details

The EAO can be contacted by:

Email: [eao@adgm.com](mailto:eao@adgm.com)

Please note that the EAO does not provide any advice concerning visa and/or ADGM work permit (including temporary work permit) issuance processes. For specific queries on visa and/or ADGM work permits (including temporary work permit), kindly contact the ADGM Corporate Relations at [accessadgm.cases@adgm.com](mailto:accessadgm.cases@adgm.com).

### Disclaimer

This is only a guide and should be read together with the relevant ADGM legislation, which may change over time without notice. The Guide only provides information on ADGM legislation. Further advice from a specialist professional may be required. The Registration Authority makes no representations as to accuracy, completeness, correctness or suitability of any information and will not be liable for any error or omission.