



I. 2023: Current Emiratisation Requirements

Employers subject to the emiratisation requirements

- registered in UAE mainland territory (not in free zones); and
- have 50 or more employees.

Procedure for determining the required percentage of emiratisation

Ministerial Resolution No. 279 establishes the required percentage of emiratisation, i.e., the ratio of the following indicators:

- the total number of local employees of the target company; and
- the total number of employees of the target company (including expats) who simultaneously meet the following criteria (hereinafter – “**skilled employees**”):
 - a. belongs to one of the following professional categories: legislators, managers, and business executives; professionals in scientific, technical and human fields; technicians in scientific, technical and humanitarian fields; writing professionals; service and sales occupations;
 - b. has obtained a certificate higher than the secondary certificate or an equivalent certificate (provided that such certificate is attested by the competent authorities); and
 - c. receives a monthly salary (excluding commission) of not be less than AED 4,000 (approx. USD 1,090).

Target companies shall increase the proportion of locals to the total numbers of skilled employees (referred to as the emiratisation rate) by 2% each year, reaching an emiratisation rate of 10% by 2026. In doing so, target companies shall ensure that at least one local is employed for every 50 skilled employees each year, as shown in the table below:

Total number of local employees (minimum)	Total number of skilled employees (including expats)
1	0-50
2	51-100
3	101-150
1 for every 50 skilled workers or part thereof	151 or more

Sanctions for violation of the emiratisation requirements

Starting from January 2023, employers may be fined AED 6,000 (approx. USD 1,634) per month for violation of the emiratisation requirements for each unemployed local – this amount will increase by AED 1,000 (approx. USD 272) per year until 2026, when the fine will reach AED 9,000 (approx. USD 2,450).

Failure to pay the fine for violation of the emiratisation requirements may result in suspension of the target company.

II. 2024: Expected Changes in the Emiratisation Requirements

New category of target companies

Pursuant to Ministerial Decision No. 455, the types of companies subject to the emiratisation requirements will be expanded to include UAE mainland companies with 20-49 employees (currently, as described in Section I above, the emiratisation requirements apply only to companies with 50 or more employees), provided that such companies operate in one of the following sectors of UAE economy (hereinafter – “new category of target companies”).

- a. information and communications;
- b. financial and insurance activities;
- c. real estate activities;
- d. professional, scientific and technical activities;
- e. administrative and support services (including concierge services, office support services, activities of tour operators, interpreters, conference and exhibition organizers, etc.);
- f. education;
- g. healthcare and social work activities;
- h. arts and entertainment;
- i. mining and quarrying industry;
- j. manufacturing;
- k. construction;
- l. wholesale and retail trade;
- m. transportation and warehousing; and
- n. hospitality services.

**Required percentage of emiratization for the new category of target companies**

Employers in the new category of target companies will be required to hire at least one local employee in 2024 and another in 2025.³

Sanctions for violation of the emiratization requirements for the new category of target companies

If employers in the new category of target companies violate the emiratization requirements, they will be required to make a “contribution” to the state of AED 96,000 (approx. USD 26,137) in January 2025, with an installment option, and a “contribution” of AED 108,000 (approx. USD 29,404) in January 2026.

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³However, if the number of employees increases to 50 or more, it should be noted that the relevant company will be subject to the above requirements for target companies.

