



Employment Regulations

MARCH 2026

VERSION 2.0

MASDAR CITY EMPLOYMENT REGULATIONS 2025

SECTION 1: INTERPRETATION AND APPLICATION

1. Short Title And Commencement

1.1 These Regulations may be cited as the Masdar City Free Zone Employment Regulations and shall come into force on the date of issuance.

2. Interpretation

2.1 In these Regulations unless the context otherwise requires:-

- 2.1.1 "**AED**" means the lawful currency of the UAE;
- 2.1.2 "**Company**" means a legal entity (including branches) incorporated or registered under the MCFZ Company Registration Regulations.
- 2.1.3 "**Employee**" means an individual legally authorized and Sponsored or permitted to work for a Licensee within MCFZ. ;
- 2.1.4 "**Employer**" means any Licensee employing one or more Employees in return for remuneration;
- 2.1.5 "**Employment contract**" means any agreement in writing in relation to an Employee's employment with an Employer, and whether for a limited or unlimited period of employment;
- 2.1.6 "**Government Services Entity**" means the Entity established by MCFZ which is tasked with the responsibility of procuring employment related services for the Employees of Licensees operating in MCFZ including, but not limited to the issue of, entry permits, various types of visas, work permits, identification cards, medical certificates, medical tests, and other Employee related matters;
- 2.1.7 "**Health, safety, security and environment department**" means the health, safety, security and environment department established in the MCFZ by Masdar City;
- 2.1.8 "**Immigration Law**" means Federal Decree-Law No. 29 of 2021 on the Entry and Residence of Foreign Nationals (as amended), together with its Executive Regulations and any implementing decrees, ministerial resolutions or circulars issued thereunder;
- 2.1.9 "**License**" means a License issued pursuant to the Business Licensing Regulations;
- 2.1.10 "**Licensee**" has the meaning given to it in the Business Licensing Regulations;
- 2.1.11 "**Licensing Regulations**" means Masdar City Business Licensing Regulations;
- 2.1.12 "**MCFZ**" means Masdar City as reorganized under Law No. (6) of 2023 of Emirate of Abu Dhabi (which repeals and replaces Law No. (22) of 2007 in respect of the establishment of

Abu Dhabi Future Energy)), which owns the Masdar City Free Zone

2.1.13 "**Personnel Sponsorship Agreement**" means the agreement concluded between MCFZ (and/or a company authorized by MCFZ for this purpose and references to "MCFZ" in this context shall be construed as references to MCFZ or any such authorized company as the case may be) and a licensee whereby MCFZ agrees, subject to the terms and conditions therein; to sponsor employees for employment by the licensee by procuring the employees' entry permits and residence visas.

2.1.14 "**Remuneration**" means payments (in any form whatsoever) made to an Employee on an annual, monthly weekly, daily, hourly, piece work, production or commission basis in return for the work the Employee performs under an employment contract;

2.1.15 "**Sponsor**" means to Sponsor a person for legal residence in the UAE in compliance with the requirements of the Immigration Law;

2.1.16 "**Third party liability insurance**" means insurance cover pursuant to these Regulations and the personnel Sponsorship agreement;

2.1.17 "**Transfer**" means a transfer of the employment of and responsibility for an Employee, from one Licensee to another Licensee;

2.1.18 "**UAE**" means the United Arab Emirates;

2.1.19 "**UAE Labour Law**" means Federal Decree-Law No. 33 of 2021 on the Regulation of Labour Relations, and its Executive Regulations, as amended;

2.1.20 "**Workers compensation insurance**" means insurance to cover compensation to an Employee and all related medical expenses in respect of any employment injury pursuant to these Regulations;

2.1.21 "**Working day**" means all weekly days except Saturday, Sunday and any public holidays announced by the UAE Government for Employees working in the private sector in the UAE (including its free zones);

2.2 References herein to individual Regulations are to be read as references to the particular Regulation referred to.

2.3 The Regulation headings herein are included for convenience of reference only and shall be ignored in the construction or interpretation of these Regulations.

2.4 References in these Regulations to time periods are to be construed in accordance with the Gregorian calendar.

2.5 References in these Regulations to any requirement for any document to be written, in writing, to be presented in writing or for the giving of any notice are to be construed as satisfied by an electronic record and any references in these Regulations to any requirement for a signature on any document or notice are to be construed as satisfied by an electronic signature which may be proved in any manner.

2.6 References to the male gender shall also include the female gender unless the context otherwise requires.

3. Application

3.1 These Regulations apply to all Licensees operating in MCFZ and govern the employment relationship and all related matters between a Licensee and its Employee(s), including recruitment, Sponsorship, visa arrangements, contractual obligations, and workplace practices, as may be supplemented by directives issued by MCFZ from time to time.

SECTION 2: EMPLOYMENT OF SPONSORED AND NON-SPONSORED EMPLOYEES

4. Sponsorship of Employees by Masdar City

4.1 Where a Licensee requests MCFZ to Sponsor an Employee, the Licensee shall take full responsibility for such Employee and shall comply with all obligations, rules, and regulations applicable to MCFZ-Sponsored Employees.

4.2 Where MCFZ Sponsors an Employee for employment by a Licensee, it shall, at all times, be the responsibility of the Licensee to pay the Employee's remuneration and any other payments and emoluments due to the Employee (and whether in connection with his employment or in relation to the circumstances of his dismissal) and in accordance with the terms of his employment contract and any applicable laws and regulations. The zone shall not be responsible in any way whatsoever for any entitlements of an Employee, including without limitation, any entitlements to remuneration or end of service payments.

4.3 Where an Employee is Sponsored by MCFZ he shall only work from Masdar City but he may reside in the Emirate of Abu Dhabi and move freely in the UAE

4.4 Masdar City may permit, in its absolute discretion, a Sponsored Employee to work outside Masdar City:

4.4.1 to carry out any specialist consultancy, advisory or installation or repair and maintenance work on behalf of the Licensee; or

4.4.2 to perform any other activity in furtherance of the business of the Licensee.

4.5 Any Employee Sponsored by MCFZ shall only work for the Licensee who has employed him.

4.6 A Licensee shall not recruit, employ or otherwise make use of an Employee who is already employed by another Licensee, unless MCFZ first permits a transfer, in writing, of that Employee.

4.8 Subject to Regulation 4.9, MCFZ will accept a request for a Transfer of an Employee provided that:

4.8.1 both Licensees and the relevant Employee consent to the Transfer in writing; and

4.8.2 the receiving licensee has a valid personnel sponsorship agreement with MCFZ; and

4.8.3 the Employee confirms in writing that he has received from the transferring Licensee, all

outstanding amounts (including without limitation, any end of service benefits under applicable laws and regulations) or alternatively, where the Employee confirms that it has received a binding commitment from the receiving Licensee that it will be responsible for paying any such accrued entitlements to the Employee (in such manner as is agreed between the Employee and the receiving Licensee

- 4.9 Where the consents stated in Regulation 4.8.1 (other than the consent of the Employee) or the confirmation stated in Regulation 4.8.3 have not been obtained, MCFZ may nonetheless approve a Transfer if MCFZ determines, in its absolute discretion, that it is reasonable in all the circumstances to approve that Transfer.
- 4.10 Where MCFZ does not approve a transfer, the zone shall cancel its sponsorship of the employee and the employee shall not be permitted to work for a new employer unless a valid entry permit and residence visa have been obtained.
- 4.11 MCFZ may, in its absolute discretion, limit the number of Employees which MCFZ will be willing to Sponsor for a Licensee.

5. Employment of Employees not Sponsored by MCFZ

- 5.1 Subject to the prior written approval of the Government Services Entity, Licensees may employ Employees who are not Sponsored by MCFZ (a **non-Sponsored Employee**), either temporarily or permanently, provided:-
- 5.1.1 the Employee is a female Sponsored by her relative; or
- 5.1.2 the Employee already works for a Company which is registered in the UAE (including without limitation, any of its free zones) and where that Company is the "controller" of the Licensee or is "closely linked" to the Licensee as those terms are defined in the Licensing Regulations;
- 5.2 Where the Government Services Entity approves a Licensee's application to employ a non-Sponsored Employee, the Licensee shall acquire an appropriate identity card for the non-Sponsored Employee, as detailed in Regulation 7.6, so that the Employee may freely enter and leave MCFZ.
- 5.3 Where the non-Sponsored Employee is to be employed by a Licensee temporarily, the Licensee must apply to MCFZ's Government Services Entity for prior approval to obtain a temporary access pass.

6. Employment of persons not approved by MCFZ

- 6.1 No Licensee shall employ a person who is not Sponsored by MCFZ under Regulation 4 or not approved by MCFZ under Regulation 6.
- 6.2 A person who works for a Licensee and who is not Sponsored by MCFZ under Regulation 4 or otherwise approved by MCFZ under Regulation 6 shall not be recognized by MCFZ as an Employee for the purposes of these Regulations.
- 6.3 MCFZ shall have the right to exercise the powers granted to it under Regulation 5 of the

Business Licensing Regulations to verify the status of Employees and other persons at the premises of a Licensee within MCFZ.

SECTION 3: ENTRY PERMITS AND VARIOUS OTHER VISAS AND PERMIT

7. Permits and passes for working in and entering MCFZ

7.1 All Employee shall carry and display at all times an appropriate identity card issued by MCFZ ("ID Card").

7.2 The ID Card shall serve as a means of Employee identification in MCFZ in lieu of the Employee's passport.

7.3 Subject to Clause 7.12, a valid ID Card shall permit an Employee:-

7.3.1 to enter in MCFZ;

7.3.2 to work in MCFZ for the Licensee with whom the Employee is employed.

7.4 In the event that an Employee loses his ID Card, MCFZ may charge a fee to issue a replacement ID Card to an Employee, the value of such fee to be determined by the Government Services Entity.

7.5 The zone may issue a temporary ID Card in the following circumstances:-

7.5.1 where an Employee has commenced working for a Licensee, pending the issue of a permanent ID Card; or

7.5.2 in the event an Employee loses his permanent ID Card pending the issue of a replacement ID Card.

7.6 The zone shall issue an ID Card to an Employee who works for a Licensee in MCFZ and is Sponsored by a party other than MCFZ as described in Regulation 5.1.

7.7 Where a person wishes to enter MCFZ to visit a Licensee, the Licensee shall apply to MCFZ's security department for a visitor's day pass. The Licensee shall provide such identification information to MCFZ's security department personnel as is requested by MCFZ's security department.

7.8 The zone shall have the right to charge a Licensee for any passes, permits and/or visas issued in respect of the Licensee's Employees and visitors, in accordance with a schedule of charges issued by the Government Services Entity.

7.9 Where an Employee ceases to work for a Licensee or a Licensee does not know the whereabouts of an Employee and the Licensee has been unable to make contact with an Employee for a period of more than [5] days despite reasonable efforts on the part of the Licensee, it shall be the responsibility of the Licensee to inform MCFZ and to return to MCFZ, as soon as is reasonably possible, the relevant permit(s) and/or pass(es) issued to that Employee, together with the Employee's passport, where the Employee is Sponsored by MCFZ under Regulation 4, for cancellation of the residence visa

- 7.10 Where a Licensee fails to comply with its obligations under Regulation 8.9, and where the Employee is Sponsored by MCFZ as set out in Regulation 4, then it shall become the responsibility of the Employee to return the Employee's passport to MCFZ for cancellation of the residence visa.
- 7.11 Where both the Licensee, and thereafter the Employee, fail to attend to the obligations set out in Regulations 7.9 and 7.10, MCFZ may, in its discretion, take such further action as MCFZ deems fit including registering the Employee as an absconder under the terms of the Immigration Law.
- 7.12 The health, safety, security and environment department may, in exceptional circumstances pertaining to the security of MCFZ and to persons working in MCFZ, deny entry to MCFZ for such periods as are reasonable in all the circumstances.
- 7.13 Golden, Green, and Other Long-Term Residence Visas – MCFZ does not directly issue or regulate Golden Visas, Green Visas, Blue Visas, or any other long-term residence visas. These visa categories are administered by the Federal Authority for Identity, Citizenship, Customs and Port Security (ICP) under applicable UAE laws.

8. Employees' passports

- 8.1 A Licensee may not retain the passports of Employees under any circumstances.

SECTION 4: MEDICAL COVER FOR EMPLOYEES SPONSORED BY THE ZONE

9. Medical cover for Sponsored Employees

- 9.1 Subject to the payment of the applicable fees, medical cover for Employees Sponsored by MCFZ may be arranged through the Department of Health – Abu Dhabi (“DoH”). Where a Sponsored Employee requires hospital treatment, he may obtain treatment at any government hospital in Abu Dhabi.
- 9.2 It shall be compulsory for a Licensee to obtain a government health card from DoH in respect of every Sponsored Employee in order to obtain a medical fitness certificate for each Employee from a government hospital and/or clinic. The zone shall not procure a residence permit for an Employee unless a valid medical fitness certificate has already been issued by an authorized government hospital and/or clinic.

SECTION 5: HEALTH AND SAFETY

10. Accidents in the workplace

- 10.1 In the event an Employee suffers any serious or fatal accident, the Licensee shall report the accident to the Government Services Entity.
- 10.2 The Government Services Entity shall subsequently notify the Abu Dhabi Police.
- 10.3 In addition to the provisions of clause 10.1, the Licensee shall maintain records of every accident that any Employee suffers at the Licensee's place of work or during the performance of his employment duties.

- 10.4 In order to minimize accidents in the workplace, each Licensee shall follow and implement, and shall require its Employees to follow and implement, the safety and injury prevention programme established and administered by the health, safety, security and environment department.

**SECTION 6:
THIRD PARTY LIABILITY AND WORKER'S COMPENSATION INSURANCE**

11. Employer's insurance cover

- 11.1 Every Licensee shall take out and maintain insurance cover in respect of third-party liability or public liability insurance and worker's compensation insurance.
- 11.2 A Licensee's workers compensation insurance shall include cover for every employment injury and/or disability and related medical expenses in accordance with the UAE Labour Law.
- 11.3 A Licensee shall, at the request of MCFZ, lodge with the Government Services Entity a copy of its insurance policy both in respect of third-party liability insurance and worker's compensation insurance.

**SECTION 7:
RECRUITMENT OF EMPLOYEES AND EMPLOYMENT**

12. Attestation of Salary Certificates by MCFZ for Sponsored Employees

- 12.1 Where a licensee has entered into an Personnel Sponsorship Agreement with the zone, the Government Services Entity, shall, at the request of a sponsored employee of the licensee, attest a salary certificate for that employee comprising the following information:
- 12.1.1 the name of the employing licensee;
 - 12.1.2 the name of the employee;
 - 12.1.3 the monthly salary of the employee;
- provided the information is consistent with that information held for the employee by the Government Services Entity.

**SECTION 8:
RECRUITMENT OF EMPLOYEES AND EMPLOYMENT CONDITIONS**

13. Recruitment of Employees under the Sponsorship of MCFZ

- 13.1 Where a Licensee recruits an Employee who is to work for the Licensee under the Sponsorship of MCFZ, the Licensee shall be responsible for the following costs:-
- 13.1.1 the cost of processing the Employee's entry permit;
 - 13.1.2 the cost of the Employee's air ticket from the Employee's point of origin to Abu Dhabi;
 - 13.1.3 the cost of processing the Employee's residence permit;

13.1.4 the cost of processing the Employee's health card;

13.1.5 the cost of renewal of the Employee's residence permit and health card, including the cost of a medical fitness certificate.

13.2 The Licensee is prohibited from charging these costs to the Employee or from recouping the costs by making deductions from his salary.

13.3 The terms and conditions of employment for Employees recruited by Licensees but Sponsored by MCFZ shall be a matter of negotiation between the Employer and the Employee, subject to the employment at all times complying with the terms and conditions of the UAE Labour Law.

13.4 The zone shall have the right to require Licensees to observe the rules regulating the relationship between them and their respective Employees as provided in these Regulations.

13.5 Every Employee shall sign an employment contract which sets out the minimum acceptable terms and conditions of employment for Employees working in Masdar City which shall be the minimum terms and conditions prescribed in the UAE Labour Law.

13.6 A Licensee shall submit an entry permit, passport and contract of employment in respect of every new Employee within forty-eight (48) hours of the Employee's arrival in Abu Dhabi to MCFZ's Government Services Entity.

13.7 Working conditions for Employees, including but not limited to, hours of work, holiday leave entitlement, end of service benefits and termination of employment shall as a minimum be as set out in the UAE Labour Law.

14. Transfer of employment to another Employer

14.1 Where an Employee Transfers his employment to another Employer, his contract of employment shall be deemed to have ended and his period of employment with the former Employer shall not be treated as continuous unless special arrangements to the contrary are agreed in writing between the parties and MCFZ has given its approval.

SECTION 9: RESOLUTION OF LABOUR DISPUTES

15. Resolution of labour disputes between Employers and Employees

15.1 The zone shall not be responsible for the resolution of any labour disputes arising between a Licensee and an Employee.

15.2 In the event of a labour dispute, upon application by either the Licensee or the Employee, MCFZ shall issue a referral letter directing the dispute to the Ministry of Human Resources and Emiratization (MOHRE). MOHRE may then refer the matter to the Abu Dhabi Courts.

15.3 No labour dispute may proceed direct to either the Ministry of Labour and Social Affairs or the Abu Dhabi Courts without being referred thereto by the zone under the provisions of Regulation 14.2.

- 15.4 The zone will not refer a labour dispute under the provisions of Regulation 14.2 where Regulation 6.2 applies.
- 15.5 The zone shall implement any decision or order issued by MOHRE or the Abu Dhabi Courts regarding a labour dispute.

SECTION 10: FINES IMPOSED ON LICENSEES FOR VIOLATION OF THE REGULATIONS

16. General

- 16.1 A Licensee shall not be allowed to rely on ignorance of these Regulations as an excuse for its failure to comply with them.
- 16.2 The zone reserves the right to impose a ban on the entry and/or exit of a Licensee's Employees where; after receiving a warning, the Licensee fails to remedy a violation of these Regulations.
- 16.3 Without prejudice to the specific powers in certain Sections of these Regulations to prescribe matters or issue implementing regulations and notwithstanding the absence of such powers in certain other Sections, MCFZ may, by a decision of its chief executive officer, make implementing regulations from time to time to prescribe any matter to be prescribed under these regulations or for the better carrying out of these Regulations including by amending or supplementing these Regulations.

17. Employment Violations

- 17.1 Where a Licensee is found to be illegally employing Employees of other Licensees in breach of the provisions of these Regulations, MCFZ may impose a fine of AED 5,000 for each such illegal Employee on the employing Licensee and the Employee shall also receive a warning.
- 17.2 Where a Licensee is found to be illegally employing persons who are not Sponsored by MCFZ under Regulation 4 or not approved by MCFZ under Regulation 6, MCFZ may impose a fine of AED 10,000 for each such Employee on the employing Licensee. Where a Licensee continues to employ Employees or other persons illegally, MCFZ shall have the right to increase the fine imposed on the employing Licensee to AED 15,000 for each such Employee .
- 17.3 Where a Licensee fails to renew the residence and employment visa of Employees (each, an "RE Visa") thirty (30) days of the Employee's RE Visa expiring, MCFZ may impose a fine on the employing Licensee of AED 2,500 for each such Employee. Where the period of failing to renew the RE Visa is greater than ninety (90) days after the RE Visa expired, the fine may be increased to AED 5,000 for each such Employee.
- 17.4 Where a Licensee supplies Employees Sponsored by MCFZ to work for the Licensee for the use of third parties (including without limitation, other Licensees), MCFZ may impose a fine on the supplying Licensee of AED 10,000 for each such Employee and cancel the RE Visa of any such

Employees.

- 17.5 Where a Licensee fails to cancel a RE Visa within thirty (30) days of the date of termination of employment of an Employee or thirty (30) days of the Employee's RE Visa expiring, whichever occurs first, MCFZ may impose a fine on the Licensee of AED 2,500 for each such Employee. Where the period of failing to cancel the RE Visa is greater than ninety (90) after the date of termination an Employee has left the employment of the Employer, or ninety (90) days after the RE Visa expired, whichever occurs first, the fine may be increased to AED 5,000 for each such Employee.
- 17.6 Where the RE Visa of an Employee of a Licensee is cancelled because the Employee has been continually out of the UAE for a period exceeding six (6) months, MCFZ may impose a fine on the employing Licensee of AED 5,000 for each such Employee.
- 17.7 Where a Licensee, in breach of Regulations 7.9 through 7.11, fails to inform MCFZ within 14 days of the Licensee knowing (or within 14 days from where the Licensee should reasonably have known) that an Employee cannot be located or has absconded within 14 days of the Licensee knowing, MCFZ may impose a fine on the Licensee of AED 5,000 for each such Employee. Any fines imposed under this Regulation 16.7 are in addition to any other fines that may be imposed under Regulation 17.
- 17.8 Where a Licensee employs a person Sponsored by MCFZ on a visit or tourist visa (a "Visit Visa") MCFZ may impose on the employing Licensee a fine of AED 5,000 per person.
- 17.9 Where a Licensee supplies persons Sponsored by MCFZ on a Visit Visa for the Licensee for the use of or employment by third parties, MCFZ may impose a fine on the Licensee of AED 10,000 for each such Employee and cancel the Visit Visa of any such persons.
- 17.10 Where a Licensee fails to ensure that persons Sponsored by MCFZ on a Visit Visa for the Licensee leave the UAE prior to the expiry of the Visit Visa MCFZ may impose a fine on the Licensee of AED 1,500 for each such person,
- 17.11 Where a Licensee continues to employ Employees or other persons illegally, MCFZ shall have the right to increase the fine imposed on the Licensee to AED 10,000 for each such Employee and suspend the Licensee's License.
- 17.12 Where a Licensee has failed to pay any fines imposed by MCFZ (under Regulations 17.1 through regulation 17.11) within a period of two (2) weeks following a suspension of the Licensee's License under Regulation 17.11, MCFZ may cancel the Licensee's License. Any cancellation of a Licensee's License under this Regulation 17.11 is without prejudice to the obligation of the Licensee to pay any fines so imposed by MCFZ (under Regulations 17.1 through Regulation 17.11)
- 17.13 Nothing in this Regulation 17 shall prejudice the right of MCFZ to impose any sanction or penalty under Masdar City Business Licensing Regulations 2025 (the "Licensing Regulations") including, without limitation, the capacity of MCFZ to cancel, revoke or suspend the License of a Licensee as set out in Regulation 12 of the Business Licensing Regulations. Any action by MCFZ to

cancel, revoke, or suspend a Licensee's License under Regulation 12 of the Business Licensing Regulations is without prejudice to the obligation of the Licensee to pay any fines so imposed by MCFZ under this Regulation 17.

This Regulation shall come into effect on the date of its issuance.

Ahmed Baghoum

Chief Executive Officer

Issued in Abu Dhabi on 19th August 2025