

# Free-zone job disputes outside federal law

I have been working with a Jebel Ali Free Zone company for over eight years as a sales manager. My present contract was renewed in February 2012 and is valid till February 2015.

But the organisation started restructuring and terminated my services on June 10. The very next day, they asked me to hand over all my portfolios and leave, saying they would pay me a month's salary as compensation followed by the cancellation of my visa.

I am in a terrible state of shock as my family is with me and my children are studying here.

As per the UAE Labour Law, I do not fall under any of the categories listed in Article 120. The termination is mainly due to the restructuring of the business.

Therefore I feel I should be compensated as per Article 115 — get either three months' salary or the salary due till the end of contract period.

Matters pertaining to employment disputes at the Jebel Ali Free Zone are not subject to provisions of Federal Law No 8 of 1980, unless the employer and the employee have agreed to its application. However, employment-related issues at the free zone are governed by the provisions of the Jebel Ali Free Zone Rules, 2005 (the "Rules").

According to Rule 9.9.1, an employment contract may be termi-



**LEGAL VIEW**  
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nated as follows:

a) By mutual agreement between the employer and employee and with the approval of the free zone authorities.

b) By the employee or employer during, or at the end of the probationary period (without notice).

c) By the employee or employer giving 30 days' notice in writing (after the probationary period).

d) On expiry of the service period prescribed in the contract, provided 30 days' notice NOT TO RENEW is given by either party.

Your employer may terminate the services of any employee provided they give prior notice based on the number of days mentioned in the employment contract. The employee shall be entitled to full salary during the notice period irrespective of whether he worked for the full notice period or not. This is in accordance with Rule 9.9.3 which states:

"An employee shall be entitled to a period of notice before termination of service as laid down in the employment contract. The employee shall be entitled to full pay during the prescribed notice period. The employee may be required to work during the notice period should the employer so wish." Further, Rule 9.9.4 states as follows:

"If an employer reduces the notice period the employee will be entitled to payment for the full notice period as prescribed in the employment contract, even if only part of the full period is worked."

Your employer is required to compensate you for the notice period as stated in your employment contract. However, an employer may also terminate an employment contract pursuant to the occurrence of any of the situations mentioned in Rule 9.9.6:

An employee's service may be terminated without notice for any of the following reasons:

a) If the employee is ill-disciplined, or fails adequately to perform the duties as defined in the employment contract (three written warnings with copies to the free zone authorities must be given before this rule is activated).

b) If the employee is sentenced by a competent court of a civil misdemeanour or criminal act.

c) If the employee is found drunk or under the influence of drug at work.

d) If the employee is absent from work without valid reason for more than seven continuous days in any one year.

e) If the employee, while at work, assaults the employer, a responsible manager, a workmate, or a visitor.

f) If any action by the employee results in substantial loss to the company (provided that the employer notifies the free zone within 48 hours of discovering the loss).

g) If the employee fails to comply with health and safety regulations (provided that such regulations are prominently displayed in writing and, in the case of illiterate employees, that they have been explained orally.)

h) If the employee falsifies his / her identity details."

But since the reason for your termination is not in accordance with Rule 9.9.6, you may file a complaint against your employer for 'arbitrary dismissal' with the competent authority at the free zone, further to which you may be entitled to receive compensation for arbitrary dismissal. This is in accordance with Rule 9.9.9 and 9.9.10, which state:

"9.9.9 Dismissal for any reason other than those in clause 9.9.6 shall be deemed to be an "arbitrary dismissal". In such cases the employee shall be entitled to compensation in addition to severance payments due under the terms of the employment contract.

9.9.10 The amount of compensation to be paid:

a) Shall be assessed by the free zone authorities.

b) Shall not exceed three times the basic monthly wage specified in the employment contract.

The free zone authority's decision shall be final."

Apart from these, your employer is also liable to pay for your air-ticket in accordance with Rule 9.9.17 which states:

"9.9.17 On termination of service, (at the end of contract or if the contract is terminated by the employer prior to completion), an employer shall provide an air ticket to the international airport nearest to the employee's home. However, air fare will not be provided in the case of dismissal under clause 9.9.6 or where the employee terminates the employment prior to the end of the contact."

It is advised that you first refer to your employment contract in order to determine the end-of-service benefits you are entitled to and you may try to prevail upon your employer for payment of your benefits. If however, your employer refuses to do so, you may lodge a complaint against them with the competent authority at the free zone.

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