

# Loans must be repaid even if you lose job



**LEGAL VIEW**  
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*I have been working in a multinational company for the last five years. Just last month, my company terminated about 200 staff members and more terminations are expected. I currently have a loan with a UAE bank that is to be repaid in 47 months. If my company terminates me, is there any way legally to put the payments on hold. Would I be able to legally get a new job in Dubai and change my visa with an outstanding bank loan?*

The bank will consider repayment of a bank loan and your employment as two unrelated issues and repayment of bank loan should not relate to your employment. Once you avail a loan from a bank, you are liable and responsible to pay the installments on timely basis even if you are not employed. There is no legal option available to put the loan repayment installments on hold if the borrower loses his employment, unless the bank agrees to put on hold repayment of loan installments.

The bank has all the right to file a complaint against you for recovery of loan amount in full one-time settlement if you don't pay your loan installments for three consecutive months or six non-consecutive months. This is in accordance with Article 4 (4) of (draft) personal loan agreement issued by the Central Bank of the UAE via notice no. 3692/2012 dated 17/07/2012 to all banks and finance companies in the UAE under the subject: 'general terms and conditions and loan agreements-texts drafted and approved by the Emirates Banks Association. It states: "The loan elapses and all the installments, interests and any other fees and expenses become due and payable immediately without having to give any notification or any court ruling and without prejudice to any other rights of the bank according to

## KNOW THE LAW

Normally, there shall be no hindrance in change of your employment visa status to a new employer even though you have an outstanding bank loan, provided you take the bank in confidence of such a change by providing them with necessary information related to your new employment.



this agreement or in accordance with the law in the event of borrower failing to pay three consecutive installments or six non-consecutive installments of the monthly installments without approval of the bank."

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## Can I get visit visa if I tested positive for hepatitis B?

*I am an Indian national and I first attempted to come to work in Dubai in 2009. My visa, however, was rejected because I tested positive for hepatitis B. I have since applied several times for a tourist visa to see my relatives, but the government's system notes that I am still banned. I have written to many officials but have been unable to get any answers. Do I have any legal recourse to have the ban dropped so that I can at least visit my family?*

Hepatitis B is considered as one of the contagious diseases in the UAE and based on that you were deported back to India and

thereafter you are denied entry to UAE. Any person who has an infectious disease could be denied entry to the UAE unless they report their disease to the Ministry of Health and Prevention and obtain its consent. Further, they should inform the authorities concerned immediately upon their arrival to the country. Based on this, it is recommended you obtain a medical certificate on the treatment you are undergoing for hepatitis B issued by the relevant government authority in India which is duly notarised and legalised by the Ministry of External Affairs, UAE Embassy in India and Ministry of Foreign Affairs in the UAE. The said certificate may then be submitted to the Ministry of Health and Prevention in the UAE for their consideration.

## Can I invest in a business while working?

*I am working as an IT specialist for a company in Abu Dhabi. I would like to give some money to a second party (my friend) for a business, with him paying me a part of the profit every month. What are the legally acceptable documents to legalise this agreement? A typing centre in Abu Dhabi tells me there is no such legal document. What options do I have?*

One option is that you may invest to purchase shares in the company of your friend and be a shareholder in the capital of this company. However, you may require an NOC from your current employer to own shares in this company of your friend. You may obtain the services of a legal practitioner in the UAE to further discuss this matter in detail.

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