

Help! I'm having trouble over notice period



LEGAL VIEW

Ashish Mehta

I am employed on a limited period contract by a company incorporated in the Dubai Multi Commodities Centre (DMCC) Free Zone. I resigned recently and served a 15-day notice period. Since my contract specifies a 90-day notice period, I agreed to pay 75 days' salary as 'notice in lieu' to the employer. The company then accepted my resignation by e-mail. Further, from my end of service benefits entitlements, I agreed to deduct the leave encashment, too. Now, they are being very unfair in cancelling my employment visa. When I went to the office to pay them, they refused to give me a cash receipt or a letter on a company letter head for the amounts. I refused to pay them without proof. They then called and told me to say that they would not give me any receipt, even if I complain to the authorities. Do I have any legal recourse?

Pursuant to your queries, your employment is within the purview of Federal Law No. 8 of 1980 regulating employment relations in the UAE (the 'Employment Law') and DMCC authority free zone rules and regulations. Since you are not serving full notice period of 90 days to your employer, you are compensating them by paying 75 days' salary for the notice period not served.

This is in accordance with article 119 of the Employment Law, which states: "Where an employer or an employee fails to give the party notice of the termination of the contract or reduces the period of notice, the party compensation, called 'compensation in lieu of notice', even where no prejudice has been sustained by the other party as a result of such failure or reduction. The said compensation shall be equal to the employee's remuneration in respect of the entire period of notice or the time by which it was reduced. Compensation in lieu of notice shall be calculated on the ba-

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"Compensation in lieu of notice shall be calculated on the basis of the remuneration last received, in the case of employee remunerated on a monthly, weekly, daily or hourly basis or in the case of employee remunerated at piece rates, on the basis of the average daily remuneration referred to in article 57 of this law."



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In order to resolve the deadlock over the mode of payment of the compensation, you could issue a cheque to the employer or remit the compensation amount to the bank account of the employer, as the employer is not willing to issue a receipt for the cash. In the event

the matter remains unresolved, you may approach the DMCC and file a complaint against the employer. Further, to settle the matter amicably, you may pay the compensation in lieu of notice period to the employer before the DMCC official and both the employer and employee may sign or execute a document confirming the payment of compensation. Finally, if the matter remains unresolved, you may obtain a letter from the DMCC to approach Dubai courts to register a case against the employer.

What to do when your firm has been blacklisted
We have been running a business consultancy company in Sharjah since 2013. Our company was blacklisted by the Central Bank of the UAE in February 2017. Our company's account was closed by the bank, due to which two cheques for Dh2,500 and Dh3,500 issued by us bounced. We eventually paid the party concerned in cash. We filed a complaint with the Central Bank of the UAE and got a reference, but never

Know the law

"If the licence is blocked due to dishonour of the aforesaid cheques — which you have subsequently paid in cash to the debtor — you may obtain a release from the debtor and provide it to the Central Bank of the UAE with a request to remove the block on your licence."



received any response. We are now facing problems running the business without a bank account. Please advise how to legally remove the blacklisting of our company.

Pursuant to your queries, it is not clear from your question whether closure of your bank account resulted in dishonour of the cheques issued by you; or whether your bank account had been closed due to dishonour of cheques issued by you; or whether the licence has been blacklisted/blocked by the Central Bank of the UAE due to

any other reason? How can you operate your licence if your licence is blacklisted/blocked by the Central Bank of the UAE? Conducting any business under a blacklisted/blocked licence is illegal. Normally, the Central bank of the UAE does not close bank accounts if two cheques for Dh2,500 and Dh3,500 are dishonoured upon presentation to your bank. It seems that your licence may be blacklisted/blocked by the Central Bank of the UAE due to some other reason. If the licence is blocked due to dishonour of the aforesaid cheques — which you have subsequently paid in cash to the debtor — you may obtain a release from the debtor and provide it to the Central Bank of the UAE with a request to remove the block on your licence.

Ashish Mehta is the founder and Managing Partner of Ashish Mehta & Associates. He is qualified to practise law in Dubai, the United Kingdom, Singapore and India. Full details of his firm on: www.amalawyers.com. Readers may e-mail their questions to: news@khaleejtimes.com or send them to Legal View, Khaleej Times, PO Box 11243, Dubai.