

Renewed contract? Complete a year before changing jobs



LEGAL VIEW
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I am working on a limited period contract, which I renewed at the end of two years. After a month into the renewed contract, I am planning to join another company. Is there any legal problem in changing the visa? Do I need to give any money to my current employer?

Pursuant to your queries (as I understand them), it should be noted that you may not take up the employment with the new employer for one year. Article 128 of Federal Law No. 8 of 1980 regarding Regulation of Labour Relations ("Labour Law") states, "Where a non-national worker leaves his work without a valid reason before the expiry of a contract for a limited period, he may not, even with the employer's consent, take up other employment for one year from the date on which he left his work. It shall not be lawful for any other employer who is aware of the fact to recruit such worker to keep him in his service before the expiry of such period."

In case your current employer is willing to provide you the NOC to work with another employer then the issue of labour ban may not arise. But in case your employer is not willing to provide the NOC and wish to cancel your labour contract, the Ministry of Labour may impose a labour ban on you.

However, in the event a ban gets imposed, your prospective employer may apply for lifting the ban based on your professional qualification and or as per the salary offered by

your prospective employer.

Any party breaching a limited period employment contract may compensate the other party by:

(a) In case of breach by the employer: The employer shall be liable to compensate the employee with three months of remuneration as stated in Article 115 of the Labour Law, which reads as follows: "Where an employment contract is for a definite term and the employer revokes it for reasons other than those specified in Article 120 he shall be required to compensate the worker for any damage the latter sustains, provided that the amount of compensation shall in no case exceed the aggregate wage due for a period of three months or the remaining period of the contract, whichever is shorter, unless otherwise stipulated in the contract."

(b) In case of breach by the employee: The employee shall be liable to compensate the employer for up to half the employee's remuneration for three months in accordance with Article 116 of the Labour Law which reads as follows: "Where a contract is revoked by the worker for reasons other than those specified in Article 121, he shall be required to compensate the employer for any damage the latter sustains as a result, provided that the amount of compensation shall not exceed half a month wage for three months or for the remaining period of the contract, whichever is shorter, unless otherwise stipulated in the contract."

Unlimited contracts let you change jobs anytime I work for a private company in Dubai. I will be completing one and a half years in a couple of months. Recently, I got a call from a consultant saying that there is a vacancy and they are looking for an individual with the exact skill set that I possess. The salary offered there is thrice of what I am earning now. However, the issue is that this company is a competitor of my current employer. Is it possible for me to join the new company without the risk of attracting a labour ban? Will there be any legal implications?

Pursuant to your questions (as I understand them), we are of the view that no ban should be imposed on you, in case you decide to resign from your current employment if you are employed under an unlimited period employment contract. But, before leaving your current employment and taking up another employment in the UAE, you should make sure that you have not signed any non-competitor clause or agreement with your current employer, which imposes restrictions on you from taking up employment with a

competitor of your employer, for a certain period of time after you leave your current employee.

However, in the case you are employed under a limited period employment contract and decide to resign from your current employment, your employer shall have the right to take legal action against you for breach of contract, if you happen to take up employment with a competitor to your employer. This is in accordance with Article 127 of the Labour Law which states, "Where the work assigned to a worker allows him to become acquainted with the employer's clients or to become familiar with the secrets of his business, the employer may require him to refrain, after the termination of his contract from competing with him or participating in any enterprise competing with his own. Such agreement shall be valid only on condition that the worker is at least 21 years of age at the time of its conclusion that the agreement is limited, as regards the time, the place and the nature of the business, to the extent necessary to safeguard the employer's lawful interests."

For any further clarification it would be prudent to consult the Ministry of Labour.

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