

#### **IMMIGRATION DEVELOPMENTS IN THE MENA REGION**

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#### **United Arab Emirates**

### 03 January 2023 – Additional Guidance on Emiratization Regulations

The Ministry of Human Resources and Emiratization has issued further guidance on Emiratization regulations in the private sector. The decision covers information relating to obligations of private sector employers and Emirati employees in the mainland.

Following the announcement of <u>penalties</u> for non-compliance with Emiratization requirements by mainland companies, the Ministry of Human Resources and Emiratization (MOHRE) has issued further guidance on <u>Emiratization</u> in the private sector. The decision covers information relating to obligations of private sector employers and Emirati employees in the mainland.

The guidance has been issued in an effort to identify solutions to false Emiratization situations. The guidance offers scenarios for job postings, employment process obligations and possible sanctions for employers and Emirati employees to comply with the Emiratization system.

The MOHRE forbids establishments from:

- Posting a fake job opportunity;
- Posting a job opportunity at an unskilled professional level;
- Advertising job opportunities with government incentives without prior approval from the MOHRE;
- Paying an Emirati national a lower salary than their coworker performing a similar job; and
- Reducing the salary of an Emirati national to obtain government support.

It is imperative that the employers ensure that Emirati employees are provided with all the necessary tools and training to perform their employment duties.

Employers need to ensure that each Emirati employee:

- holds a valid work permit and employment contract;
- is registered with the General Pensions and Social Security Authority;
- is paid through the Wages Protection System;
- has the work permit cancelled immediately upon termination of the employment contract; and
- has the employment contract amendment reported immediately when such changes affect the eligibility requirements for the 'Nafis' program.

Apart from the applicable monthly fees for non-compliance with Emiratization rate requirements, it is important to note that exploitation of government programs and incentives by falsely employing an Emirati national to achieve the Emiratization target will be considered a violation by the employer or Emirati employee.

Companies should ensure that they comply with Emiratization rates, register with the UAE government partnership program 'Nafis' and consider the initiatives that are in place to support companies seeking eligible UAE-national job candidates.

### 04 January 2023 -Update on the Unemployment Insurance Scheme

The Ministry of Human Resources and Emiratization and the Dubai Insurance Company published additional information related to the mandatory unemployment insurance scheme, also referred to as the Involuntary Loss of Employment Scheme. Per the announcement, workers employed by companies in free zones are currently exempt from this requirement.

The Ministry of Human Resources and Emiratization and the Dubai Insurance Company published additional information related to the mandatory <u>unemployment insurance</u> <u>scheme</u>, also referred to as the Involuntary Loss of Employment Scheme.

Per the announcement, subscription to the scheme is now available via the Insurance Pool website for all Emirati and foreign workers employed in the UAE private and public sectors, except those employed in free zones. Earlier announcements were not clear about the applicability of this requirement to workers in free zones.

The deadline to subscribe to the scheme has been extended and is now as follows:

Eligible Employees	Deadline to Subscribe
Workers employed before December 31, 2022	June 30, 2023
Workers employed on or after January 1, 2023	Four months from date of entry in the UAE on an employment entry permit, or from an in-country immigration status change

The announcement clarifies that the insurance premiums are divided into two categories and depend on the employee's basic salary:

 first category – employees with a monthly salary of less than AED 16,000 must pay the maximum premium of AED 5 + VAT per month; and second category – employees with a monthly salary of more than AED 16,000 must pay the maximum premium of AED 10 + VAT per month.

In cases where the basic salary is not specified in the worker's employment contract, the individual may choose the subscription category.

Employees who fail to subscribe to the scheme within the prescribe deadline will face a fine of AED 400. Those who fail to pay the insurance premiums in accordance with the selected frequency (i.e.: monthly, quarterly, biannually, or annually) for more than three months from the due date, will be subject to a fine of AED 200 and their insurance certificate will be cancelled. Furthermore, individuals who fail to pay the prescribed fines will not be eligible for a new work permit.

Employers are encouraged to inform their employees to subscribe to the scheme and pay the premiums within the specified timeframe to avoid penalties as non-compliant workers may not be eligible for a new work permit.

## 06 January 2023 - Upcoming Deadline for Private Sector Employment Contracts to be Converted to Limited Term

Employers in the private sector must convert all employment contracts from unlimited term to limited term by February 1, 2023, to comply with the new UAE labour law, except those in the Abu Dhabi Global Market and Dubai International Financial free zones and those employing domestic workers.

The <u>new labor law</u> which came into effect last year, required all employment contracts to be of limited-term and required that any unlimited-term employment contracts be discontinued by February 1, 2023.

While initially the new labor law set out a maximum contract duration of three-years, the Cabinet of the United Arab Emirates <u>amended the law in October, allowing</u> employers in the private sector to determine the duration of the contract as long as it is mutually agreed to.

With the deadline to convert all employment contracts from unlimited-term to limited-term approaching, all employers are advised to review, and amend where applicable, their employment contracts to avoid any fines or sanctions.

## 09 January 2023 - Emiratization Rate for Companies in the Legal Sector Announced

The United Arab Emirates Council of Ministers has issued a decree on the Emiratization rate for companies operating in the legal sector in the United Arab Emirates (UAE).

The United Arab Emirates Council of Ministers has issued a decree on the Emiratization rate for companies operating in the legal sector in the UAE.

With immediate effect, Emirati lawyers and legal advisors working in foreign law firms and legal consultancies that are licensed to work in the UAE must not be less than 20% of the total number of lawyers and legal advisors in the workforce.

Currently, private sector employers in other industries must increase their current <u>Emiratization</u> rate in skilled occupations by 2% annually to be compliant with the new requirements announced by the Ministry of Human Resources and Emiratization.

In order to facilitate the Emiratization rate in the legal sector, the Ministry of Justice will maintain a register with the list of available Emirati candidates seeking employment opportunities with law firms and legal consultancies. This will help employers find specific skilled talent in this sector. Further information regarding the conditions for registration is expected to be available in the near future.

Certain exemptions to the new Emiratization requirement are expected wherein Emiratization rates could be reduced or excluded for a period of three years, and renewable for a similar period or periods, in situations where there is insufficient Emirati talent available to meet the required rate. It is expected that the Ministry of Justice will submit a report every six months to the Council of Minister, with a list of foreign legal offices that have been excluded from the Emiratization rate, including the exemption status or rate reduction, its duration and the reason for the exemption or reduction.

Companies should ensure that they comply with the Emiratization rate. It is unclear how the exemptions will be applied and specific penalties have not been announced but are expected to be forthcoming.

## 16 January 2023 - Fees for Failure to Meet Emiratization Targets can be Paid in Installments

Employers who failed to adjust the number of Emirati employees in their workforce by the end of 2022 and thus are subject to fees imposed by the Ministry of Human Resources and Emiratization, can settle the fees in installments.

Employers who failed to <u>adjust the number of Emirati employees</u> in their workforce by the end of 2022 and thus are subject to fees imposed by the Ministry of Human Resources and Emiratization (MOHRE), can settle the fees in installments.

Employers can submit a request to pay in installments through the Tasheel service centers or using the dedicated MOHRE App. Installments can be paid monthly, quarterly, or semi-yearly, but are due in full no later than December 31, 2023.

In May 2022, the UAE government adopted an approach whereby employers in the private sector that have more than 50 employees are required to increase the number of Emirati employees holding skilled occupations annually in order to reach a goal of at least 10% Emiratis in their total workforce by 2026. The Emiratization rate is calculated based on the number of Emirati workers compared to the total number of skilled employees, provided that at least one Emirati is employed against every 50 skilled employees, for each year of implementation, as follows:

Number of Skilled Workers in Companies Employing More Than 50 Workers	Minimum Employment Rate of Emirati Nationals
0 to 50 skilled workers	1
51 to 100 skilled workers	2

101 to 150 skilled workers	3	
More than 151 skilled workers	1 Emirati for every 50 skilled workers	

Effective January 2023, each affected employer who does not comply with the prescribed Emiratization rate is subject to a fee of AED 6,000 per month for each vacancy that has not been filled with an Emirati worker. This monthly amount will increase by AED 1,000 each year. Furthermore, companies will be considered non-compliant if the prescribed number of employed Emiratis has not been maintained until the following year. The applicable fees will be incurred unless the employer attains the prescribed nationalization rate within two months from the date of non-compliance. Any payments due will be reflected in the company's MOHRE portal at the beginning of the following year. For example, fees incurred during 2023 will show up on the portal in January, 2024.

## 31 January 2023 - Deadline Extended for Conversion of Unlimited-Term Employment Contracts in the Private Sector

The Ministry of Human Resources and Emiratization has extended the deadline for employers in the private sector to convert unlimited-term employment contracts to limited-term employment contracts.

The Ministry of Human Resources and Emiratization has extended the deadline for employers in the private sector to convert unlimited-term employment contracts to limited-term employment contracts. The new deadline is December 31, 2023.

The UAE employment regulations which came <u>into effect last year</u>, required employers in the private sector to convert the employment contracts of all existing employees to a limited-term <u>by February 1, 2023</u>.

Employers must ensure that they convert all affected employment contracts within the new deadline to avoid non-compliance and potential sanctions.

### Saudi Arabia

# 03 January 2023 - Professional Verification Scheme Announced for Select Indian Nationals Applying for Saudi Visas

Following the July 2021 launch of Saudi Arabia's <u>Professional Verification scheme</u>, and the October 2022 launch of the <u>second phase</u> that involved the evaluation of skills of Pakistani nationals in their home countries before they obtain a Saudi entry visa, the program has now been expanded to select Indian nationals. The professional verification requirement applies to Indian nationals seeking certain technical-based professions in Saudi Arabia (with more nationalities and professions expected to follow in later phases).

Indian nationals seeking employment in certain technical-based professions must undergo theoretical and practical tests to evaluate their skills before they can obtain an entry visa for Saudi Arabia. This new requirement stems from a collaboration between Saudi Arabia's Ministry of Human Resources and Social Development (MHRSD) and India's National Skill Development Corporation (NSDC). The latter oversees the process commonly referred to in India and Saudi Arabia as the Skill Verification Program.

Those who pass the tests with a minimum score of 50% will be issued an internationally recognized certification with a five-year validity that will allow them to apply for an entry visa to work in Saudi Arabia. The test can be taken in one of the accredited assessment centres in New Delhi and Mumbai.

The program is currently applicable to individuals seeking work in the following professions:

- plumber;
- electrician;
- welder:
- refrigeration/air conditioning technician; and
- automobile electrician.

The Professional Verification scheme was launched by the MHRSD in cooperation with the Ministry of Foreign Affairs and the Technical and Vocational Training Corporation in 2021, to evaluate skills of foreign nationals working or seeking work in Saudi Arabia. The initial phase of the program was focused on foreign nationals who were already working in Saudi Arabia (affecting over 1,000 professions across 23 sectors), while the second phase launched in Pakistan and now India aims to evaluate candidates before they enter Saudi Arabia for work. The government will apply the scheme to nationals from other countries in future phases.

The expansion of the Professional Verification scheme may create pressure for Saudi employers to recruit staff from India by limiting the pool of available candidates. Due to this additional step in the recruitment process, the overall process timeframe and employment costs are expected to increase for affected applicants. It is unclear if employers would be responsible for the examination fees.

# 13 January 2023 - Saudization Requirements Announced for Several Food, Marketing and Sales Professions in the Medina Region

The Ministry of Human Resources and Social Development has issued a decision which will implement Saudization ratios in the Medina region for select businesses in the food industry sector, as well as several professions in sales and marketing.

The Ministry of Human Resources and Social Development (MHRSD) has issued a decision which will implement Saudization ratios in the Medina region for select businesses in the food industry sector, as well as several professions in sales and marketing. The decision supersedes any previous ratios and targets announced for the affected activities.

The below tables illustrate the new Saudization requirements for specific activities and professions identified by the MHRSD:

### **Restaurants**

Activity	Saudization Ratio and Target Date	Scope
Restaurants with service	40% by July 8, 2023	Stand-alone or mixed-use buildings, complexes and
Banquet kitchens		closed commercial centers

Fast-food restaurant	with four or more workers in one shift at a time
Juice shops	

### Cafes

Activity	Saudization Ratio and Target Date	Scope
Cafes with service	50% by July 8, 2023	Stand-alone or mixed-use buildings, complexes and
Ice cream shops		closed commercial centers with two or more workers in one shift at a time

Businesses excluded from the Saudization requirements are cafeterias, catering contractors, caterers, canteens and cafeterias in factories, offices, hospitals, schools, restaurants and cafes inside hotels, and apartments and hotel villas.

## **Wholesale of Food and Beverages**

Activity	Saudization Ratio and Target Date	Exceptions
Wholesale outlets for food and beverages	50% by July 8, 2023	<ul> <li>Cleaning workers</li> <li>Freight and unloading workers</li> </ul>

## Marketing

Professions	Saudization Ratio and Target Date	Exceptions
Marketing specialists	40% by June 23, 2023	n/a
Sales representatives		Tiy a
Cashiers	100% by June 23, 2023	<ul> <li>Cashiers for car maintenance shops, gas stations, restaurants, cafes, plant nurseries, and workshops of all kinds</li> <li>Sales outlets smaller than 300 square meters.</li> </ul>

Affected employers in the private sector in the Medina region should review the procedural details related to the new Saudization requirements and must comply with effective timelines. Non-compliant employers will be subject to penalties, including the suspension of immigration and employment services (i.e. new work permit issuance and employment transfer). For additional information, please contact your Fragomen representative.

## 23 January 2023 - Additional Guidelines Announced for the Regional Headquarters Program

The government of Saudi Arabia has published additional guidelines in relation to the Regional Headquarters Program which seeks to incentivize businesses to set up their regional headquarters in the Kingdom.

The government of Saudi Arabia has issued additional guidelines in relation to <a href="the-Regional Headquarters Program">the Regional Headquarters Program</a> which seeks to incentivize businesses to set up their regional headquarters in the Kingdom. Businesses that participate in the program are expected to be offered benefits such as qualifying to contract with government agencies and being exempt from certain Saudization requirements.

The new guidelines clarify exemptions for when businesses without regional headquarters in Saudi Arabia can still contract with government agencies. These exemptions include when there is a lack of alternatives for the required services or goods; when deals or purchases are entirely carried out outside of Saudi Arabia; or when the estimated cost of the deal and purchase does not exceed SAR 1 million.

An Exemption Committee will be established to adjudicate any exemption requests submitted by the relevant parties. An appeals process with the Ministry of Finance will also be available.

The new guidelines do not provide any information on incentives for businesses participating in the Regional Headquarters Program, including possible exemption from Saudization requirements.

The Regional Headquarters program was initially <u>announced</u> by the Ministry of Investment in January 2021 as a strategy under the Kingdom's Vision 2030 which aims to turn the Saudi Capital, Riyadh, into one of the top ten cities by economy globally by 2030.

# 26 January 2023 - Saudization Requirements Announced for Select Businesses and Professions in the Jazan Region

The Ministry of Human Resources and Social Development issued a decision implementing Saudization ratios in the Jazan region for select advertising, photography, computer repair, and reservation businesses as well as a few professions in event supervisory, marine engineering, among others.

The Ministry of Human Resources and Social Development (MHRSD) has issued a decision which will implement Saudization ratios in the Jazan region for select advertising, photography, computer repair, and reservation businesses, as well as a few professions in event supervisory, marine engineering, among others. This aligns with the government's regional localization program that aims to increase the participation rate of Saudi nationals in the labor market.

The below tables illustrate the new Saudization requirements for specific activities and professions identified by the MHRSD:  $\frac{1}{2} \sum_{i=1}^{n} \frac{1}{2} \sum_{i=1}^{$ 

## Reservations

Activity	Saudization Rate and Target Date	Exceptions
Event reservation agencies	100% by July 19, 2023	Professions in cleaning, and freight and unloading, provided that the percentage of these professions does not exceed 20% of total workers in one shift at a time

## Supervisory

Professions	Saudization Rate and Target Date	Exceptions
Supervisory professions in wedding halls and events	100% by July 19, 2023	Professions in cleaning and freight and unloading, provided that the percentage of these professions does not exceed 20% of total workers in one shift at a time

## **Photography and Advertisement**

Activity	Saudization Rate and Target Date	Exceptions
Advertising agencies in sales outlets	70% by July 19, 2023	Professions in cleaning, freight and unloading, provided that the percentage of these
Photography businesses		professions does not exceed 20% of total workers in one shift at a time

## **Computer Services**

Activity	Saudization Rate and Target Date	Exceptions
Computer repair businesses	70% by July 19, 2023	Professions in cleaning, freight and unloading, provided that the percentage of these professions does not exceed 20% of total workers in one shift at a time

### **Maritime Sector**

Professions	Saudization Rate and Target Date
Sea attendants, ticket clerks, bookkeepers, financial clerks, and accounts assistants	100% by July 19, 2023
Marine engineers, ship safety technicians, sailors, account managers, ship traffic controllers, port controllers, maritime navigators, and maritime observers	50% by January 19, 2024

#### Marketing

Professions	Saudization Ratio and Target Date
Marketing specialists, sales representatives, cashiers, purchase representatives, and purchase specialists	100% by July 19, 2023

Affected employers in the private sector in the Jazan region should review the <u>procedural</u> details related to the new Saudization requirements and must comply with effective timelines. Non-compliant employers will be subject to penalties, including the suspension of immigration and employment services (i.e.: new work permit issuance and employment transfer). For additional information, please contact your Fragomen representative

If active ministerial decisions require higher Saudization rates for the same professions and sectors than listed above, employers must apply the highest rate.

### **Qatar**

## 31 January 2023 - Mandatory Health Insurance Scheme Comes into Effect for Visitors

The Ministry of Public Health of Qatar published guidelines explaining how applicants of pre-arranged visitor visas, or foreign nationals utilizing visas-on-arrival, can purchase mandatory health insurance policy for the purpose of visiting the country.

The Ministry of Public Health of Qatar (MoPH) published guidelines to supplement <u>the</u> <u>health insurance law announced late in 2021</u> and introduced specific obligations requiring foreign nationals to purchase a mandatory health insurance policy for the full duration of their visit to Oatar.

Effective February 1, 2023, visitors to Qatar will need to purchase a health insurance policy from an authorized vendor prior to the issuance of a pre-arranged visa. The same process applies when extending the visitor visa status in-country.

Once visit visa applicants complete all the relevant visa requirements through the Ministry of Interior's (MOI) visa portal or mobile application, they will be redirected to MoPH

website where they will be asked to select one of the registered insurance companies from which to purchase a visitor's insurance policy. Once the insurance policy is issued, the MOI will issue the appropriate visit visa.

Eligible visitors that qualify for a visa-on-arrival are expected to purchase a health insurance policy from the <u>MoPH webpage</u> prior to arriving at any of the dedicated border crossings. The effective date of coverage is the date of entry of the visitor at any border.

Furthermore, while the MoPH has indicated that visitors who hold an international health insurance policy which includes the State of Qatar will be exempt from purchasing a local insurance policy, the exact recognition process has not yet been clearly defined. Until this time, travelers may opt to purchase the local health insurance plan in order to avoid delays entering Oatar.

The MoPH and the Ministry of Interior have not indicated when and how the requirement for mandatory health insurance will be implemented for other visa types including new Work and Family Residence Permits and renewals. However, it is expected that this will be implemented for all such applications in the near future.

In October 2022, the government of Qatar <u>issued legislation regulating healthcare</u> <u>services</u> which supplements the country's Health Insurance Scheme and introduced specific obligations for both employers and foreign nationals seeking entry to Qatar for different purposes.

The government chose to roll out the scheme in multiple phases, with the first phase being implemented for visitors on February 1, 2023. It is expected that future phases will regulate the health insurance requirements for foreign employees and residents.

#### Egypt

#### 26 January 2023 - Minimum Salary Level Increased for Private Sector Employees

The Ministry of Planning and Economic Development has increased the monthly minimum salary level for employees in the private sector in Egypt.

Effective immediately, the Ministry of Planning and Economic Development (MPED) has increased the monthly minimum salary level for employees in the private sector in Egypt to EGP 2,700 (approximately USD 91). This is an increase from EGP 2,400 in 2022.

Additionally, the MPED has fixed the minimum annual salary increase at 3% of the social insurance subscription salary, calculated based on the employee's gross salary.

#### Jordan

# 18 January 2023 - Temporary Suspension of Issuance of Work Permits for Most Foreign Nationals

Effective immediately, the Ministry of Labor has temporarily suspended the issuance of work permits for foreign nationals, excluding those in select categories.

Effective immediately, the Ministry of Labor has temporarily suspended the issuance of work permits for foreign nationals, excluding those in select categories and made

subscription to the Social Security Corporation mandatory prior to the submission of the work permit

The Ministry of Labor has temporarily suspended issuing work permits for foreign nationals who are applying outside of Jordan excluding those issued to foreign nationals working in the industrial and agricultural sectors, domestic workers, or to foreign nationals who fall under the specialized skills category i.e., managers and highly-skilled professionals, among others. It is not clear if this suspension also applies to those foreign nationals applying for work permits in Jordan.

As the recruitment of foreign nationals continues to become more stringent in Jordan, foreign nationals must now be subscribed to the Social Security Corporation (SSC) under the SSC account of the sponsoring entity in Jordan before a work permit will be issued. Subscriptions can be completed electronically prior to the submission of the work permit application. Previously, subscription to the SSC could be completed after the issuance of the work permit.

The suspension of issuance of work permits for foreign nationals was previously discussed by the Ministry of Labor in 2019 and was expected to be implemented in 2024 in order to create more job opportunities for Jordanian nationals and improve the economic state of the country; however, due to the increasingly high unemployment rate in Jordan, the suspension has been implemented earlier than expected.

Employers should be aware that they must only hire foreign nationals that fall under the permissible categories at this time and should ensure that employees are subscribed to the SSC prior to submission of the work permit application.

#### Morocco

#### 11 January 2023 - E-Visa Now Available for Additional Nationalities

Effective immediately, nationals of Azerbaijan, Guatemala, India and Jordan are eligible to obtain an electronic visa to visit Morocco.

Effective immediately nationals of Azerbaijan, Guatemala, India and Jordan are eligible to obtain an electronic visa (e-visa) to visit Morocco. Applications can be submitted through the Morocco Ministry of Foreign Affairs platform, Access Maroc.

The e-visa platform launched last year to facilitate the digitization of public administration services in Morocco in order to simplify and modernize the consular process. At that time, only the following applicants were eligible for an e-visa:

- a) Nationals of Thailand and Israel;
- b) Foreign nationals holding a residence permit in Australia, Canada, a European Union Member State, Japan, United Kingdom, United States, New Zealand, Norway and Switzerland.
- c) Foreign nationals holding a multiple-entry visa (valid for a minimum of 90 days from the date of submission) for Australia, Canada, Ireland, New Zealand, any of the Schengen countries, United Kingdom and United States of America.

The single-entry e-visa can be used for business or tourism purposes, is valid for 180 days from the date of issuance and permits stays of up to 30 days. Applications are processed within 24 hours (for an express visa) or 72 hours (for a standard visa) from the date of submission.

#### ABOUT FRAGOMEN

Fragomen is the world's leading single-focus provider of immigration services and support. Our firm is comprised of law practices and immigration consultancies that work together to support our clients across all regions globally. At Fragomen, we leverage our collective immigration experience to offer clients targeted and trusted solutions that help them achieve their local, regional and worldwide business goals.

Fragomen's team of dedicated immigration professionals has extensive experience in working with multinational businesses, local employers, start-ups and individual investors. We have a deep understanding of the region and maintain strong professional relationships with immigration authorities. Our MENA immigration team is supported on a global basis by over 3,800 immigration professionals in more than 50 offices worldwide. Together, we provide comprehensive immigration support in over 170 countries.

All we do is immigration, a sole focus that makes a considerable difference. Unlike many other providers, all of our thinking, passion and resources are dedicated to improving the immigration experiences of our clients and their employees. We have the track record, region specific experience and know-how to provide you with a streamlined and compliant immigration solution.

Visit our website <u>www.fragomen.com</u> or contact us at dubaiinfo@fragomen.com to learn more about our company and services.