

Mobility: Immigration alert

July 2023



United Arab Emirates

UAE MoHRE announces new requirement for certain companies to hire UAE nationals

Executive summary

On 11 July 2023, the United Arab Emirates' (UAE) Ministry of Human Resources and Emiratisation (MoHRE) [announced](#) an expansion of the Emiratisation initiative to certain companies and individual establishments in specific sectors that employ 20 to 49 employees.

Background

In 2022, the MoHRE issued [Ministerial Resolution No. \(279\)](#) of 2022, which mandated that companies that are registered with the MoHRE and have 50 or more employees must increase their Emiratisation percentage (i.e., percentage of UAE nationals in their skilled workforce) each year by 2%, until it reaches 10% in 2026. In February 2023, the ministry announced an [update](#) to the mechanism of achieving the Emiratisation target, requiring these companies to increase their Emiratisation percentage in skilled jobs by 1% every six months, while remaining on track to achieve the overall 2% target by the end of the year, until 2026.

Key developments

On 11 July 2023, the MoHRE expanded the application of Emiratisation targets to certain companies and individual establishments (i.e., entities owned by one individual) with 20 to 49 employees in 14 sectors: information and communications; financial and insurance activities; real estate; professional and technical activities; administrative and support services; arts and entertainment; mining and quarrying; transformative industries; education; health care and social work; construction;

wholesale and retail; transportation and warehousing; and hospitality and residency services.

The MoHRE will shortlist companies that must meet these Emiratisation targets based on different criteria (e.g., types of jobs, work environment, geographical location). Shortlisted companies will be required to hire at least one UAE national in 2024 and another in 2025. In addition, if one of their employed UAE nationals leaves the company, they will be required to hire a UAE national as a replacement within two months of the former employee's departure, or pay the financial contribution for the targeted year if they reduce the number of their UAE national staff after the targeted year. Companies that fail to meet the 2024 target will be subject to a fine of AED 96,000 in January 2025, and those that do not meet the 2025 target will be required to pay a fine of AED 108,000 in January 2026.

Impact on employers

The expansion of Emiratisation targets is expected to impact the hiring of foreign nationals and create greater job opportunities for UAE nationals.

Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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EYG no. 006925-23Gbl

2101-3682263
ED None

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