



## MIDDLE EAST IMMIGRATION NEWS FLASH 021/2022

### UNITED ARAB EMIRATES

### Increased Emiratization Rates for the Private Sector

13 May 2022

#### Executive summary

The United Arab Emirates Cabinet has adopted a new approach to increase Emiratization rates in the private sector by a minimum of 2% annually for skilled occupations within mainland registered companies with more than 50 employees, with the aim to reach 10% by 2026.

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The United Arab Emirates Cabinet has adopted a new approach, whereby employers in the private sector that have more than 50 employees will be required to increase the number of Emirati employees in their workforce holding skilled occupations within mainland registered companies by at least 2% annually. The target for employers is expected to reach 10% by 2026.

This was one of the key initiatives that was announced last year as part of federal program [called 'Nafis'](#). Please refer to Middle East Immigration News Flash 060/21 for additional details.

#### A closer look

All private sector companies that support the hiring and training of Emirati citizens will be eligible for financial benefits, including an 80% reduction in service fees by the Ministry of Human Resources and Emiratization.

Effective January 2023, it is anticipated that every private sector business that does not comply with the 2% rule will be subject to a fine of AED 6,000 per month for every Emirati citizen vacancy that has not been filled.

#### What this means for employers

Affected employers must correct their Emiratization rate and comply with the new requirement by the end of December 2022 to avoid monthly fines.

### **How Fragomen can assist?**

Fragomen will continue monitoring the situation and will revert with additional information as developments occur.

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