

Overview

As the world continues to react and adapt to the health, social and economic challenges brought on by the rapid spread of coronavirus disease 2019 (COVID-19), businesses are facing challenges and risks, while trying to protect the health and wellbeing of their workforce. In common with governments throughout the world, the United Arab Emirates (UAE) has been developing a support framework at both Federal and individual Emirate level. Such support includes the provision of subsidies, a waiver or deferral of certain fees or taxes, financial support and variation of employment and visa terms. This report summarises the current status of stimulus and support packages in the UAE as at 16 April 2020.

1. COVID-19 and “Corona Package” of the UAE Federal Government

Following the passing by the UAE Federal Cabinet of a resolution to set up a committee to address the impacts of COVID-19 on the national economy, as part of the government’s preventive measures to limit the consequences of the virus, the UAE Central Bank announced a Targeted Economic Support Scheme, comprising an AED100 billion economic stimulus package on 14 March 2020, with a further pledge of AED16 billion to help with business activity – all of which became effective as of 15 March 2020.

What Changes Does the Legislative Package Contain and What Does it Mean for Businesses in each Emirate?

Abu Dhabi

Having initiated an AED50 billion development plan in 2018 (Ghadan 21) aimed at enhancing the competitiveness of the Emirate, the Abu Dhabi Executive Council announced an accelerated three-year stimulus package on 16 March 2020 as part of Ghadan 21 across 16 initiatives to support the private sector, residents and start-up companies. The aim of the accelerated initiative, which has been fast-tracked to meet the challenges raised by the COVID-19 situation, is to offer relief to small and medium enterprises (SMEs) and loans to local companies. The initiatives include:

- AED5 billion to subsidise water and electricity fees for start-ups, and exempt all commercial and industrial activities from real estate registration (Tawtheeq) fees until the end of 2020
- AED3 billion to the SME credit guarantee scheme, which is managed by Abu Dhabi Investment Office to help local banks finance SMEs
- AED1 billion to establish a market-maker fund that enhances liquidity and sustains balance between supply and demand for stocks

- Exempting start-ups from performance guarantees for projects up to AED50 million and industrial land leasing fees will be reduced by 25% on new contracts
- Waiving current commercial and industrial penalties
- Exempting commercial vehicles from annual registration fees through to the end of 2020
- Exempting all vehicles from road tolls until the end of 2020
- Suspending tourism and municipality fees for tourism and entertainment sectors
- Offering up to 20% discount on rental values for restaurants, tourism and entertainment venues
- A new committee, headed by the Department of Finance, will be established with members from the Department of Economic Development and local banks, the role of which will be to review lending options to support local companies

Dubai

On 22 March 2020, the Dubai government separately announced its AED1.5 billion three-month stimulus package. Dubai’s stimulus package aims to limit the cost of business upkeep and simplify business procedures, particularly in the tourism, retail and logistics services sectors – all of which are critical to Dubai’s economy. The package includes:

- Dubai Electricity & Water Authority and Emirates Central Cooling Systems Corporation (Empower) – 10% discount on water, electricity and cooling service fees across residential, commercial and industrial sectors in Dubai for a period of three months from 17 March 2020, and a 50% decrease in deposits paid for water and electricity connections
- The cancellation of the AED50,000 bank guarantee or cash required to undertake customs clearance activities; bank guarantee or cash paid by existing customs clearance companies will be refunded
- Fees imposed on submitting customs documents will be reduced by 90%
- Government fees for obtaining and renewing licenses will be reduced by 25%
- Commercial licenses can be renewed without mandatory renewal of associated property leases
- The tourism sector will benefit from four initiatives including the reduction of municipality fees imposed on sales at hotels from 7% to 3.5%
- The exemption of companies from fees charged for postponement and cancellation of tourism and sports events scheduled for the year 2020 and the freezing of fees required for the rating of hotels

Sharjah

The government of Sharjah has declared 47 initiatives to support governmental, private entities, local businesses and individuals. Examples of the initiatives include:

- A 50% discount on traffic violations and cancellation of black points committed before 31 March 2020, for a period of three months, from 1 April 2020
- Three-month exemption from charges for financial institutions renewing their licenses from 1 January 2020 to 31 December 2020
- A 30% reduction in cost to members of the Sharjah Chamber of Commerce and Business to take part in Expo Sharjah exhibitions for 12 months
- A 50% reduction in cost for outlets, industrial centres and central markets taking part within the advertising campaigns organised by the Sharjah Chamber of Commerce and Business for 12 months

Ajman

His Highness Sheikh Humaid Bin Rashid Al Nuaimi, Supreme Council Member and Ruler of Ajman, issued Decree No. 7 2020 (effective from 5 April 2020) in support of Ajman's business sector. The decree aims to ease the financial burdens on the local community, and provides for the following government fees to be deferred or reduced:

- The issuance or renewal of tourism and hotel establishments licenses postponed until 31 December 2020
- Charges for parking in allocated areas postponed until 30 April 2020
- Concession holders that signed contracts with the Transport Authority will have a 50% discount to fees under a taxi concession agreement until 30 June 2020
- Public cleaning services reduced by 30% until 31 December 2020
- Rent for both residential and commercial premises reduced by 20% until 30 June 2020

Free Zones

Many business operations in the UAE are undertaken through the multiple free zones across the country. On 28 March 2020, the Dubai Free Zones Council and TECOM announced an economic stimulus package in the free zones, which they administer to complement the Dubai government's efforts. This initiative aims to reduce business costs and enhance financial liquidity of companies operating in the free zones. Five initiatives will be introduced on a conditional basis, offering businesses in free zones the opportunity to benefit from a waiver of annual licensing fees on new registrations during the next three months.

The five key initiatives vary by free zone but include:

- Postponement of rent payments by a period of up to six months
- Facilitating instalments for payments
- Refunding security deposits and guarantees

- Cancellation of fines for both companies and individuals
- Permitting temporary contracts that allow the free movement of labour between companies operating in the free zones for the rest of the year

On 29 March 2020, Dubai International Financial Centre (DIFC) announced they are set to apply the five initiatives in DIFC over the next three months from 1 April to 30 June 2020. Businesses set up in the DIFC will also be able to take advantage of a 10% discount of renewal fees for existing license holders for entities due to renew their licenses. In addition, the DIFC will allow deferred rent payments for all properties owned by DIFC Investments Ltd for a period up to six months from 1 April 2020.

In line with government directives, DIFC temporarily suspended all retail outlets, except pharmacies, grocery stores and supermarkets to ensure essential medical and food supplies remain available to the community. Restaurants and cafes are currently closed to customers, with services limited to home takeaway deliveries. The centre has also temporarily closed the DIFC Mosque and prayer facilities.

On 1 April 2020, the Abu Dhabi Global Market (ADGM) launched a set of financial support measures to mitigate the adverse impact to registered entities operating in its financial free zone. Such measures include:

- 100% waiver on commercial license renewal fees (with exception of SPVs and foundations licenses) until 25 March 2021
- 100% waiver on business activity renewal fees until 25 March 2021
- 100% waiver on data protection renewal fees until 25 March 2021
- 100% waiver on new temporary work permits issuance, renewal and late application fees until 25 March 2021
- 100% waiver on annual funds fees until 31 December 2020
- 100% refund of annual funds fees already paid by Financial Services Regulatory Authority (FSRA)
- 50% refund of supervision fees already paid by FSRA regulated entities for 2020
- 50% waiver on any new FSRA supervision fees to be collected until 31 December 2020
- Deferment of rental payments and service charges for office tenants at ADGM Square on Al Maryah Island for 2020

2. Federal Law and Business Sectors

Food Stock

On 31 March 2020, His Highness, President Sheikh Khalifa bin Zayed Al Nahyan approved Federal Law No. 3 of 2020 to regulate the stock of food commodities in the UAE. In the event of crises, emergencies and disasters, the law aims to organise the food supplies by outlining the obligations and implementation procedures on suppliers and registered merchants.

The Ministry of Economy (MOE) has the responsibility and authority to prepare reports, studies and economic evaluation of food commodities, estimate the volume of consumption, and determine the surplus and deficit on the production and availability of food commodities in the UAE. MOE and the National Emergency Crisis and Disasters Management Authority (NECDMA) look to achieve a strategic stock of food commodities.

The law also includes the obligations on the distribution of the stock under the distribution plans prepared by the NECDMA. The obligations include:

- The registered merchant must manage the stock of food commodities and specify the location, area and size of the warehouse designated for the food commodities
- The law specifies various penalties that include a fine of no less than AED500,000 and not more than AED2,000,000, to any supplier or registered merchant who violates the obligations

Retail Industry

On 23 March 2020, the Ministry of Health and Prevention (MOH) and the NECDMA announced that all commercial centres and shopping malls are to be closed for a renewable period of two weeks. Food retail outlets, including cooperative societies, grocery stores, supermarkets and pharmacies are permitted to remain open 24/7 while not exceeding a maximum capacity of 30% of their total occupancy, in order to maintain the recommended physical distance of two meters between customers.

While restaurants are only limited to home delivery, Abu Dhabi's Transport Authority is offering its taxi services free to support retail outlets to help manage the exceptionally high number of requests for home deliveries. The Transport Authority has confirmed that the drivers have undergone training about preventative measures and will wear masks and gloves during the delivery. The items purchased will be collected from the restaurant and delivered to customer's door free of charge.

Travel and Immigration Industry

On 23 March 2020, NECDMA and the Civil Aviation Authority announced the suspension of all passenger flights and transit of airline passengers in the UAE. Any travellers in the UAE who were not able to leave due to closure of airports are provided the necessary support and permission to stay legitimately.

On 19 March 2020, Ministry Of Human Resources and Emiratisation (MOHRE) cancelled all preapproved visas and suspended all new visa applications, including work permits, until further notice. On 30 March 2020, the UAE cabinet also approved a decision to extend residency visa expiring on 1 March 2020 for a renewable period of three months at no extra costs.

The government of Dubai issued a statement on 2 April 2020 that it will continue to inject equity into the Emirates Airlines, considering its strategic importance to the Dubai and UAE economy, and the airline's key role in positioning the emirate as a major international aviation hub.

Telecommunications

On 26 March 2020, the Telecommunications Regulatory Authority (TRA) has taken preventative measures by extending the validity of all wireless authorisations of hospitals and medical centres across the UAE. Etisalat and Du (the two primary providers of telecoms services in the UAE) will provide free internet to families with no home internet services to enable distant learning. Etisalat and Du also launched a number of initiatives for SMEs, businesses and for educational institutions; for example, Du will double the speed of internet at no cost for educational institutions, as well as provide free video conferencing applications. With effect from 31 March 2020, TRA has also opened free access to Google Hangout Meet, Cisco Webex, Avaya Spaces, BlueJeans, and Slack to Du and Etisalat customers in a meet where video conferring tools are in high demand.

Courts and Notaries Public

All Dubai courts (Courts of First Instance, Appeals and Cassation) have delayed all ongoing civil proceedings. Service procedures (e.g. notification of claims or filing of applications) and issuance of certificates and personal status documents (e.g. marriage/divorce certificates) have been suspended until 16 April 2020. The DIFC Courts and Abu Dhabi Judicial Department are currently operating remotely, with all hearings taking place via video conferencing. All related civil cases will be suspended by the Abu Dhabi Judicial Department, apart from labour cases.

The Notaries Public authority issued a circular regarding the suspension of notary services. All Notary Public branches have been closed from 29 March 2020 until 9 April 2020 (this period is subject to review and a further extension). All Notary Public services will be conducted remotely. In 2018, Abu Dhabi instituted a remote notary service pursuant to which parties meet with the notary via WebEx to approve and certify documentation. The availability of this service was considerably enhanced in early April of this year as a means of ensuring business continuity during the current crisis.

Banking and Finance Industry

Central Bank of the UAE

As indicated above, on 14 March 2020, the Central Bank of the UAE announced the Targeted Economic Support Scheme, a AED100 billion economic stimulus package (effective from 15 March 2020), together with a further AED16 billion pledged to help with business activity. On 5 April 2020, the Central Bank of the UAE (Central Bank) doubled the size of its stimulus package to AED256 billion and allowed banks and finance companies in the country to extend deferrals of principal and/or profit or interest payments (as applicable) to their customers until 31 December 2020. The revised package includes:

- An AED50 billion capital buffer relief for banks
- An AED50 billion collateralised zero cost funding facility available to eligible banks, the benefits of which are expected to be passed on to customers who have been identified to be eligible until 31 December 2020
- An AED95 billion liquidity buffer relief to ensure there is sufficient liquidity in the market

In addition, the regulators have also halved the reserve requirement for demand deposit of all banks from 14% to 7% in order to increase liquidity in the banking sector and mitigate the impact of the COVID-19 pandemic. This initiative should release approximately AED61 billion additional liquidity into the banking sector, which can be used to support banks' lending to the UAE economy and their liquidity management.

The Central Bank has also announced the postponement implementing specific Basel III capital standards until March 2021 for all banks and finance companies, in order to minimise operational burden on the lenders. Further, the Central Bank is working to issue a guideline on financial reporting standards (IFRS 9), expected to be published during this month.

Abu Dhabi Banking Initiatives

In addition to the initiatives of the Central Bank, the various Abu Dhabi commercial banks have also been working on support packages for business. First Abu Dhabi Bank, Abu Dhabi Commercial Bank Group and Abu Dhabi Islamic Bank have announced 17 financial initiatives for individuals and SMEs in line with the Abu Dhabi Department of Finance and Department of Economic Development directive. Ten of the announced initiatives are intended for individuals and comprise of the following:

For customers who are affected by COVID-19:

- Deferring instalments (principal and interest on existing loans (personal, auto and mortgages) and credit cards for up to three months for eligible customers until 30 June 2020 with no additional bank charges
- Halting foreclosures on mortgages for defaulted customers until 30 September 2020
- Halting suspension of bank accounts for retrenched customers until 30 June 2020
- Refunding credit card processing fees in full for foreign currency transactions undertaken after 1 January 2020 in connection with cancellation of travel plans
- Instalment programmes with no service fees for utility bill payment until 30 June 2020

For all other customers:

- Defer instalments on new loans (personal, auto and mortgages) and credit cards for up to three months for eligible customers until 30 June 2020 with a 50% reduction in associated bank charges
- Reducing interest charges on new loans and credit cards for eligible customers based on new prevailing rates
- Reducing bank charges by 50% on early settlement of loans until 30 June 2020
- Reducing required down-payment by 5% for first-time home buyers
- Interest-free instalment plans for school tuition with a waiver of service charges or a 0% interest loan until 30 June 2020

Of the announced initiatives intended for SMEs, the following are some of the key matters:

For customers who are affected by COVID-19:

- Deferring instalments on existing borrowing up to three months for eligible customers until 30 June 2020 with no additional bank charges
- Reducing the bank's merchant service fees (credit card transactions) by 50% for eligible SME customers with usage below AED5 million per annum until 30 June 2020
- Reducing banking fees and charges on zero balance accounts up to 50% for eligible customers
- Reducing minimum average balance requirements for all SME account categories to up to AED10,000 per month for eligible customers

For all other customers:

- Deferring instalments on new borrowing for up to three months for eligible customers until 30 June 2020 with a 50% reduction in associated bank charges
- Reducing interest charges on new borrowings based on new prevailing interest rates for eligible customers
- Reducing bank charges by 50% on early settlement of existing borrowing for eligible customers until 30 June 2020

Dubai Banking Initiatives:

Dubai banks including Emirates Islamic Bank, Emirates NBD, Dubai Islamic Bank, Commercial Bank of Dubai and Mashreqbank have automated 95% of transactions online and extended business relief packages to their business customers and SMEs from 1 April 2020 to 30 June 2020. The packages include the following:

- Retail loan customers who have been placed on unpaid leave by their employers can approach the bank for a repayment holiday of up to three months with zero interest and fees
- Customers who have outstanding personal loans, auto loans or mortgages can apply for a one-month repayment holiday with zero fees
- All first-time homebuyers can benefit from a 5% increase in the Loan-to-Value ratio and full waiver of processing fees
- A refund of charges on cash withdrawals from debit cards on all ATMs of other banks across the UAE
- Credit card customers can benefit from interest-free instalment plans for all school fee payments and grocery purchases with no processing fees for up to six months; this is in addition to existing attractive low interest instalment plans available for higher tenors across all retail purchases
- Customers who may need to cancel their travel bookings booked using their credit or debit cards will receive a refund of the foreign currency transaction fees charged by the bank
- Customers using credit cards for cash withdrawals will enjoy a 50% reduction in the cash advance charges
- Small business customers who have availed merchant loans, equipment loans or business vehicle loans and have been impacted by the ongoing COVID-19 situation can apply for a repayment holiday of three months with zero interest and fees

- A reduction of the monthly minimum balance required for a basic business banking account to AED10,000; in addition, the minimum balance charges for basic business banking accounts will be waived for a period of three months

Foreign banks' initiatives in the UAE:

Citi Group, HSBC and Standard Chartered have also implemented financial initiatives to help their banking customers in the UAE. Examples of the financial initiatives include:

CitiGroup:

- Fund transfers free to customers through the mobile application until 30 April 2020
- Citi Group donated 0.5% of all debit card spends in the month of March 2020
- Customers can apply for a 75% reduction in their monthly instalments with significantly lower interest
- Customers can defer principal payments for three months and thereafter request an extension by another three months
- Citi Group has reduced credit card cash advance charges by 50%
- Citi Group has waived its fee on its "Citi PayAll" programme, which allows customers to pay for rent, property maintenance, education, travel plans and special events in monthly instalments using their credit card

HSBC:

- Customers who have been placed on unpaid leave by their employers can apply for a one-month repayment holiday without interest and fees for their personal loans, mortgages and car loans
- Charges will be refunded on cash withdrawals and balance enquiries made at all non-HSBC ATMs across the UAE and GCC (in place since March 2015)
- School fees paid by credit card qualify for an instalment plan of up to six months starting from 0% interest with processing fees waived
- All first-time home buyers can benefit from a 5% increase in the loan-to-value ratio for mortgages
- Customers can apply for temporary increases in credit card limits, subject to eligibility. The bank has increased daily ATM cash withdrawal and purchase limits with effect from 19 March 2020

Standard Chartered:

- All customers affected by COVID-19 can ask the bank for a three-month repayment holiday on their existing personal loans, car loans and mortgages with zero interest and fees
- All customers can choose to pay only the interest component of their existing loan for a period of three months
- For credit card transactions over AED1,000 on hospital fees, school fees, utility bills and grocery payments, purchases can be converted into equal monthly instalments at 0% interest and no processing fees
- The foreign currency transaction fees on cancelled travel bookings will be refunded
- Cash advance fees on credit cards will be cut in half

Securities and Commodities Authority

Under directives from the UAE Cabinet as part of the precautionary measures taken nationwide, the Securities and Commodities Authority (SCA) has taken a number of measures to try to support the securities markets and promote investor confidence. Such measures include:

- Reducing the loss thresholds triggering a trading halt from 5% to 10%
- Developing a mechanism to facilitate share buybacks for listed companies
- Reaffirming short-selling practices not in place in the UAE capital markets
- Holding general assembly meetings remotely via a secure remote e-voting system

EXPO 2020

Expo 2020 has been a key focal point for Dubai and the UAE for the past few years, and is a major initiative aimed at attracting both business and tourist visitors to the country. The Expo Steering Committee 2020 is monitoring and regularly reviewing plans and preparations in line with guidance from the UAE and international stakeholders. The committee met on 30 March 2020 to assess the status of the event, and continues to liaise with the international organising committee regarding scheduling of the event.

3. Force Majeure

Force majeure, or commonly referred to as an "Act of God", is the legal term for an event that is outside the reasonable control of a party and that prevents that party from performing its contractual obligations. Typically, it is applied to events such as earthquakes, volcanic eruptions, floods, heat waves and other unforeseeable natural-caused incidents and is extended to include wars, riots, chaos, slowdown and unexpected legislations.

While there is no specific definition in the UAE Civil Code for *force majeure*, the concept is recognised under UAE law in both contract and tort. The criteria of *force majeure* is set out in Article 273 and Article 287 of the UAE Civil Code (Federal Law Number 5 of 1985). Article 273 sets the requirements to qualify as an event of a *force majeure* in contracts, and provides as follows:

1. "In contracts binding on both parties, if *force majeure* supervenes, which makes the performance of the contract impossible, the corresponding obligation shall cease, and the contract shall be automatically cancelled.
2. In the case of partial impossibility, that part of the contract, which is impossible, shall be extinguished, and the same shall apply to temporary impossibility in continuing contracts, and in those two cases it shall be permissible for the obligor to cancel the contract provided that the obligee is so aware".

Article 287 sets out the requirements to qualify as an event of *force majeure* in tort (the absence of a contract) and provides:

“In the absence of a provision in the law or an agreement to the contrary, a person is not liable for reparation if he proves that the prejudice resulted from a cause beyond his control, such as a heavenly blight, unforeseen circumstances, *force majeure*, the fault of others or of the victim”.

As there is no definition, the courts developed the criteria and conditions of applying the provisions of Article 273 and 287, as well as jurisprudence. Article 249 of the UAE Civil Code allows the UAE courts to use its discretion to decide on a *force majeure* event.

“If exceptional circumstances of a public nature, which could not have been foreseen, occur as a result of which the performance of the contractual obligation, even if not impossible, becomes oppressive for the obligor so as to threaten him with grave loss, it shall be permissible for the judge, in accordance with the circumstances and after weighing up the interests of each party, to reduce the oppressive obligation to a reasonable level if justice so requires, and any agreement to the contrary shall be void”.

The UAE courts use their discretion to judge specific cases using the following criteria:

- Foreseeability – an event that cannot be foreseen to occur under normal circumstances
- Unavoidability – the occurrence of the external event could not have been avoided
- Controllability – the event must be completely external to the obligor and not within its control
- Impossibility – the event must render the performance of the obligation impossible to perform

The question of whether the outbreak of COVID-19 amounts to *force majeure* remains open to argument, and will depend on the facts of each case and the circumstances of the obligor. In particular, consideration should be given to the following:

- Whether a *force majeure* clause has been agreed previously in the contract between the parties
- If the events of *force majeure* could have been foreseeable, avoided, or mitigated
- If the impact of the pandemic is merely economic hardship and renders the performance of the obligation onerous
- If the parties are interested in terminating the contract, or simply looking for financial relief

4. Labour and Employment Law Updates

MOHRE has published a new Ministerial Resolution No. 279 of 2020, effective 26 March 2020, in response to COVID-19. This resolution allows companies to try to avoid making employees redundant by committing to other measures by agreement with employees. On 29 March 2020, the MOHRE issued Ministerial Resolution No. 281 of 2020 on remote working for the private sector.

Resolution No. 279 of 2020

The aim of Resolution 279 is to protect the position of non-UAE national employees working in the private sector and free zones.

The resolution is a guideline, which sets out the circumstances where the employer will look to make redundancies due to the surplus of non-UAE national workers. The resolution provides that the employer must continue to provide housing and all of their entitlements (except for the basic salary). This is until the employee finds another employer or chooses to leave the UAE.

The employer has the following rights under the resolution to take from the employee:

1. Working from home
2. Leave with pay
3. Unpaid leave (requires employee consent)
4. Temporary salary reduction (requires employee consent)
5. Permanent salary reduction (requires employee consent)

In circumstances where the employer is considering redundancy, the employer must offer the option of registering the employee's details on the MOHRE's portal for jobseekers "Virtual Labour Market System". This will allow employees to be rotated to an alternative employer. The employees can be hired on a full-time or part-time basis. The process will be carried out electronically and work permits will be issued online.

Should the employee agree to a temporary reduction in salary, the resolution provides the following requirements:

1. Prepare a "temporary additional supplement" to the MOHRE. This is a contract between the employer and the employee (in a form provided by MOHRE) stating the reduction in the salary and the start and end date of the reduction (this can be renewed by the approval of both parties).
2. Prepare two copies of the supplement, one for each party. This will allow the employer to disclose a copy to the MOHRE.

Should the employer permanently reduce the employee's salary, the employer has to apply to the MOHRE for the MOHRE labour contract to be amended.

Resolution No. 280 of 2020

This resolution has been brought in for the government to take steps to promote and protect the employment of UAE nationals in the private sector. This resolution permits the establishment of a committee to assist with job security for UAE nationals. The role of the committee will include reviewing the information provided in exit interviews submitted when the employment of a UAE national is terminated and making recommendations for measures to be introduced to try and promote stability of employment for UAE nationals.

Resolution No. 281 of 2020

Under Resolution 281, all ministries, authorities, federal institutions and private sector companies are required to have no more than 30% of the workforce physically present at the workplace, among other precautionary requirements, such as:

- Providing checkpoints at the entrance and exit of the workplace for temperature checks to be carried out twice daily as a minimum (upon entering and leaving work)
- Reducing the number of workers who can have meals in workplace restaurant facilities, leaving a minimum space of two metres between employees

- Restricting customer visits to work premises to 30% of the seating capacity

Activities relating to infrastructure projects, supply, communication, health, education, energy, banking, hospitality and entertainment and food manufacturing are exempt from the percentage restrictions.

In respect of employees working remotely, employers are required to comply with the temporary guide issued, which requires that the employer provides the relevant technical equipment needed to facilitate proper home/remote working and, with this, employers should give priority to pregnant women, those aged 55 and above, those with disabilities, respiratory or chronic diseases and female workers who are mothers of children in grade nine and below.

5. Preventative Measures

In addition to the various support packages being introduced by the UAE government, there have been a number of preventative measures introduced in an attempt to minimize the impact of the COVID-19 crisis in the UAE.

Sterilisation Programme

On 26 March 2020, the UAE authorities announced a national sterilisation programme to sanitise all streets, public facilities and public transportation until 5 April 2020 across the UAE from 8 p.m. to 6 a.m. daily, with all persons being required to stay at home except in the cases of emergencies. In Dubai, this lockdown was extended on 4 April 2020 by Dubai's Supreme Committee of Crisis and Disaster Management, in coordination with the Command and Control Centre for Combating COVID-19, with the sterilisation programme being increased to 24 hours a day across all areas and communities.

The lockdown provides that only one member of each household may leave home to buy essentials, provided the individual wears a facemask and gloves at all time. Save for approved absences to purchase essential groceries and pharmaceutical products, only employees listed in certain vital sectors are exempted from the current restrictions and are permitted to leave home to attend work. In this regard, employers must provide written approval to any employee to attend work, and must also determine in good faith whether business is considered to be vital.

Anyone who fails to comply with these preventative measures will be subject to fines, imprisonment and/or deportation under the UAE Federal Law No.14 of 2014 on the Control of Communicable Diseases. Further, following the issuance by the UAE Public Prosecution Attorney-General of an updated Resolution No. 38 of 2020 (on enforcement of penalties for violations pursuant to Cabinet Resolution No. 17 of 2020 to contain the spread of COVID-19), specific penalties include:

- Imprisonment or a fine of no more than AED10,000 or both for doctors, pharmacists, pharmacy technicians and medical professionals who fail to inform health authorities within 24 hours that a person was suffering from, or died of, a communicable disease.
- Imprisonment or a fine of up to AED10,000 for any person who has come in contact with an infected person but who fails to inform MoH.

- Imprisonment and/or a fine of between AED10,000 and AED50,000 for any person who knows that he or she is infected or who suspects infection and who fails to inform the health authorities while visiting any place (other than a medical facility) without the approval of the MoH or the concerned authority.

- Imprisonment and/or a fine of between AED10,000 and AED50,000 for any person who fails to show up for tests and treatment, knowing that they are infected or who suspects infection. Such penalties also apply to those who refuse to adhere to the preventive measures advised or prescriptions and instructions given to them.

- Up to five years imprisonment and/or a fine between AED50,000 to AED100,000 for any person who knows that he or she suffers from a communicable disease and intentionally exposes others. In the case of repeated offenders, such individuals may be imprisoned for up to 10 years.

6. Business After COVID-19

On 2 April 2020, the Dubai Future Foundation issued its first report "Life After COVID-19 Workspaces" to address the challenges that businesses in Dubai will encounter once the COVID-19 global outbreak subsides.

The report focuses on how businesses will operate post COVID-19, highlighting the notion of social distancing and how regulatory implications, different work models, and the shift towards working remotely may impact business in the future. A study undertaken by Global Workplace Analytics found that remote workers have grown by 140% since 2005. Owl Labs, a leader in immersive video conferencing technology, reported that 16% of global companies are exclusively hiring for remote job opportunities, while a study by UpWork, a work-from-home platform, estimates that by 2028, 73% of all departments in UAE businesses will have remote workers – suggesting that remote working will be common in sectors such as IT, marketing, application development and retail shopping.

The reports finds that businesses will need to revise their HR policies to adapt to the current situation, as well as evaluating the effectivity of working remotely and whether jobs can become automated or digitised. Working remotely is expected to become a fundamental part of business models post COVID-19, with the suggestion that businesses should look at adapting and developing online meetings, events, seminars and workshops online and look to create "real-life" virtual reality experiences.

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