Decision No. 3 of 2008
Concerning Penalties for Breach of the Dubai Technology and Media Free Zone Employment Regulations 2004

I, Ahmad Binbyat, Director General of the Dubai Technology and Media Free Zone Authority

After perusal of the Dubai Technology and Media Free Zone Employment Regulations 2004 (the "**Employment Regulations**") and Regulation 17.3 and Regulation 18 there under, hereby issue the following decision regarding penalties of breach of the Employment Regulations.

1. This Decision restates and replaces in entirety Regulation 18 of the Employment Regulations.

18.EMPLOYMENT VIOLATIONS

18.1 Where a licensee is found to be illegally employing employees of other licensees, the authority may impose a fine of AED 5,000.00 per employee and the employee shall also receive a warning.

18.2 Where a licensee is found to be illegally employing persons who are not sponsored by the authority under Regulation 4 or not approved by the authority under Regulation 6, the authority may impose a fine of AED 7,500.00 per person. Where a licensee continues to employ employees or other persons illegally, the authority shall have the right to increase the fine imposed to AED 10,000.00 per employee or other person.

18.3 Where a licensee fails to renew the residence and employment visa of employees (each, an "**RE Visa**") before the expiry date of the RE Visa, the authority may impose a fine of AED 2,500.00 per person. Where the period of failing to renew the RE Visa is greater than ninety (90) after the RE Visa expired, the fine may be increased to AED 5,000.00 per person.

18.4 Where a licensee supplies employees sponsored by the authority to work for the licensee for the use of third parties, the authority may impose a fine of AED5,000 per person and cancel the RE Visa of any such employees.

18.5 Where a licensee fails to cancel an RE Visa within thirty (30) days of an employee having left the employment of the employer or thirty (30) days of the employee's RE Visa expiring, whichever occurs first, the authority may impose a fine of AED 2,500.00 per person. Where the period of failing to cancel the RE Visa is greater than ninety (90) after an employee has left the employment of the employer, or ninety (90) days after the RE Visa expired, whichever occurs first, the fine may be increased to AED 5,000.00 per person.

18.6 Where the RE Visa of an employee of a licensee is cancelled because the employee has been continually out of the UAE for a period exceeding six (6) months, the authority may impose a fine of AED5,000 per person.

18.7 Where a licensee, in breach of Regulations 8.9 through 8.11, fails to inform the authority within 14 days of the licensee knowing (or within 14 days from where the licensee should reasonably have known) that an employee cannot be located or has absconded within 14 days of the licensee knowing, the authority may impose a fine of AED 5,000.00 per person. Any fines imposed under this Regulation 18.7 are in addition to any other fines that may be imposed under Regulation 18.

18.8 Where a licensee employs a person sponsored by the authority on a visit or tourist visa (a "**Visit Visa**") the authority may impose a fine of AED 5,000.00 per person.

18.9 Where a licensee supplies persons sponsored by the authority on a Visit Visa for the licensee for the use of or employment by third parties, the authority may impose a fine of AED5,000 per person and cancel the Visit Visa of any such persons.

18.10 Where a licensee fails to ensure that persons sponsored by the authority on a Visit Visa for the licensee leave the UAE prior to the expiry of the Visit Visa the authority may impose a fine of AED 1,500.00 per person,

18.11 Nothing in this Regulation 18 shall prejudice the right of the authority to impose any sanction or penalty under the Dubai Technology and Media Free Zone Licensing Regulations 2003 (the "**Licensing Regulations**") including, without limitation, the capacity of the authority to cancel, revoke or suspend the licence of a licensee as set out in Regulation 10 of the Licensing Regulations. Any action by the authority to cancel, revoke, or suspend a licensee's licence under Regulation 10 of the Licensing Regulations is without prejudice to the obligation of the licensee to pay any fines so imposed by the authority under this Regulation 18.

This Decision shall come into effect on the date of its issuance.

Ahmad Binbyat

Director General of the Dubai Technology and Media Free Zone Authority

Issued in Dubai on 3 February 2008