

# PERSONNEL SPONSORSHIP AGREEMENT



This Personnel Sponsorship Agreement (the “**Agreement**”) is made with effect as of (Date of SR Submission).

By and between,

**Dubai International Financial Centre Authority**, a body corporate established in accordance with Federal Law No. 8 of 2004, Federal Decree No. 35 of 2004 and by virtue of Dubai Law No. 9 of 2004 and its amendments addressed at Level 14, The Gate Building, P. O. Box 74777, Dubai International Financial Centre, Dubai, United Arab Emirates (“**DIFCA**”), and

(Entity name as per the DIFC license), a company registered in the Dubai International Financial Centre under Licence number (CL No) (the “**Employer**”).

(DIFCA and the Employer are also referred to separately as a Party and jointly as the Parties)

## WHEREAS:

1. The Employer is a duly licensed business in the DIFC.
2. The Employer wishes to engage employees to carry out its activities in the DIFC.
3. For the purposes of the Immigration Law and the Employment Law, DIFC will arrange under its own name to obtain residence and work permits for such employees in the DIFC.

## 1. DEFINITIONS

1.1 In this Agreement:

“**Companies Law**” mean DIFC Companies Law, DIFC Law No 5 of 2018 and its amendments;

“**Day**” means a calendar day;

“**Dependents**” means the legal dependent of the Employee;

“**DIFC**” means the Dubai International Financial Centre;

“**Employee**” means a person employed by the Employer who is the subject of a Sponsorship;

“**Employer**” means an entity operating in the DIFC that is in possession of a valid licence;

“**Employee Allocation**” means the maximum number of Employees which an Employer is permitted to employ in the DIFC based on the Employer’s permitted activities and area rented or owned in the DIFC, as prescribed by DIFCA from time to time and published on its website.

“**Employment Contract**” means the written employment contract signed by and between the Employer and the Employee in accordance with the Employment Law;

“**Employment Law**” means the Employment Law, DIFC Law No. 2 of 2019 and its amendments;

**“Fees”** means the fees charged by DIFC in consideration for the provision of the Sponsorship, such Fees being subject to alteration at the sole discretion of the DIFC;

**“Guarantee”** means a refundable, unconditional and absolute bank guarantee issued by a bank licensed and operating in the United Arab Emirates in favour of the Dubai International Financial Centre Authority, or the provision of a refundable cash deposit by the Employer to DIFCA;

**“GCC National”** means a national of the GCC states belong to the countries which are members of the Gulf Cooperation Council;

**“Immigration Law”** means the Immigration Law, Federal Law No.6 of 1973, as amended from time to time;

**“Licence”** means the commercial license issued by the DIFC Registrar of Companies allowing The Employer to undertake commercial activities within the DIFC jurisdiction;

**“Registered Address”** means the registered address of the entity provided by the Employer in accordance with the Companies Law and its regulations, which is available on the DIFC website (<https://www.difc.ae/public-register/>)

**“Sponsorship”** means the sponsorship of Employees by DIFC in accordance with the Immigration Law and the Employment Law for the purposes of residence and employment in the DIFC;

**“UAE”** means the United Arab Emirates;

1.2 Unless the context otherwise requires, in this Agreement:

(a) references to any statute or statutory provision shall include any statute or statutory provision which amends or replaces or has amended or replaced it and shall include any subordinate legislation made under the relevant statute;

(b) words denoting the singular number shall include the plural and vice versa and reference to the masculine gender includes a reference to the feminine gender and neuter and vice versa;

(c) references to sections, clauses and sub-clauses are to be construed as references to the sections, clauses and sub-clauses of this Agreement;

(d) costs charges expenses or remuneration shall be deemed to include, in addition, references to any value added tax or similar tax charged or chargeable in respect thereof; and

(e) references to "writing" includes telex, facsimile and other forms of written material transmitted electronically.

## **2. SPONSORSHIP OF EMPLOYEES**

2.1 DIFCA shall sponsor the Employees listed in a schedule to this Agreement to be supplied in writing by the Employer to DIFCA, and the Employer accepts the Sponsorship of the Employees by DIFCA, subject to the terms of this Agreement. Any schedule to this Agreement forms an integral part of this Agreement.

2.2 The Employer shall supply to DIFCA all relevant details concerning the Employee as requested by DIFCA, including the Employment Contract.

2.3 DIFCA shall prescribe, at its sole discretion, the number of employees that an Employer can employ per square foot within the space occupied by the Employer. Such allocations will be published on DIFCA's website and may be amended by DIFCA from time to time at its sole discretion.

### **3. SPONSORSHIP CONDITIONS**

3.1 The Employer shall maintain at all times a valid licence to carry on business in the DIFC.

3.2 The Employer shall ensure the suitability for employment of each Employee, and hereby certifies to DIFCA that the Employer has verified the relevant degrees and credentials of each Employee to be as represented in the application for the Employee's residence and work permit.

3.3 The Employer shall ensure that each Employee qualifies to be a resident in the UAE according with the Immigration Law.

3.4 The Employer shall not permit or require an Employee, during the period of sponsorship hereunder, to work on a permanent basis for any party other than the Employer.

3.5 The Employer shall act as principal in regard to the payment of all emoluments to any Employee sponsored herein and said Employees shall remain on the payroll of the Employer during the sponsorship period.

3.6 Upon DIFCA's request, the Employer shall provide DIFCA with a certificate of insurance from an insurer licensed and operating in the UAE confirming that insurance has been effected by the Employer for:

(a) third Party Liability insurance including personal liability cover for bodily injury, death or damage to third parties that may arise through the Employer's operation and business including, without limitation, negligent acts or omissions of an Employee; and

(b) workmen compensation and workplace health and safety, as required by the applicable laws.

Such insurance to be reasonably satisfactory to DIFCA.

3.7 The Employer shall comply with the Employee Allocation at all times, unless otherwise agreed in writing by the DIFC Authority.

### **4. OBLIGATIONS OF AN EMPLOYER**

4.1 The Employer shall at all times comply with all applicable UAE and DIFC laws and regulations.

4.2 In the event that an Employee has committed an offence involving any crime of which the Employer becomes aware, the Employer shall promptly notify DIFCA.

4.3 Upon DIFCA written request, the Employer shall provide to DIFCA, within seven days of the request, a list of all individuals sponsored in accordance with this Agreement.

4.4 The Employer shall comply at all times with the Data Protection Law, DIFC Law No. 1 of 2007 and shall obtain the Employee's prior consent before providing DIFCA with any personal information belonging to such Employee. Said consent shall include authorization for DIFCA to disclose the Employee's information to responsible DIFCA employees, the Immigration Department and other governmental bodies as required by applicable law, provided such information is held in strict confidence and used only for the purposes for which it is required.

4.5 Unless an Employee obtains a new residence and work permit within thirty (30) Days from the date of termination of his Employment Contract, the Employer shall apply immediately to DIFCA for the cancellation of the residence and work permit and provide the Employee with an air ticket for a single trip to the country of origin of the Employee, and shall take all reasonable steps to ensure that the Employee leaves the UAE.

4.6 In the event of termination under clause 6, the Employer shall take all reasonable steps to ensure that the DIFC identification cards and health cards issued by the Department of Health or any other official documents issued by DIFCA for the purpose of this Agreement are returned to DIFCA within thirty (30) Days from the date of termination of the Employment Contract. If the Employer fails to return to DIFCA the Employee's DIFC identification card, the Employer shall pay to DIFCA, without any deductions, the amount of AED 400 for each card.

## **5. PAYMENTS**

5.1 The Employer shall pay all Fees required by DIFCA in connection with the Sponsorship immediately, without any withholding or delay on account of any claim, counterclaim, set-off or otherwise.

5.2 The Employer shall provide DIFCA with a cash deposit or a Guarantee in the amount of AED 2500 per Employee for the maximum number of Employees it is permitted to employ as prescribed in the Employee Allocation. The aforementioned cash deposit or the Guarantee shall be returned to the Employer upon the cancellation of the Employer's Licence and the cancellation of all Sponsorships.

5.3 The Guarantee or the cash deposit will be adjusted based on the applicable Employee Allocation and, subject to clause 5.4, the Parties agree to promptly pay or refund any adjustment to the Guarantee or cash deposit accordingly.

5.4 For the purpose of clause 5.2, the cash deposit or the Guarantee is a bond in respect of the performance by the Employer of its obligations and liabilities under this Agreement and will only be held and applied by DIFCA accordingly.

5.5 Where Employer employs more than fifty (50) Employees, the Guarantee shall not exceed the amount of United Arab Emirates Dirhams One Hundred and Twenty Five Thousand (AED 125,000.00).

## **6. TERMINATION**

6.1 DIFCA may terminate this Agreement immediately, in the event that any one or more of the following occur:

- (a) breach of any terms or conditions of this Agreement by the Employer not remedied within seven (7) Days of having been given written notice of the breach by DIFCA;
- (b) the Employer becomes insolvent, or enters into liquidation; or
- (c) the Registrar of Companies in DIFC or other relevant authority does not renew or cancel the Employer's Licence or the non-compliance by the Employer with the applicable rules and regulations of DIFC.

6.2 Subject to the Employer's compliance with its obligations in this Agreement, in the Employment Contract and under DIFC laws, rules and regulations, the Employer shall request DIFCA to terminate the residence and work permit of an Employee; or

6.3 DIFCA may terminate the Sponsorship of an Employee immediately on the date of termination of his Employment Contract (this being the last day of work, including the contractual notice period).

6.4 The expiry or termination of this Agreement for any reason shall be without prejudice to any obligations which may have occurred upon the Parties prior to the date thereof.

## **7. NO LIABILITY**

7.1 DIFCA shall not be liable to the Employer under any circumstance for any act, default or omission on the part of an Employee including without limitation any breach of any restraint of trade or non-competition covenant that may be contained in the Employment Contract of the Employee.

7.2 For the purposes of the Sponsorship, DIFCA shall act as the pure agent of the Employer and the Employment Contract shall constitute a primary obligation on the part of the Employer to the Employee.

7.3 The Employer shall be responsible for any and all amounts due to the Employees whether under the Employment Contract or at law, and for any amounts due to any governmental authority in the UAE, in relation to the residence and employment of an Employee in the UAE, and no amount shall be payable by DIFCA whatsoever by reason of DIFCA's Sponsorship of the Employee.

## **8. TRANSFER OF EMPLOYEE IN DIFC**

8.1 Subject to the DIFCA's sole discretion, an Employee may be transferred to another Employer within the DIFC, provided that:

- (a) the receiving Employer has a valid Licence and personnel sponsorship agreement in place;
- (b) the Employee and the prospective Employer consent to the transfer in writing.

8.2 In the event that DIFCA does not approve the transfer, DIFCA shall reserve the right to cancel the Sponsorship of the Employee.

## **9. PERSONS ON SECONDMENT**

Subject to the sole discretion of DIFCA and the approval of other relevant authorities, an Employer may request DIFCA for permission to allow a person sponsored by a third party in the UAE to work for the Employer provided that the Employer has entered into a suitable agreement with the aforementioned third party permitting the Employer to do so and the third party holds a valid licence to carry on business in the UAE.

## **10. INDEMNITY**

The Employer shall defend, indemnify and hold harmless DIFCA from and against any actions, claims, liabilities, losses, damages, costs or expenses of any nature whatsoever (including legal fees incurred in connection herewith) in relation to any action by the Employer or Employee or by any third party and against all losses or damage to any property (including property of DIFCA) which may arise in consequence of the performance of this Agreement.

## **11. LAW AND DISPUTE RESOLUTION**

This Agreement shall be governed by and construed in accordance with the laws of the Dubai International Financial Centre and the court of jurisdiction for any dispute under this Agreement shall be the DIFC Court.

## **12. NO WAIVER**

Failure to insist upon observance or performance by one party of any covenant or obligation herein contained shall not amount to a waiver of such breach or acceptance or such variation by the other party.

## **13. RELATIONSHIP**

13.1 Nothing in this Agreement is intended to constitute either party as a subsidiary, joint venture, partner or employee of the other for any purpose whatsoever.

13.2 Nothing in this Agreement authorizes either party to make any contract, agreement, warranty or representation on behalf of the other party, or to incur any debt or other obligation in the name of the other party.

## **14. PARTIAL INVALIDITY**

If any one or more of the phrases, sentences, clauses, or paragraphs contained in the Agreement shall be declared invalid by a final and unappealable order, decree or judgment of any court, this Agreement shall be construed as if such phrases, sentences, clauses or paragraphs had not been inserted in the Agreement.

**15. NO ORAL CHANGE**

This Agreement, together with other writings signed by the Parties expressly stated to be supplementary hereto and together with any instruments to be executed and delivered pursuant to the Agreement, constitutes the entire agreement between the parties and supersedes all prior understandings and writings and may be changed only through a validly executed document.

**16. GENERAL**

16.1 The Employer shall not assign any of its obligations and duties under this Agreement without the prior written consent of DIFCA.

16.2 Any notice or other communication to be given to either DIFCA or the Employer in respect of any matters under this Agreement shall be given in writing and delivered by hand, registered post or facsimile to the respective address of DIFCA and the Employers as follows:

If to DIFCA: Director of Government Services Office, Level 14, Gate Building, Sheikh Zayed Road, P. O. Box 74777, Dubai, United Arab Emirates; and

If to the Employer: **to its Registered Address** or any mutually agreed address between the Parties.

IN WITNESS WHEREOF, the parties have executed the Agreement as of the day and year first written above.

**Dubai International Financial Centre Authority** (**Entity name as per the DIFC license**)

By:

Name:

Title:

Date:

By:

Name:

Title:

Date: