

Wages Protection System Guideline

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Wages Protection System (WPS) is an electronic salary transfer system that allows institutions to pay workers' wages via banks, bureaux de change, and financial institutions approved and authorized to provide the service.

The system, developed by the Central Bank of the UAE, allows the Ministry of Labour to create a database that records wage payments in the private sector to guarantee the timely and full payment of agreed-upon wages.

The WPS covers all institutions registered with the Ministry across all sectors and industries and will benefit different categories of labour.

The WPS reflects the UAE's leading position in the region, and will increasingly project the country as a model worth emulating in the following areas:

- Reiterating commitment to protect workers' wages;
- Providing innovative solutions that help employers safeguard their own interests and reduce the time and effort needed to pay workers' wages;
- Taking serious steps to improve job security in order to strengthen work relationships in the UAE and safeguard the rights of all parties concerned;
- Entrenching transparency and competitiveness;
- Ensuring that the UAE Ministry of Labour is regularly and constantly updated on wages data in the private sector in order to guarantee that employers fulfill their salary obligations;
- Taking protective and proactive measures to reduce labour disputes pertaining to wages.

WPS targets the following parties from the Ministry partners:

- **Workers:** each and every individual who works in the private sector in return for agreed-upon wages and who has a labour card issued by the Ministry;
- **Employers:** whoever owns a company or institution registered with the Ministry and hires one or more workers in return for agreed-upon wages;
- **Banks:** the financial institution which the employer has a bank account with,, that is used to transfer the wages amount through WPS to the appointed agent to distribute to the labours.
- **Agent:** any bank, bureau de change, or financial institution approved and authorized by the Central Bank of the UAE to offer wages payment services via WPS. The Central Bank of the UAE will issue a regularly updated list showing names of approved and authorized agents.

Joining WPS requires:

1. The company needs to be registered with the Ministry;
2. The company should have a bank account with one of the banks operating in the UAE;
3. The company should enter into contract with any bank, bureau de change or financial institution approved and authorized by the Central Bank of the UAE to provide the service. The two parties shall agree on any service fees and charges.
4. Workers' wages will be transferred via WPS by the deadlines specified in the Ministerial Resolution No. 788 of 2009.

Deadlines for institutions to start transferring workers' wages via WPS

Number of workers*	Period granted	Deadline
100 and above	3 months (starting September 1)	30 November 2009
15 to 99 workers	6 months (starting September 1)	28 February 2010
Less than 15	9 months (starting September 1)	31 May 2010

*The periods granted to comply with the new system and start transferring workers' wages via WPS will not apply to institutions which were already denied new work permits when the Ministerial Resolution 788 for 2009 was issued for failing to pay workers' wages on time, nor to institutions which failed to pay workers' wages for one month or more after the Ministerial Resolution was issued.

5. The institution will have to transfer workers' wages via WPS within two weeks of their due date, or on the dates specified in the work contract if wages are paid more frequently than monthly.
6. The employer will be responsible for all expenses incurred upon joining WPS, including bank fees, service provider charges, and all other costs. Employers are not allowed to share any costs with workers' by any means, including deducting from their wages, directly or indirectly.

The mechanism to apply for WPS is as below:

The WPS applying mechanism is as below:

- The company shall open an account with one of the banks operating in the country, in case it doesn't have one upon joining the WPS system;
- The company shall enter into contract with a WPS agent that is approved and authorized by the Central Bank of the UAE to provide this service, be it a bank, bureau de change , or a financial institution;
- The employer shall issue instructions to its bank to transfer wages to workers. Instructions shall be accompanied by a detailed wages list and a copy of the list shall be sent to the agent.
- The WPS will send workers' details and wages as well as the salary transfer instructions electronically to the Central Bank of the UAE, who will then forward those details to the Ministry of Labour database in order to make sure that the details received correspond with those registered with the Ministry;
- The WPS will send the approved information to the appointed agent in order to start paying the wages.

Consequences of failing to join WPS

- Institutions failing to transfer workers' wages by the deadlines specified above will be denied the right to have new work permits. This ban will only be lifted in the month following the transfer of workers' wages in full.
- Institutions that delay wages' payment more than one month of the due date will be denied the right to have new work permits, along with all institutions owned by the owner of the violating institution, and to refer all those responsible for the violation to the court, in accordance with Ministerial Resolution No. 788 of 2009.

For inquiries about ways of joining WPS

- **Employers:** can call the Ministry of Labour toll-free number 800-665 or send an email to: wps@mol.gov.ae.
- **Banks, bureaux de change and financial institutions providing the service:** can write to the Central Bank of the UAE on the following email address: wps@cbuae.gov.ae