

GMS Flash Alert

Employment Law

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United Arab Emirates – Real-Time Salary Tracking Added to Wage Protection System

The Ministry of Human Resources and Emiratisation (MOHRE), in partnership with the Central Bank of the United Arab Emirates (the “Central Bank”) and accredited financial institutions, has announced a major upgrade to the Wage Protection System (WPS).¹

WHY THIS MATTERS

The updated WPS marks a significant step forward in payroll governance and operational efficiency for UAE employers. With instant data integration between MOHRE and participating banks, employers can now process salary payments more rapidly and with improved accuracy. Human resources and payroll teams benefit from streamlined registration and verification procedures, reducing administrative delays and reducing the risk of errors in wage disbursement.

For employees, including those on international assignments, the system offers enhanced protection, helping support timely payment and reducing wage-related disputes. The stricter compliance framework requires organizations to maintain accurate records and adhere to regulatory timelines, with non-compliance potentially resulting in substantial fines, work permit restrictions, and reputational harm.

Background

The WPS was first launched in July 2009 as an electronic mechanism to safeguard workers’ rights and channel wage payments via secure channels. Previous practice required private-sector establishments to register employees and transfer wages through accredited banks, submitting monthly wage data to the WPS database. The earlier system digitized payroll transactions but lacked the advanced real-time integration and digital ecosystem now introduced.

Key Highlights

The UAE has rolled out an upgraded smart WPS, connecting MOHRE, the Central Bank, and a broad network of financial institutions through sophisticated digital platforms. The initiative enhances wage payment transparency, accelerates processing, and improves regulatory oversight. By leveraging intelligent digital

solutions, the system supports timely salary disbursement, strengthens labour-market stability, and aligns with the UAE Vision 2031 objectives.

- **Real-time data integration:** Employers can manage wage payments seamlessly through direct electronic integration between MOHRE and financial institutions, reducing manual intervention.
- **Accelerated processes:** Registration, verification, and communication between companies and authorities are streamlined, enhancing efficiency.
- **High-precision tracking:** Salary transfers are tracked with greater accuracy, facilitating compliance with payment deadlines and transparency standards.
- **Regulatory oversight:** The system reinforces employer compliance with the Labour Relations Regulation Law and related decisions, supported by an intelligent monitoring framework.
- **Enhanced database and planning:** The digital ecosystem provides accurate data for strategic decision-making and dispute prevention.
- **Penalties for non-compliance:** Employers failing to comply may face fines up to AED 5,000 per employee, restrictions on work permits, and reputational risks.

KPMG INSIGHTS

The enhanced WPS introduces a robust digital infrastructure that strengthens both employee protection and employer accountability. Organizations might wish to align payroll systems and internal processes with the upgraded compliance requirements. The move to real-time integration is likely to reduce wage-related risks and support a more transparent employment environment.

Employers may wish to:

- Update payroll policies for seamless integration with the new WPS platform and reflect revised compliance requirements.
- Train HR and payroll staff on updated procedures and digital functionalities to help reduce compliance risks.
- Conduct regular internal audits and proactive data verification to support ongoing adherence to regulatory standards.

If assignees and/or their programme managers have any questions or concerns about the scope of the update, its application and potential impacts, and appropriate next steps, they should consult with their qualified tax professional or a member of the KPMG Immigration team in the Lower Gulf (see the Contacts section).

FOOTNOTE:

1 “UAE launches smarter, fully digital Wage Protection System with real-time salary tracking,” Gulf News, published on 10 December 2025.

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Contacts

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