GMS Flash Alert

Employment Law

2026-128 | 22 May 2026

United Arab Emirates – New Wage Protection System Requirements Effective 1 June 2026

The Ministerial Resolution No. (340) of 2026 introduces revised requirements for the Wage Protection System for private sector establishments in the United Arab Emirates, establishing unified payment dates, compliance thresholds, and enforcement measures, effective from 1 June 2026.[1]

WHY THIS MATTERS

The new resolution affects HR leaders, payroll managers, and globally mobile employees in the UAE by tightening wage payment timelines and compliance criteria. Delayed payments may result in administrative and legal consequences, including warnings, permit suspensions, fines, and potential referral to the Public Prosecution.

Background

The Ministerial Resolution No. (598) of 2022 governed wage payment and compliance under the Wage Protection System. The rules allowed some flexibility in wage payment and enforcement; the new measures focus on enhanced monitoring and prompt action against non-compliant establishments.

Key Highlights

- All private sector establishments must pay wages for the previous month by the first day of each Gregorian month; payments after this date are considered delayed.

- Establishments are compliant if they transfer at least 85 percent of total wages by the due date; lawful deductions are recognized.

- Delays trigger progressive actions: electronic warnings (from day 2), permit suspensions (from day 5), fines and downgrades (from day 11), labour dispute registration (from day 16), and legal action (from day 21).

- Workers with wage-related court cases, absconding reports, restricted freedom, or on unpaid leave are excluded from Wage Protection System calculations if documented and notified to the Ministry.

KPMG INSIGHTS

In light of the change, the organizations and entities might consider the following:

- Organizations could update payroll processes, monitor wage transfers, and retain documentation in light of potential penalties and operational considerations.

- Organizations could provide guidance to HR and payroll staff on new deadlines and enforcement measures.

- Employers could review payroll practices to align wage payments with the first day of each month, using systems approved by the Ministry of Human Resources and Emiratisation.

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

ENDNOTE:

1 Khaleej Times, “UAE sets unified salary deadline for private sector from June 1, 2026,” published on 18 May 2026.

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Contacts

For additional information or assistance, please contact your local GMS or People Services professional* or one of the following professionals with the KPMG International member firm in the United Arab Emirates:

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** Please note the KPMG International member firm in the United States does not provide immigration or labour law services. However, KPMG Law LLP in Canada can assist clients with U.S. immigration matters.*

The information contained in this newsletter was submitted by the KPMG International member firm in the United Arab Emirates.

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