

Employment Contracts

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Overview

- With the growth in Qatar's economy the establishment of Qatar Financial Centre was governed by Qatar Law No. 7 /2005 Promulgating the Qatar Financial Centre (QFC) Law, which became effective on 1 May 2005. However, the text of article 9 of Qatar Law No. 7/2005 was replaced by virtue of article 3 of Qatar Law No. 2/2009 Related to the Qatar Financial Centre (QFC) Law dated 17/02/2009. It sets out the structure of the QFC and establishes the independent bodies necessary for its operation. These include the QFC Authority, the QFC Regulatory Authority, the Civil and Commercial Court (first instance and appellate divisions). The QFC Regulatory Tribunal will have the power to prepare, amend and cancel its own regulations, as it may deem appropriate to achieve its objectives or to aid it to implement, carry out and enforce its powers and functions, including the provisions for the determination and payment of compensation and fines in the event of breach of the provisions stated in these regulations.
- Article 9 of Qatar Law No. 7/2005 lays out the principal regulations to achieve its objectives or to aid it to implement, carry out and enforce its powers and functions. The QFC Employment Regulations QFC Regulation No. 10/2016 govern the employment practice in the QFC and the know how's involved between an employer and an employee.
- Article 17 of the QFC Employment Regulations lays out the guidelines to be followed while drafting employment contracts necessary for hiring an employee under a QFC registered company or employer.
- This Practice Note guides you through the process of drafting an effective employment contract for your employees in line with article 17 of the QFC Employment Regulations, which applies to employees of the QFC Authority, the Regulatory Authority, the Civil and Commercial Court and the Regulatory Tribunal, employees of QFC institutions, and employees of QFC entities.
- QFC Employment Regulations do not apply to persons who are employed as consultants or agents and those persons hired by any of the employees who provide domestic services for such employees.

Definitions

- *Employee*: A Sponsored Employee or an employee who is of Qatari nationality or is sponsored in the State by a member of his family and is employed by an Employer.
- *Employer*: The QFC Authority, the Regulatory Authority, QFC Commercial and Civil Court, Regulatory Tribunal, QFC institution or QFC entity which employs one or more Employees.
- *Employment Standards Office*: The QFC institution established pursuant to article 6 of Qatar Law No. 7/2005.

Practical Guidance

An employment contract is a signed agreement between an individual employee and an employer. It establishes both the rights and responsibilities of the two parties: the worker and the company or establishment. The employer and employee must execute this contract prior to commencing their work relationship to clearly understand the give and take involved for and protecting the best interests of either party. Article 17 of the QFC Employment Regulations defines the employment contract, describe the types of contracts, and the essential details that are mandatory for employment with QFC.

Article 17 of the QFC Employment Regulations

The QFC Employment Regulations state the minimum criteria that is to be covered, in that these clauses are essential and an employment contract in the QFC will be valid unless it satisfies the minimum criteria as described under article 17 of the QFC Employment Regulations which states as that a written employment contract must include at a minimum:

- the name of the employer and the employee;
- the date of commencement of employment;
- the employee's salary or method of calculation of salary;
- the intervals at which the salary is paid;
- the job title or job description;
- whether the employment is for a specified fixed term or of unlimited duration;
- the place of work;
- any terms or conditions relating to hours of work and annual and sick leave;
- reference to any disciplinary rules and/or grievance procedures applicable to the employee; and
- any other matter that may be prescribed in any rule, policy or order issued under the QFC Employment Regulations.

Employment contracts are drafted based on the type of employee being hired i.e., part-time employees and fixed-term employees. These categories have been defined under article 17(a) and 17(b) of the QFC Employment Regulations.

Obligations of employees

Employees must, except as specified by their employers or as set forth in their employment contract:

- attend to their duties and exercise the care of the reasonable person in the performance of their employment;
- perform their job themselves and exert normal efforts in performing their duties;
- carry out the orders of the employer concerning the performance of the work provided that the orders do not contravene the QFC laws or any regulations, rules, policies or procedures issued thereunder, the criminal laws of the State or the employment contract and provided that the carrying out of these orders will not subject the employee to danger;
- not work for third parties (with or without payment) without the consent of the employer;
- take care of any raw materials, means of production, products, or other items which are in their possession or at their disposal and take necessary steps for their safe keeping and maintenance;
- comply with safety and professional health instructions prescribed by the employer;
- co-operate in the prevention of the occurrence of accidents in the place of work or in the alleviation of the results thereof;
- continuously procure the professional development of their skills and expertise in accordance with the regulations and procedures prescribed by the employer within the limits of available facilities;
- not disclose any confidential information of the employer except consistent with the terms of their employment or the QFC Employment Regulations;
- not use work tools or equipment outside the place of work without the permission of the employer and keep such tools or equipment in the places designated therefore;
- not accept gifts, remuneration, commission or sums in respect of performance of their duties except consistent with the terms of their employment; and
- return on the expiry of the employment any equipment, tools or unused materials at their disposal to the employer.

Employment contracts are largely governed by the same core principles of any contract. There must be an intention between the parties to enter into legal relations. An offer must be made and must be accepted, and there must be consideration. So, to summarise, employment contracts should be prepared on a case by case basis depending on the employee's role and provisions which attach to that role, for example, salary. Provisions within the contract should be clear and unambiguous to reduce the risk of misinterpretation of the agreed terms.

Related Content

Legislation

- Qatar Law No. 7/2005 Promulgating the Qatar Financial Centre (QFC) Law
- Qatar Law No. 2/2009 Related to the Qatar Financial Centre (QFC) Law

Regulations

- QFC Employment Regulations QFC Regulation No. 10/2016

Author



Pavitter Kaur Sahni

Legal Associate, Essa Al Sulaiti Law Firm (Qatar)

Sahni@eslaa.com

+97444664633

Areas of expertise

Commercial; Corporate; Arbitration

Education

- LL.B., Siddharth Law College, India

Memberships

- Admitted to the Andhra Pradesh Bar Association

Biography

Pavitter is an attorney at law having started practicing in commercial, corporate, and arbitration law, with five years of experience in litigation, contract drafting and review, due diligence of deeds, business advising and client relations, and corporate negotiations.