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# MODERN LAW



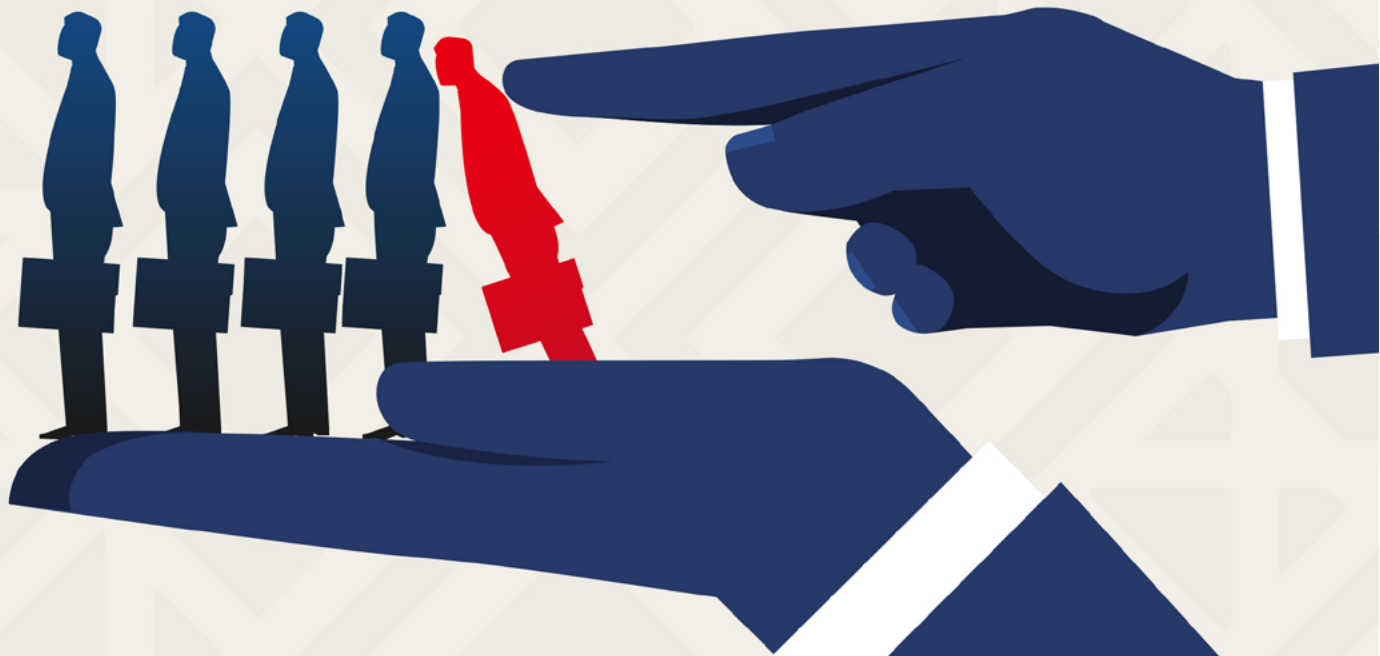
TERMINATION OF  
EMPLOYMENT CONTRACT,  
UNFAIR DISMISSAL, AND  
ITS CONSEQUENCES

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# TERMINATION OF EMPLOYMENT CONTRACT, UNFAIR DISMISSAL, AND ITS CONSEQUENCES

## INTRODUCTION

Labor law is one of the most important bases on which the economic and social growth and progress of countries rest. Qatar is recognized as a frontrunner in enacting and amending laws to align with its economic and developmental advancements. Recently, Decree-Law No. (18) of 2020 to amend some provisions of the Labor Law promulgated by Law No. (14) of 2004. As a result, all workers in Qatar can now change their employer without the approval of their current employer (no-objection certificate) during any phase of their employment contract. Although this decision applies to all workers, the regulations governing the termination of

employment contracts and changing employers vary depending on the workers' categories.

These modifications play a crucial role in Qatar's labor reform strategy and its shift towards a knowledge-based economy, as detailed in Qatar Vision 2030. This implies that workers in Qatar, whether employed under fixed-term or indefinite-term contracts, no longer need their current employer's prior consent to change employers. Consequently, employers can more effortlessly hire workers with essential local skills and experience from the domestic labor market.



## Definition of Employment Contract

The Qatari Labor Law No. (14) of 2004 defines an employment contract in Article (1), Item (9) as follows: "Agreement concluded between the employer and the worker, of a specified or unspecified period, by virtue of which the worker undertakes to carry out a certain work for the employer under the management and supervision of the latter, against a wage".

## Types of Employment Contracts

1. Fixed-term Employment Contract (must not exceed 5 years).
2. Indefinite-term Employment Contract.
3. Employment Contract for the implementation of a certain work.

## Notice Period as Per Law

1. During the first two years of employment, the notice period shall be a month.
2. After the first two years of employment, the notice period shall be two months.

According to Article (50) of the Labor Law, the Employer shall pay to the Worker his full Remuneration for the notice period stated in the preceding Article, if the Worker performs his Work in the usual manner during the said period. The Employer shall give permission to the Qatari Worker to be absent from Work for reasonable times to enable him to register his name in the register of the Department to find a new job. Upon obtaining new employment, the Worker shall notify the Employer immediately, and stay regularly in the Work up to the end of the notification period.



## TERMINATION OF EMPLOYMENT CONTRACT

The issue of terminating an employment contract by dismissal has been addressed in the Labor Law No. (14) of 2004. The Qatari legislator attempted to strike a balance between workers' and employers' rights. Therefore, there have been a lot of circumventions in terminating contractual employment relations. For example, false reports are filed against workers without any just cause when they wish to move to another job. Consequently, this leads to Unfair Dismissal.

The reason behind this stems from the legislator's decision to allow the termination of fixed-term and indefinite-term employment contracts without the need for judicial intervention or mutual agreement. This explicit provision for unilateral termination is laid out in Article (49) of Qatari Labor Law No. (14) of 2004, which states: "After the end of the probation period, or if the contract does not include a probation period, either party may terminate the employment contract at any time without cause, in which case the party wishing to terminate the contract shall notify the other party in writing of their intent to terminate the employment contract in accordance with the notice period, as specified".

### Termination of Employment Contract Cases

#### First: Termination of the Employment Contract by the Employee During the Probation Period

The law stipulates that the employee must notify the employer in the following:

1. If the worker wishes to work for a new employer, he/she must notify his/her current employer in writing of his/her intent to terminate the employment contract at least one month before the date of termination. The new employer shall compensate the

current employer a portion of the recruitment fees and the air ticket, if any, provided that the amount does not exceed the equivalent of two months of the worker's basic wage.

2. If the worker wants to terminate the contract and leave the country, he/she must notify his/her employer in writing of his/her intent to terminate the employment contract, in accordance with the notice period agreed between the two parties, provided that such notice period does not exceed two months.

The employer may terminate the employment contract within the probation period if he/she finds out that the worker is unfit to carry out his/her duties, provided that the Employer notifies the worker at least one month before the termination date of the contract.

#### Second: Termination of Fixed-Term and Indefinite-Term Employment Contracts

The method of terminating an employment contract differs between fixed-term and indefinite-term contracts:

- ◆ A fixed-term contract, in accordance with Articles (40) and (41) of the Labor Law, ends either upon the expiration of its specified duration or upon the completion of the agreed work.

Article (40) of the Labor Law states: "If the employment contract is of a fixed period, such period shall not exceed five years and it may be renewed for one or more similar periods under agreement of both parties.

If the contract is not renewed and both parties continue to implement the same after expiry of its period without an explicit agreement, the contract shall be considered renewed for an indefinite period under the conditions contained therein. The renewal



period shall be considered as extension to the previous period and the period of service of the worker shall be calculated with effect from the date of commencement of the work at the employer for the first time”.

- ◆ Article (41) of the same law states: “If the subject of the contract is the implementation of a certain work, the contract shall be expired upon accomplishment of this work and if the latter may be renewed and the contract continues to be implemented after accomplishment of the work agreed upon, the contract shall be considered renewed for other similar periods with the agreement of both parties”.

Therefore, the method of terminating both fixed-term and indefinite-term contracts is completely similar, with the difference being in the notice period. If the employee has been with the employer for less than two years, the notice

period is one month. If the employee has been with the employer for more than two years, the notice period is two months.

Sometimes, the employer fabricates actions that cause harm to the worker without a legal justification and a legitimate interest, both religiously and legally. An example of this is if an employer hires a worker with the intention of later dismissing him, toying with him to make him lose his previous job. As a result, the worker may be harmed by this dismissal because it was based on an illegitimate reason and was intended to harm the worker from the start. This is referred to as Unfair Dismissal from service, which we will address later in the course of this article.

### **Third: Termination of the Employment Contract Based on Economic Reasons**

In 2020, as part of comprehensive legal reforms in line with Qatar Vision 2030, Law Decree No.





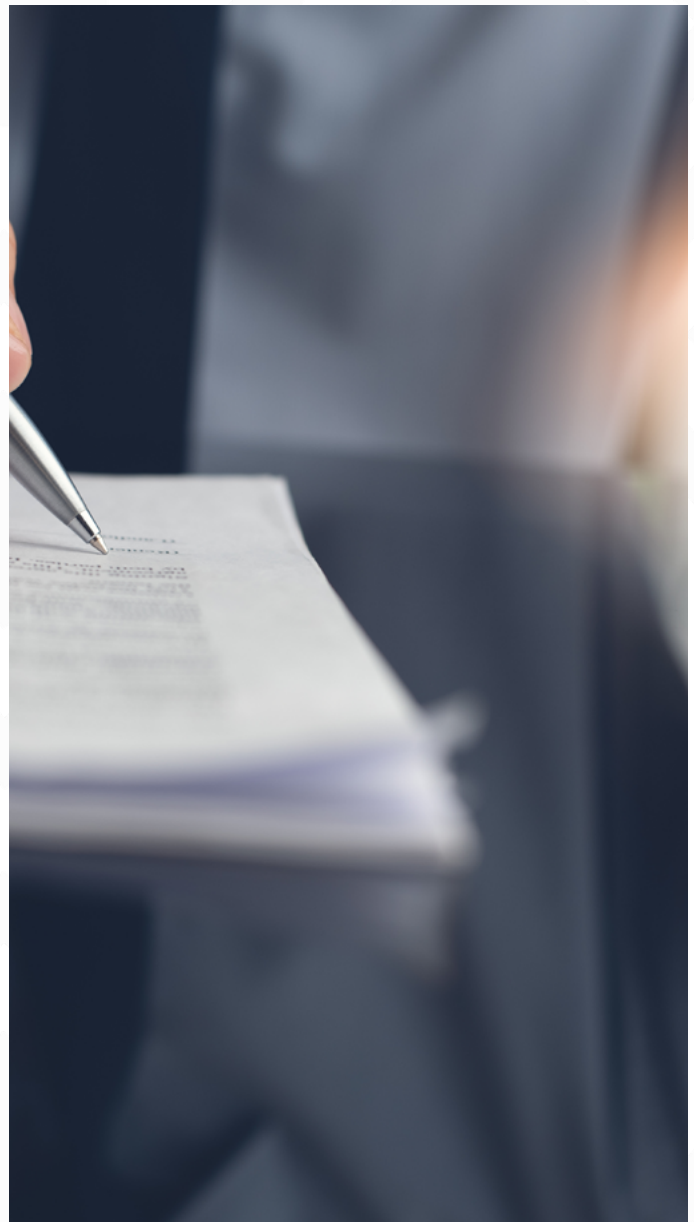
(18) of 2020 was issued, amending certain provisions of the Labor Law No. (14) of 2004. The decree introduced an amendment to Article (52) of the Labor Law, taking into account economic conditions that may adversely affect businesses. According to the amendment, Article (52) of the Labor Law states: "Without prejudice to the notice periods that must be respected when terminating an employment contract as stipulated in the present Law, when the employer contemplates terminating the employment contract for economic, structural or other reasons that are not related to the employment contract, they shall notify the Ministry, at least (15) days before termination".

Thus, the employer must also submit a written statement of the reasons for the termination, the number and categories of workers likely to be affected, the period over which the termination is intended to be carried out and other relevant information requested by the Ministry. From this, we can conclude that it is possible to terminate an employment contract before its expiration.

#### **Fourth: In Case Either Party Terminates the Contract Without Abiding by the Notice Period**

If the worker or the employer terminates the employment contract without taking into account these notice periods, the terminating party is obligated to pay the other party compensation equal to the basic wage of the worker or the employer, as the case may be, for the notice period or the remaining period thereof if the worker has worked part of it, or the period in which the worker was deprived of performing the work. For example, if the worker's basic wage is 3,000 Qatari Riyals per month and the worker stops working two weeks before the end of the one-month notice period, the worker is required to pay the employer an amount of 1,500 Qatari Riyals in order to legally terminate the contract.

- ◆ In cases where the worker terminates the employment contract before its due date



and plans to leave Qatar while respecting the notice period above (outside the scope of Article 51 of the Labor Law), the employer covers a portion of the return ticket cost proportionate to the actual duration of employment completed relative to the full duration of the employment contract.

- ◆ Therefore, if the expatriate worker leaves the country without complying with the provisions stipulated in this article, it is not permissible to grant him a work permit for a period of one year from the date of departure.

## **Legitimate Cases for Terminating the Employment Contract Without Notice**

### **First: Termination of the Employment Contract by the Worker Without Notifying the Employer**

The Worker may terminate the Employment Contract before expiry of the period thereof if it was of specified period and without notifying the employer if it was of an unspecified period, while having the full right to obtain end-of-service gratuity in any of the following cases:

1. If the Employer violates his obligations under the employment contract or under the provisions of this Law.
2. If the employer or the manager in charge commits a physical assault or an indecent act towards the worker or any of his family members.
3. If the employer or his representative included fraud while contracting with the worker concerning the work conditions.
4. In case of a grave danger threatening the safety or health of the worker, provided that the employer was aware of the danger and did not remove it.
5. If a final decision is issued by one of the Labor Dispute Settlement Committees in favor of the worker.

In this case, the worker may terminate the employment contract if the employer violates any of the above, without taking into account the notice period stipulated in this Law, and despite this he is entitled to end-of-service gratuity and any other rights in his interest under this Law.

### **Second: Termination of the Employment Contract by the Employer Without Notifying the Worker**

The Employer may dismiss the Worker without warning and without granting him end-of-

service gratuity in the following cases:

1. If the Worker pretends to be someone else, claims another nationality or submits forged documents or certificates.
2. If the Worker commits an error resulting into a serious material loss to the employer, provided that the latter notifies the Department of the incident within a period not exceeding the end of the next working day from the date of his knowledge of the occurrence thereof.
3. If the Worker violates more than once the instructions related to the preservation of the safety of the workers and the establishment, despite being warned in writing and provided that this information is written and announced in a conspicuous place.
4. If the Worker violates more than once any of his fundamental obligations prescribed in the employment contract or under the Law, despite addressing a written warning to him.
5. If he reveals the secrets of the establishment where he works.
6. If the Worker was found drunk, during the working hours, or under the influence of a drug.
7. If the Worker attacks the employer, Manager, or any of his superiors during work or because of the latter.
8. If the Worker repeats assault on his colleagues during work despite being warned in writing.
9. If the Worker is absent from work without a valid reason for more than seven consecutive days or fifteen intermittent days during the year.
10. If the Worker is convicted by a final judgment in a crime involving moral turpitude or dishonesty.

## UNFAIR DISMISSAL

### First: Definition of Unfair Dismissal

Unfair dismissal is when the employer uses his right to terminate an employee in an illegal and unethical manner, such as dismissal due to religious or political beliefs, or due to discrimination based on race, color, or tribe, and many other reasons. If an employee's contract is terminated without notice or warning, and without any legal reasons or circumstances warranting this dismissal, the employee can claim their rights and file a lawsuit against the company or the employer in general.

We would like to point out that although Article (49) of the Qatari Labor Law stipulates that "After the end of the probation period, or if the contract does not include a probation period, either party may terminate the employment

contract at any time without cause", it may seem that there is no unfair dismissal, meaning that both parties have the option to terminate the employment contract whenever they wish. However, the Qatari legislator, in Article (64) of the same law, has taken into account the situation of the worker as the weaker party in the contractual relationship, allowing them, in case of unfair dismissal, to demonstrate and prove to the Labor Disputes Settlement Committee that their dismissal was unfair or in violation of the provisions of the Labor Law. There are several criteria for determining whether the dismissal was unfair or not, and we will mention some of them as examples, as the Qatari Labor Law has not specified the cases of unfair dismissal after the recent amendment.





## Second: Cases of Unfair Dismissal

There are many cases of Unfair Dismissal that can be mentioned as examples, but not limited to:

### 1. If the sole purpose of termination is to harm the worker or employee

A party to an employment contract is considered unfair in exercising their right to terminate the contract if the sole purpose of termination is to harm the other party. In this case, harming the other party is the only intent behind exercising the termination power, such as when a worker claims their legal rights at work, for example, payment of the minimum wage.

### 2. If the rationale behind termination is insubstantial

A termination of an employment contract is considered unfair under if the rationale behind it is insubstantial or insignificant, meaning it does not hold sufficient importance or relevance to justify the harm caused to the other party. For instance, terminating several workers' contracts solely to increase profit without a genuine economic crisis within the organization would be considered unfair. For a termination to be considered legitimate, the rationale behind it must outweigh the harm inflicted upon the worker.

### 3. If the rationale behind termination is illegal or unlawful

Employment contracts should only be terminated for legitimate and lawful reasons. For instance, if a worker such as a driver refuses to transport prohibited or unlicensed materials, including narcotics, the employer's desire to terminate the employment contract may be considered illegitimate under the law.

## Third: Establishing Arbitrariness in the Termination of the Employment Contract

Article (49) of the Labor Law allows both parties of the employment contract to terminate the contract without stating any reasons for the termination. This clause plays a significant role in proving unfair termination of employment contracts. Thus, the onus is on the worker to provide evidence and proof in court. Since the worker is often the weaker party in the contractual relationship, the law doesn't specify a particular method for the worker to prove Unfair Dismissal. The worker must substantiate it using all legal means of proof. The employer, being the stronger party in the contractual employment relationship, can always make decisions that could potentially harm the worker without discussing these decisions with them. Therefore, it falls on the worker to prove these damaging decisions using all legally available means of proof.

## Fourth: Compensation for Unfair Dismissal

Article (64) of the Labor Law stipulates that: "If the Committee finds that the dismissal of the worker was wrongful or violated the provisions of this Law, it shall rule either the cancellation of the dismissal sanction and returning the worker to work while paying his entitlements for the period during which he was suspended from work in implementation of this sanction, or compensate him in an appropriate manner. The compensation shall include the wage and the other benefits that the worker was deprived of as a result of such dismissal." Accordingly, if the worker proves before the courts that his dismissal was unfair, the judge must compensate him with an appropriate compensation that he estimates based on his discretionary authority, as the Qatari legislator did not specify the guidelines for this compensation.



## CONSEQUENCES OF TERMINATING AN EMPLOYMENT CONTRACT

### Consequences of Terminating an Employment Contract

#### First: End of Service Gratuity:

The end-of-service gratuity is a prevalent right for workers in most countries around the world, especially in the Arab world. It is an essential right provided to employees under Qatari labor law. Article (54) of the Qatari Labor Law stipulates: "In addition to any amounts due to the worker upon termination of his service, the employer shall pay an end-of-service gratuity to the worker who served for one full year or more. This gratuity shall be determined under agreement of both parties provided that it is

not less than the wage of three weeks for each year of service. The worker shall be entitled to receive the gratuity for the fractions of the year for the period spent at service. The worker's service shall be considered continuous if it was terminated in cases other than those set forth in Article (61) hereof and he returned to service within two months from the date of termination. The last basic wage of the worker shall be taken into account to calculate the gratuity referred to above. The employer shall have the right to deduct from the gratuity the amounts due to him from the worker".

Therefore, the employer must pay the worker a sum of money at the end of the contractual



relationship as an end-of-service gratuity. This reward takes into account the effort, knowledge, expertise, time, and personal dedication the worker has put into helping establish, develop, and expand the employer's economic project. The worker should be awarded a monetary sum as appreciation and reward to cover his living expenses until he finds another job or assists him in his remaining life if he has retired.

Neither party to the contract has a role in determining or calculating this gratuity; instead, the labor law clarifies and determines it. However, if there is a better situation or agreement for the worker as an alternative to the gratuity and the worker agrees, this would be acceptable. An example of this would be if the employer has a retirement system or benefits that provide the worker with a greater advantage than the end-of-service gratuity. This is stipulated in Article (56) of the Labor Law, which states: "The employer shall not be obliged, if he has a retirement system or any similar system that guarantees a benefit to the

worker greater than the end-of-service gratuity due under the provisions of Article (54) hereof, to pay this gratuity in addition to the benefit offered by him under the said system..If the net benefit accruing to the worker is less than the gratuity due to him, the employer shall pay to the worker the end-of-service gratuity and shall return to him any amount in which he had contributed under the said system. The worker may choose between the end-of-service gratuity and any benefit due to him under that system".

Article (54) of the Qatari Labor Law No. (14) of 2004, stipulates the following rules for a worker to be eligible for end-of-service gratuity:

1. The worker must have completed a full year or more of employment.

According to the article, the worker is entitled to an end-of-service gratuity after completing one year of service, regardless of whether the contract is for a fixed or indefinite period. The worker's entitlement





to the gratuity depends on having completed a full, continuous year of service or more. In addition, the worker shall be entitled to receive the gratuity for the fractions of the year for the period spent at service.

Article (54) of the Law states that: "In addition to any amounts due to the worker upon termination of his service, the employer shall pay an end-of-service gratuity to the worker who served for one full year or more. This gratuity shall be determined under agreement of both parties provided that it is not less than the wage of three weeks for each year of service. The worker shall be entitled to receive the gratuity for the fractions of the year for the period spent at service. The worker's service shall be considered continuous if it was terminated in cases other than those set forth in Article (61) hereof and he returned to service within two months from the date of termination".

2. The last Basic Wage of the worker shall be taken into account to calculate the gratuity. Therefore, if there are multiple contracts with different dates and different basic wages, the gratuity is calculated based on the basic wage of the latest employment contract concluded between the worker and the employer.

### **Second: Handing Over Certificates and Documents to the Worker:**

Upon the worker's request, they should be provided with a certificate of service free of charge, indicating the date they started working, the date their employment ended, the type of work they were performing, and the wage they were receiving. The worker should also receive any certificates, documents, and other items they have deposited with the employer. Such a certificate facilitates the worker in finding another job, as it serves as a reflection of the worker's skills and experiences for the new employer.

### **Consequences After the Worker's Service Ends**

1. When the worker's service ends and they receive all their entitlements under the law, the employer is responsible for returning the worker to the place they were recruited from at the employer's expense or to the agreed-upon location within two weeks from the contract's end date. If the worker has found another job before leaving the country, this obligation is transferred to the new employer.
2. If the worker passes away during their service, regardless of the cause of death, the employer must deposit all the worker's entitlements (wages and end-of-service gratuity) with the treasury within 15 days from the date of death. The employer must also submit a detailed report to the administration specifying the deposited amounts.

In this regard, Article (57) of the Qatari Labor Law stipulates that: "Upon end of the worker's service, the employer shall return him at his own expense to the place from where he was recruited or to any other place agreed upon between the parties. The employer shall complete the procedures of returning the non-Qatari worker within a period not exceeding two weeks from the date of expiry of the contract. If the worker joined another work before leaving the country, the employer shall have the obligation to return him to his home country or the other place agreed upon at the last employer. The employer shall bear the costs of processing and transfer of the body of the deceased worker to his home country or his place of residence, if required by the latter's family. If the employer does not return the worker or transfer his body after decease, according to the case, the Department shall do the same at the expense of the employer and shall recover the expenses paid in this regard in administrative means".

## CONCLUSION

The provisions of Qatari Labor Law No. (14) of 2004 have established a balance between the rights and obligations of the worker and the employer. The law outlines how a worker may leave his job, and it also gives the employer the right to dismiss any of his workers with or without reasons. The law defines the rules and obligations for both parties after the end of the employment relationship. It specifies when a worker and an employer can legally terminate an employment contract, and when a dismissal becomes unfair, hence unlawful, granting the court discretionary power to determine this.

Unfair Dismissal remains an issue that negatively affects the lives of workers practically, socially, and psychologically, as they can be dismissed from work without clear and fair reasons. This situation creates a state of job instability and a lack of job security. It often highlights the fact that the employer has not made the right choice in placing the appropriate employee in the right place to begin with, leading to the dismissal of many workers without reasonable justifications and clear reasons.





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