



UAE IMPOSES NEW REGULATION ON LICENSE RENEWAL

The Philippine Overseas Labor Office in Abu Dhabi reported that the UAE Ministry of Labor (MOL) has imposed a new regulation on the renewal of license by recruitment agencies, including those recruiting domestic workers, as part of its labor reforms to protect expatriate workers from being victimized by unscrupulous agencies.

The new regulation which took effect on May 2006, required a recruitment agency to secure two (2) kinds of license before it can be allowed to operate. These are:

1. License for mediation to employ or recruit non-citizen labour issued by the MOL after posting a cash bond of DHs 100,000.00 (P1.5M). The renewal fee is DHs 10,000.00 (P150,000.00) per year. The cash bond was not previously required in the renewal of licenses.
2. Commercial/trade license for recruitment services issued by the Department of Planning and Economy. A recruitment agency must first secure a license from the MOL before it can acquire the commercial/trade license.

It has been observed that due to the large amount of cash required by the MOL, many recruitment agencies recruiting domestic helpers have opted not to renew their licenses. Some agencies operating under a local sponsor also find difficulty to renew their agency license because of the sponsor's refusal to put in the required cash bond.