

Qatar: Wage payment protection

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June – July 2015

Specifically Law 1 of 2015 (the “Amendment Law”) was issued which amended certain provisions of the Labour Law 14 of 2004 (the “Labour Law”). Prior to the issuance of the Amendment Law, Article 66 of the Labour Law provided that employees’ wages be paid to the employees in one of the following ways:

- To the employee directly within the working day and during working hours in the usual place of work or any other place to be approved by the Ministry of Labour and Social Affairs;
- By transfer to the employee’s bank account; or
- By payment to an attorney as appointed by the employee in writing.

However, under the Amendment Law, handing the wages to the employees or their attorneys is no longer an acceptable option; it is now a compulsory requirement to transfer the employees’ wages to the employees’ bank accounts. Article (66) of the Labour Law has now been amended to provide that (i) wages and other benefits payable to employees must be paid in Qatari currency (ii) must be transferred to the employees’ bank account at one of the financial institutions operating in the State of Qatar thus permitting the employees to have access to their wages on the due date. Furthermore, employees recruited on annual or monthly wages should be paid at least once a month and wages of all other employees should be paid at least once every two weeks.

By way of further explanation, as per article 1 of the Qatar Central Bank Law 13 of 2012, financial institutions are defined as ‘any bank, insurance company, reinsurance company, investment company, finance company, exchange house, representation office, external unit and other financial institutions’ regulated and licensed by the Qatar Central Bank to conduct such banking and similar activities.

As a proactive step, on December 29 2014 the Qatar Central Bank issued a circular to all banks operating in Qatar instructing them to be ready to receive the wage files of their customers’ workers and process them through the Workers’ Wages Protection System no later than January 15 2015. The Bank has also made some enhancing technical changes on the Direct Credit and Debit System (QATCH) to facilitate the implementation of the Workers’ Wages Protection System.

The Amendment Law provides that all employers are required to adjust wage processing requirements in accordance with its provisions within six months of May 2 2015 (the date the law came into force). By decision of the Minister this deadline may be capable of being extended.

Every person who violates any of the provisions of the amended article 66 of the Labour Law will be punished by imprisonment for a period not exceeding one month, or a fine of no less than QAR 2,000 (\$549) and no more than QAR 6,000 or both.

The amendments to the Labour Law create a particular challenge in terms of training blue collar labourers on how to use and access their bank accounts. Nevertheless, the wider benefit is that the amendments will protect the payment of wages to all employees, as the Qatar government can easily document, track and monitor any late or non-payment of wages through requesting employees to provide bank account statements.

A version of this article first appeared in June 2015 edition of IFLR Magazine.