

Ramadan in the GCC: What employers need to know

May 2018

In brief

The Holy Month of Ramadan, which is expected to commence on 17 May 2018 (subject to official announcements), raises two competing interests for employers operating in the GCC: Business continuity and performance on one hand, and cultural sensitivities and labour law compliance (in respect of the law mandating reduced working hours during the Holy Month) on the other. Both require careful consideration.

In detail

The Holy Month of Ramadan occurs during the ninth month of the Islamic lunar calendar and is deemed a particularly sacred and important occasion for Muslims across the world as it is the month in which the Holy Quran was revealed to Prophet Muhammad (PBUH). During the Holy Month, Muslims abstain from eating, drinking and other physical needs from dawn until dusk. Unlike in Western jurisdictions, the applicable labour laws of the GCC uniquely mandate reduced working hours and practices for certain categories of employees, and in some cases, even to non-Muslim employees.

A summary of the key provisions of the applicable labour laws in the GCC governing reduced working hours during the Holy Month of Ramadan are set out below:

Country	The law on working hours	Exceptions
UAE	<p><i>UAE mainland</i></p> <p>The maximum working hours, for Muslim and non-Muslim employees, working “onshore” in the UAE or in one of the free zones shall be 36 hours per week, six hours per day.</p> <p><i>DIFC and ADGM free zones</i></p> <p>The Dubai International Financial Centre (“DIFC”) and the Abu Dhabi Global Market (“ADGM”) are two unique federal financial free zones subject to their own independent employment rules and regulations. In the DIFC and ADGM, only a “<i>Muslim employee who observes the fast</i>” shall not be required to</p>	<p><i>UAE mainland</i></p> <p>The reduction in working hours rule does not apply to “<i>persons holding responsible, managerial or supervisory positions, if such positions confer upon the holders the power of an employer over workers</i></p> <p>According to the applicable Ministerial Order, these categories of personnel have been further narrowly defined to include, specifically:</p> <ul style="list-style-type: none">(a) chairman of the Board of Directors;(b) general managers;(c) departmental heads;and

	<p>work in excess of six hours per day.</p>	<p>(d) employees working in supervisory posts, provided in all cases that they harbour powers of an employer over employees.</p> <p>Strictly speaking, employees holding any of the above positions are not entitled to benefit from the reduced working hours rule and can, therefore, be required to work the hours that are necessary to carry out and/or perform their duties in full. Note: Generally, fasting Muslim employees holding such senior posts should not be required, directly or indirectly, to work excessive hours during the Holy Month of Ramadan.</p> <p><i>DIFC and ADGM free zones</i></p> <p>In the DIFC and ADGM freezones, the reduced working hours rule does not apply to non-Muslim employees. Moreover there is no general “carve out” for senior status employee who are Muslim.</p>
--	---	---

Saudi Arabia	<p>The maximum working hours for Muslim employees are six hours per day or 36 hours per week.</p>	<p>The provisions regulating reduced working hours does not apply to:</p> <ul style="list-style-type: none"> (a) non-Muslim employees (b) “persons occupying high positions of authority in management and policy, if such persons grant the persons occupying them authority over workers” (c) employees performing security or cleaning work (bar civil service guards) (d) employees performing preparatory and complimentary work that must be performed before, or after, normal working hours (e) employees carrying out work that is necessarily intermittent. <p>Strictly speaking, employees holding any of the above positions are not entitled to benefit from the reduced working hours rule and can, therefore, be required to work the hours that are necessary to carry out and/or perform their duties in full. Note: Generally, fasting Muslim employees holding such posts should not be required to work, directly or indirectly, excessive hours during the Holy Month of Ramadan.</p>
---------------------	---	---

Qatar	<p>The maximum working hours of employees, whether Muslim or non-Muslim, shall be 36 hours per week, six hours per day.</p>	<p>The reduced working hours rule does not apply to:</p> <ul style="list-style-type: none"> (a) employees holding responsible positions if these positions confer powers of an employer over other employees (b) employees undertaking preparatory and complimentary works that shall be performed before, or after, normal working hours (c) other categories of workers to be specified by a decision of the Minister of Labour and Social Affairs. <p>Strictly speaking, employees holding any of the above positions are not entitled to benefit from the reduced working hours rule and can, therefore, be required to work the hours that are necessary to carry out and/or perform their duties in full. Note: Generally, fasting Muslim employees holding such senior posts should not be required, directly or indirectly, to work excessive hours during the Holy Month of Ramadan.</p>
Kuwait	<p>The maximum working hours for Muslim and non-Muslim employees should not exceed 36 hours per week.</p>	<p>N/A</p>
Bahrain	<p>The maximum working hours, for Muslim and non-Muslim employees, should not exceed six hours per day or 36 hours per week.</p>	<p>N/A</p> <p>However, the authorities are able to issue a decree increasing the minimum working hours for certain</p>

		industries or works if the circumstances and nature of the work so require.
Oman	The maximum working hours, for Muslim employees, should not exceed six hours per day or 36 hours per week.	N/A

It is also important for businesses to be mindful of the fact that the reduced working hours rule may affect processing times for all immigration applications. Additionally, processing delays could continue in the weeks following the Holy Month of Ramadan due to the Eid-al-Fitr public holiday and application backlogs that accumulate during the closures over such public holidays. For instance, in the UAE, the Eid-al-Fitr public holiday is generally two working days for the private sector (public sector enjoy longer periods) and in the Saudi Arabia, it is generally 10 working days. These delays and early office closures will need to be factored by employers as part of their overall business planning during the Holy Month.

The takeaway

Forward planning will be a key agenda item for employers in order to ensure business performance and continuity is maintained during the Holy Month of Ramadan (e.g. through mutual variation to existing shift patterns and/or structures). In most GCC countries, both Muslim and non-Muslim employees holding senior status positions are increasingly accustomed to working in excess of normal working hours during the Holy Month. Of course, for Muslim fasting employees, a careful balancing exercise will need to be adopted, with working hours being closely monitored by employers to ensure that such employees are not working, whether directly or indirectly, excessively and that cultural sensitivities are respected. Equally, for those non-Muslim employees not benefiting from the reduced working hours rule and working beyond their normal working hours, statutory overtime at applicable rates will generally be required to be paid by employers, and this financial burden will need to be considered as part of the employers general planning and overall business strategy during the Holy Month of Ramadan.

PwC Middle East Tax and Legal contacts

Dean Kern
Middle East Tax and Legal Services Leader
T: +971 (0) 4 304 3575
E: dean.kern@pwc.com

Jonathan Gibson
Middle East Legal Services Leader
T: +971 (0) 4 304 3424
E: jonathan.s.gibson@pwc.com

Anir Chatterji
Senior Manager
T: +971 (0) 4 304 3922
E: anir.chatterji@pwc.com