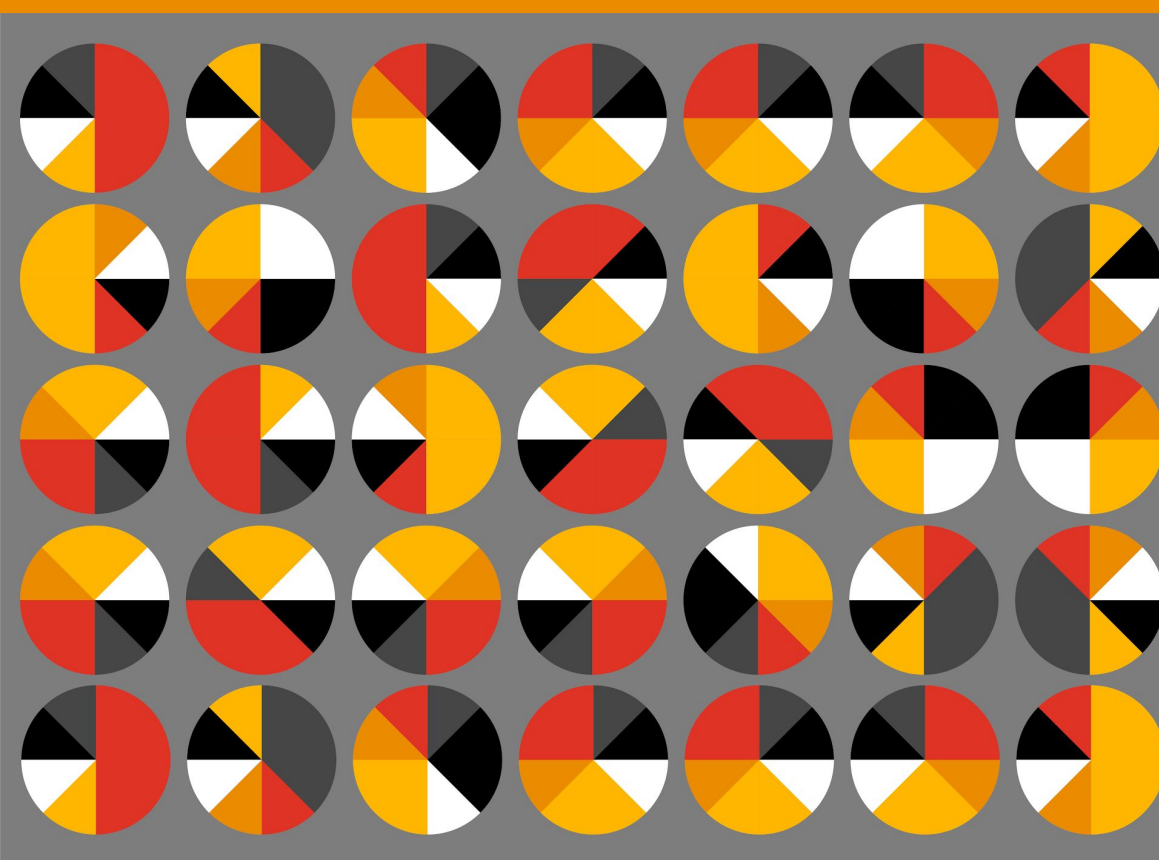


Qatar: New legislation for statutory minimum wage and workforce flexibility

August 2020



In brief

Statutory minimum wage and workforce flexibility

New legislation has been introduced in Qatar to set a minimum monthly wage for all private sector employees, including domestic workers.

In addition, the requirement for employees to obtain a no objection certificate from their sponsor in order to change employers has now been removed, with immediate effect.

In detail

Previous situation

In Qatar, legislation has historically played no part in the determination of pay or minimum wages other than to provide that foreign nationals must earn a minimum of QAR 10,000 per month in order to sponsor dependants.

In addition, in order to move from one employer to another, expatriate employees were previously required to provide a no objection certificate from the current employer. Without that, the employee would be unable to take up alternative employment and could, in certain circumstances, be required by the current employer to leave Qatar for up to two years before they could return and seek alternative sponsorship.

What has changed

Law No. 17 of 2020 on Setting the Minimum Wage for Workers and Domestic Workers (the **law**) has introduced a statutory minimum salary for all private sector employees employed outside of the Qatar Financial Centre, including domestic workers. The law, which will come into force six months after being published in the Gazette, provides that all employees must receive a minimum basic salary of QAR 1,000 per month. Employers must also pay a further QAR 500 for accommodation and QAR 300 for food; unless the employer provides adequate accommodation and food.

In tandem, employees are no longer required to provide a no objection certificate in order to change jobs as a result of changes introduced by Decree Law No. 18 of 2020 and Decree Law No. 19, of 2020 which amend relevant provisions of Labour Law No. 14 of 2004 and Law No. 21 of 2004 respectively. However, employees must comply with the terms of their employment contract, particularly in relation to notice; giving their employer at least one month's notice during the first two years of employment and two months' notice thereafter.

The Takeaway

Employers in Qatar should use the next six months, prior to implementation of the law, to review their salary and benefit structures to ensure that they comply with the statutory minimum requirements. Where necessary, employment contracts and policies should be reviewed and revised to reflect the new position.

In particular, if non-pecuniary benefits are provided in lieu of payments (for housing and food), this should be clearly identified in each employee's contract of employment.



Let's talk

For a deeper discussion of how this issue might affect your business, please contact:



Natalie Jones
Middle East Employment
Leader
natalie.j.jones@pwc.com