

# Labor and Employment Alert

**Akin Gump**  
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## New DIFC Insolvency and Employment Laws Enacted

June 19, 2019

On the 11th and 12th of June, 2019, the Ruler of Dubai enacted new insolvency and employment laws in the Dubai International Financial Center (DIFC). The new insolvency law came into force on June 13, 2019 while the new employment law came into force on August 28, 2019, with both aiming to compliment the DIFC's commitment to international best practices.

The new insolvency law is supposed to provide a more efficient and effective bankruptcy and restructuring regime. It aims to do this by better balancing the needs of all stakeholders in the context of distressed bankruptcy related situations, enforcing the rules governing winding up procedures and incorporating an international model of cross border insolvency proceedings.

The new employment law addresses issues of paternity leave, sick pay and end-of-service settlements within in the DIFC. This new law attempts to further balance the needs of employers and employees by addressing key concerns on both sides. Employers should expect to benefit from rules that allow for expanded employee duties, reduction of statutory sick pay and limited mandatory late penalty payments for end-of-service settlements. Employees should expect to benefit from rules that introduce 5 days of paternity leave and penalties for discrimination.

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