

ROYAL DECREE 53/2023

PROMULGATING THE LABOUR LAW & STRIKING A BALANCE

- 35/2003 | REPEALED | SUPERSEDED | 53/2023

Audit / Tax / Advisory / Risk / Technology



ROYAL DECREE – 53/2023

ARTICLE	PROVISION
PREAMBLE	WE, HAITHAM BIN TARIK, THE SULTAN OF OMAN AFTER PERUSAL OF THE BASIC STATUTE OF THE STATE, THE LAW ON ARBITRATION IN CIVIL AND COMMERCIAL DISPUTES PROMULGATED BY ROYAL DECREE 47/97, THE LABOUR LAW PROMULGATED BY ROYAL DECREE 35/2003, ROYAL DECREE 89/2020 ESTABLISHING THE MINISTRY OF LABOUR, DETERMINING ITS COMPETENCES, AND ADOPTING ITS ORGANISATIONAL STRUCTURE, AND THE SOCIAL PROTECTION LAW PROMULGATED BY ROYAL DECREE 52/2023, AND AFTER PRESENTATION TO MAJLIS OMAN, AND IN PURSUANCE OF PUBLIC INTEREST, HAVE DECREED AS FOLLOWS:
ARTICLE I	THE PROVISIONS OF THE ATTACHED LABOUR LAW SHALL APPLY.
ARTICLE II	THE MINISTER OF LABOUR SHALL ISSUE THE NECESSARY REGULATIONS AND DECISIONS FOR IMPLEMENTING THE PROVISIONS OF THE ATTACHED LAW, AND UNTIL THEY ARE ISSUED, THE REGULATIONS AND DECISIONS IN FORCE CONTINUE TO OPERATE TO THE DEGREE THAT THEY DO NOT CONTRADICT WITH ITS PROVISIONS.
ARTICLE III	THOSE ADDRESSED BY THE PROVISIONS OF THE ATTACHED LAW SHALL RECTIFY THEIR STATUS IN ACCORDANCE WITH ITS PROVISIONS WITHIN 6 (SIX) MONTHS FROM THE DATE OF ITS ENTRY INTO FORCE.
ARTICLE IV	THE AFOREMENTIONED LABOUR LAW IS HEREBY REPEALED, AS WELL AS ALL THAT IS CONTRARY TO THE ATTACHED LAW, OR IN CONFLICT WITH ITS PROVISIONS.
ARTICLE V	THIS DECREE SHALL BE PUBLISHED IN THE OFFICIAL GAZETTE, AND COMES INTO FORCE ON THE DAY FOLLOWING THE DATE OF ITS PUBLICATION.
ISSUED ON	7 MUHARRAM 1445 CORRESPONDING TO: 25 JULY 2023
ISSUED BY	HAITHAM BIN TARIK, SULTAN OF OMAN
SOURCE	HTTPS://DECREE.OM/2023/RD20230053/ (OMAN LEGISLATION SEARCH ENGINE)



THE NEW OMAN LABOUR LAW - TO STAY

THE SULTANATE OF OMAN ENACTED ROYAL DECREE 53/2023 (THE **NEW LAW**) ON 26 JULY 2023, REPEALING ROYAL DECREE 35/2003 (THE **PREVIOUS LAW**). THE NEW LAW, NOW FULLY IN EFFECT, REQUIRED EMPLOYERS TO ALIGN THEIR EMPLOYMENT POLICIES AND PRACTICES WITH ITS PROVISIONS WITHIN A SIX-MONTH COMPLIANCE WINDOW, WHICH HAS SINCE PASSED.

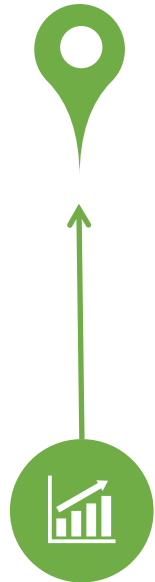
THIS LEGISLATION HAS BROUGHT SIGNIFICANT CHANGES TO OMAN'S LABOR LANDSCAPE, INCLUDING NEW WORKING PATTERNS, EXTENDED LEAVE ENTITLEMENTS, THE INTRODUCTION OF RENEWABLE FIXED-TERM CONTRACTS WITH A MAXIMUM DURATION OF 5 YEARS, CAPPING ARBITRARY TERMINATION COMPENSATION AT 12 MONTHS OF GROSS SALARY AND FORMALLY RECOGNISING REDUNDANCY AS A VALID REASON FOR TERMINATION.

THE NEW LABOUR LAW INTRODUCES SEVERAL UPDATED BENEFITS AND ENTITLEMENTS FOR EMPLOYEES WHILE MAINTAINING A STRUCTURED FRAMEWORK THAT SUPPORTS BOTH WORKFORCE RIGHTS AND BUSINESS SUSTAINABILITY. BY ADDRESSING KEY ASPECTS SUCH AS REDUNDANCY, LEAVE POLICIES, AND TERMINATION CONDITIONS, THE LAW AIMS TO CREATE A MORE TRANSPARENT AND EQUITABLE WORK ENVIRONMENT. THESE CHANGES REFLECT ONGOING EFFORTS TO ALIGN LABOUR REGULATIONS WITH EVOLVING ECONOMIC AND INDUSTRY NEEDS, ENSURING CLARITY AND STABILITY FOR BOTH EMPLOYERS AND EMPLOYEES.



HIGHLIGHTS

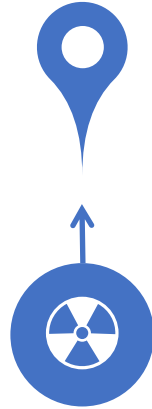
**8
HOURS**



WORKING HOURS

**REDUCED WORKING HOURS
TO 8, EXCLUDING 1 HOUR
BREAK**

**182
DAYS**



SICK LEAVE

**26 WEEKS OF SICK
LEAVE. 3, 2, 5, 16**

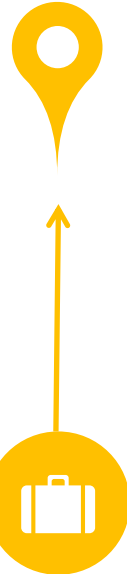
1-21 DAYS 100%

22-35 DAYS 75%

36-70 DAYS 50%

71-181 DAYS 35%

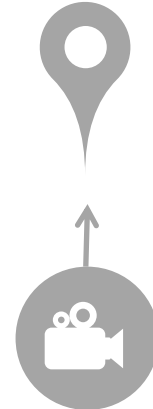
**30
DAYS**



ANNUAL LEAVE

**30 DAYS MAY BE AVAILED
AFTER 6 MONTHS HAVE
BEEN COMPLETED**

**98 DAYS /
7DAYS**

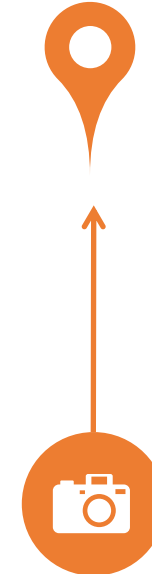


**MATERNITY &
PATERNITY**

**1) 98 DAYS OF
MATERNITY
LEAVE FOR
FEMALE
EMPLOYEE**

**2) 7 DAYS
PATERNITY
LEAVE**

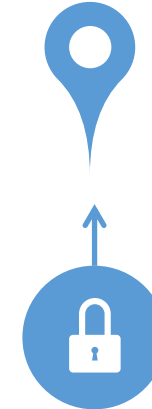
**15
DAYS**



**ACCOMPANIED
LEAVE**

**15 DAYS IN A YEAR
FOR OMANI EMPLOYEE
TO ACCOMPANY
PATIENT HAVING
MARITAL OR BLOOD
RELATIONSHIP**

6 DAYS



**EMERGENCY
LEAVE**

**THIS HAS BEEN WITHDRAWN
AND HAS BEEN REPLACED
WITH INDEFINITE UNPAID
LEAVE**



WORKING HOURS

RD 35/2003	RD 53/2023
- 9 HOURS A DAY	- 8 HOURS A DAY, EXCLUDING ONE HOUR LUNCH BREAK
- MAXIMUM 45 HOURS A WEEK	- 40 HOURS A WEEK
- WITH AT LEAST HALF HOUR BREAK FOR FOOD AND REST	- THE WORKER MAY NOT WORK FOR MORE THAN 8 ACTUAL WORKING HOURS PER DAY, WITH A MAXIMUM OF 40 ACTUAL WORKING HOURS PER WEEK, NOT INCLUDING AN HOUR FOR REST PER DAY AND EATING. CONTINUOUS WORK MAY NOT EXCEED 6 HOURS PER DAY.
	- REMOTE WORK SYSTEM INTRODUCED TO PERFORM WORK USING INFORMATION AND COMMUNICATION TECHNOLOGY INSIDE OR OUTSIDE OF WORKPLACE, PARTIALLY OR COMPLETELY.



SICK LEAVE

RD 35/2003

RD 53/2023

- MAXIMUM TEN WEEKS IN A YEAR

- 182 DAYS (26 WEEKS) IN A YEAR PAYABLE AS:

- 1 - 21 DAYS = 100% GROSS SALARY (21 DAYS, 1ST 3 WEEKS)

- 22 - 35 DAYS = 75% GROSS SALARY (14 DAYS, NEXT 2 WEEKS)

- 36 - 70 DAYS = 50% (35 DAYS, NEXT 5 WEEKS)

&

- 71 - 181 = 35% (110 DAYS, NEXT 16 WEEKS)

<p>- TERMINATION OF EMPLOYMENT FOR SICKNESS OF EMPLOYEE THAT COMPEL TO DISCONTINUE WORK FOR MORE THAN TEN WEEKS IN A YEAR WHETHER CONTINUOUS OR INTERRUPTED PERIOD</p>	<p>- TERMINATION IF ABSENCE DUE TO SICKNESS NOT TO EXCEED THREE MONTHS IN ONE YEAR, CONTINUOUS OR INTERRUPTED PERIOD, PROVIDED SICK LEAVE OF 182 DAYS IS EXHAUSTED.</p>
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ANNUAL LEAVE

RD 35/2003	RD 53/2023
- ANNUAL LEAVE - 30 DAYS WITH GROSS SALARY (TO BE AVAILED AFTER SIX MONTHS FROM JOINING WORK)	- 30 DAYS TO BE TAKEN AFTER SIX MONTHS HAVE LAPSED; (WITH GROSS SALARY)
	- NON-OMANI EMPLOYEES ENTITLED FOR A RETURN TICKET TO SPEND THEIR LEAVE AND RESUME WORK.
	- THE WORKER WHO DOES NOT UTILIZE HIS ANNUAL LEAVE HAS THE RIGHT TO RETAIN THE LEAVE FOR A BALANCE NOT EXCEEDING 30 (THIRTY) DAYS UNLESS HIS FAILURE TO UTILIZE THE LEAVE IS DUE TO THE INTEREST OF WORK

EXPLANATION OF ARTICLE 78 – ANNUAL LEAVE ENTITLEMENT IN OMAN LABOUR LAW (ROYAL DECREE NO. 53/2023)

THE ARTICLE OUTLINES THE ANNUAL LEAVE ENTITLEMENT AND CONDITIONS FOR EMPLOYEES IN OMAN. BELOW IS A BREAKDOWN OF ITS KEY PROVISIONS:

1. ANNUAL LEAVE ENTITLEMENT

EVERY WORKER IS ENTITLED TO 30 DAYS OF ANNUAL LEAVE WITH FULL GROSS WAGE (SALARY WITH ALLOWANCES).
THE TIMING OF THE LEAVE SHOULD ALIGN WITH THE WORK'S OPERATIONAL REQUIREMENTS, MEANING THE EMPLOYER CAN SCHEDULE THE LEAVE BASED ON BUSINESS NEEDS.

2. ELIGIBILITY FOR LEAVE

THE WORKER MUST COMPLETE AT LEAST SIX (6) MONTHS WITH THE EMPLOYER BEFORE TAKING ANNUAL LEAVE FOR THE FIRST TIME.
AFTER THIS PERIOD, THE WORKER IS ELIGIBLE TO TAKE LEAVE AS PER THE EMPLOYER'S APPROVAL.

3. CARRY-FORWARD AND LEAVE BALANCE

IF AN EMPLOYEE DOES NOT USE THEIR ANNUAL LEAVE, THEY CAN CARRY FORWARD A BALANCE OF UP TO 30 DAYS.
HOWEVER, IF THE LEAVE WAS TAKEN DUE TO WORK DEMANDS (AS REQUIRED BY THE EMPLOYER), THE EMPLOYEE MAY RETAIN MORE THAN 30 DAYS.

4. COMBINING LEAVE

THE EMPLOYER AND EMPLOYEE CAN AGREE TO COMBINE MULTIPLE YEARS OF LEAVE (E.G., TAKING 60 DAYS OF LEAVE AFTER TWO YEARS).
THIS MUST BE MUTUALLY AGREED UPON AND IS NOT AUTOMATIC.

5. TRAVEL TICKET FOR NON-OMANI WORKERS

A NON-OMANI WORKER IS ENTITLED TO A RETURN TICKET TO THEIR HOME COUNTRY FOR THEIR CONTRACTUALLY AGREED LEAVE PERIOD.
THIS ENSURES THAT EXPATRIATE EMPLOYEES CAN RETURN HOME FOR THEIR BREAK AND COME BACK TO WORK.

6. NO WAIVER OF LEAVE

EMPLOYEES CANNOT WAIVE THEIR ANNUAL LEAVE RIGHTS IN EXCHANGE FOR MONEY OR ANY OTHER COMPENSATION.
HOWEVER, THERE ARE EXCEPTIONS FOR CERTAIN JOBS, SECTORS, AND CATEGORIES WHERE THE MINISTER OF LABOUR MAY ISSUE A DECISION ALLOWING A MORE SUITABLE WORK PROGRAMME INSTEAD OF TRADITIONAL LEAVE.

KEY TAKEAWAYS

30 DAYS OF PAID ANNUAL LEAVE AFTER COMPLETING SIX MONTHS OF SERVICE.
LEAVE IS SCHEDULED BASED ON WORK REQUIREMENTS BUT CANNOT BE DENIED INDEFINITELY.
EMPLOYEES CAN CARRY FORWARD UP TO 30 DAYS OF LEAVE, UNLESS LEAVE WAS POSTPONED DUE TO WORK NEEDS.
LEAVE CAN BE COMBINED IF AGREED UPON BETWEEN THE EMPLOYER AND EMPLOYEE.
NON-OMANI EMPLOYEES GET A RETURN TICKET HOME FOR THEIR LEAVE PERIOD.
LEAVE CANNOT BE WAIVED FOR CASH, EXCEPT IN SPECIAL CASES APPROVED BY THE MINISTER OF LABOUR.



SPECIAL LEAVE - WITH GROSS SALARY

RD 35/2003	RD 53/2023
(A) 3 DAYS FOR MARRIAGE GRANTED NOT MORE THAN ONCE THROUGHOUT SERVICE;	(A) 3 DAYS IN CASE OF MARRIAGE;
(B) 3 DAYS IF DEATH OF SON, DAUGHTER MOTHER, FATHER, WIFE, GRANDFATHER, GRANDMOTHER, BROTHER OR SISTER.	(B) 3 DAYS IN CASE OF DEATH OF FATHER, MOTHER, GRANDFATHER, GRANDMOTHER, BROTHER OR SISTER;
(C) 2 DAYS IN CASE OF THE DEATH OF AN UNCLE, OR AN AUNT.	(C) 10 DAYS IN CASE OF DEATH OF WIFE OR SON OR DAUGHTER; (D) 2 DAYS IN CASE OF DEATH OF UNCLE, AUNT; MATERNAL OR PATERNAL;
(D) 15 DAYS FOR THE PERFORMANCE OF AL-HAJ [PILGRIMAGE] ONCE THROUGHOUT THE PERIOD OF HIS SERVICE, PROVIDED THAT HE HAS COMPLETED ONE YEAR IN THE SERVICE OF THE EMPLOYER.	(E) 15 DAYS TO PERFORM HAJ PILGRIMAGE, PROVIDED ONE CONTINUOUS YEAR SPENT IN SERVICE OF EMPLOYER;
(E) 15 DAYS DURING THE YEAR FOR PURPOSE OF SITTING FOR EXAMINATION IN CASE OF AN OMANI WORKER WHO IS AN ASSOCIATE STUDENT WITH ONE OF THE SCHOOLS, INSTITUTES, COLLEGES OR UNIVERSITIES.	(F) 15 DAYS IN A YEAR FOR TAKING EXAMS FOR AN OMANI EMPLOYEE ENROLLED IN SCHOOL, COLLEGE, UNIVERSITY;
	(G) 7 DAYS OF PATERNITY LEAVE, PROVIDED CHILD IS BORN ALIVE AND LEAVE NOT TO EXCEED 98TH DAY OF CHILD'S AGE;
	(H) 15 DAYS IN A YEAR FOR OMANI EMPLOYEE TO ACCOMPANY PATIENT HAVING MARITAL OR BLOOD RELATIONSHIP UP TO THE SECOND DEGREE
	**THE ABOVE LEAVES ARE SUBJECT TO PROVIDING PROOF THEREOF.



UNPAID SPECIAL LEAVE

RD 35/2003

-EMERGENCY LEAVE OF 6 DAYS IN A YEAR, IN WHICH 2 DAYS CAN BE TAKEN IN ONE SPELL, FOR EMERGENCY PURPOSES, WITH FULL PAY. ONUS ON EMPLOYEE TO PROVE REASON OF EMERGENCY.

RD 53/2023

- THE EMPLOYER MAY GRANT THE WORKER, BASED ON REQUEST, SPECIAL LEAVE WITHOUT PAY, AND IN THIS CASE, THE WORKER MUST BEAR ALL CONTRIBUTIONS TO THE SOCIAL PROTECTION FUND COVERING HIS PERCENTAGE, THE PERCENTAGE OF THE EMPLOYER, AND THE PERCENTAGE OF THE GOVERNMENT DURING THE LEAVE PERIOD. THIS LEAVE IS CONSIDERED WITHIN THE PERIOD OF SERVICE OF THE WORKER AND THIS PERIOD IS NOT COUNTED IN THE CALCULATION OF THE END-OF- SERVICE GRATUITY STIPULATED IN ARTICLE 61 OF THE LAW.



RIGHTS OF FEMALE EMPLOYEES

RD 35/2003	RD 53/2023
- 130 DAYS SPECIAL LEAVE TO MUSLIM EMPLOYEE, WITH GROSS SALARY, IN CASE OF DEATH OF HER HUSBAND;	- 130 DAYS FOR MUSLIM FEMALE EMPLOYEE IN CASE OF DEATH OF HUSBAND AND 14 DAYS FOR A NON-MUSLIM FEMALE EMPLOYEE;
- 50 DAYS MATERNITY LEAVE WITH GROSS SALARY, COVERING PRE AND POST DELIVERY PERIOD FOR NOT MORE THAN 3 TIMES DURING SERVICE;	- 98 DAYS OF MATERNITY LEAVE FOR FEMALE EMPLOYEE TO COVER PRE AND POST CHILDBIRTH;
	- 1 HOUR PER DAY OF NURSING BREAK FOR PERIOD OF ONE YEAR FROM END OF MATERNITY LEAVE;
	- UNPAID LEAVE TO TAKE CARE OF HER CHILD FOR PERIOD NOT EXCEEDING 1 YEAR PROVIDED SHE BEARS ALL CONTRIBUTIONS TO SOCIAL INSURANCE FUND OF HER, EMPLOYER AND GOVERNMENT DURING HER PERIOD OF LEAVE;
	- DESIGNATED REST AREA IN ESTABLISHMENT WHERE NO. OF FEMALE EMPLOYEES EXCEED 25;
- EMPLOYER CANNOT DISMISS FEMALE EMPLOYEE FOR ABSENCE DUE TO ILLNESS ASSOCIATED TO PREGNANCY OR DELIVERY PROVIDED TOTAL PERIOD SHALL NOT EXCEED SIX MONTHS	- TERMINATION WILL BE CONSIDERED ARBITRARY IF FOR THE REASON OF PREGNANCY, CHILDBIRTH OR BREASTFEEDING FOR FEMALE EMPLOYEES.



REPATRIATION OF EXPATRIATES

RD 35/2003

- EMPLOYER OBLIGED TO REPATRIATE NON-OMANI EMPLOYEE UPON TERMINATION OF WORK RELATIONSHIP UNLESS SPONSORSHIP IS TRANSFERRED TO ANOTHER EMPLOYEE

RD 53/2023

- EMPLOYER IS OBLIGED TO REPATRIATE NON-OMANI EMPLOYEE TO HIS COUNTRY OR OTHER AS AGREED UPON AFTER TERMINATION OF EMPLOYMENT, WITHIN MAXIMUM 60 DAYS.

- EMPLOYEE HAS A RIGHT TO REMAIN IN OMAN IF FILED A LAWSUIT CLAIMING DUES UNTIL CLAIM IS DECIDED UPON, WITHOUT EMPLOYER BEARING ANY FINANCIAL CONSEQUENCES.



SALARY PAYMENT

RD 35/2003

- IN ALL CASES, SALARY WAS PAYABLE WITHIN 7 DAYS FROM END OF PERIOD IN WHICH IT BECOMES DUE

RD 53/2023

- IN ALL CASES, SALARY SHALL BE PAYABLE WITHIN 3 DAYS FROM END OF PERIOD IN WHICH IT BECOMES DUE.

- EMPLOYEE HAS A RIGHT TO TERMINATE EMPLOYMENT AS PRESCRIBED IN THE NEW LAW IF EMPLOYER DOES NOT PAY HIM FOR MORE THAN TWO CONSECUTIVE MONTHS.



END OF SERVICE BENEFIT (EOSB)

RD 35/2003	RD 53/2023
<p>- CALCULATED ON LAST DRAWN BASIC SALARY;</p> <p>- ON TERMINATION OF EMPLOYMENT, EMPLOYEES NOT BENEFICIARY OF SOCIAL INSURANCE LAW, ENTITLED TO GRATUITY AS 15 DAYS LAST DRAWN BASIC SALARY FOR EACH OF FIRST THREE YEARS FOLLOWED BY ONE MONTH BASIC SALARY FOR EACH OF FOLLOWING YEARS.</p>	<p>- CALCULATED ON LAST DRAWN BASIC SALARY;</p> <p>- NON OMANIS WHO ARE NOT BENEFICIARIES OF SOCIAL INSURANCE, SHALL BE ENTITLED FOR GRATUITY OF NOT LESS THAN A BASIC SALARY FOR EACH YEAR OF SERVICE; AND THIS IS FRACTIONALISED TO THE YEAR.</p>
	<p>- THE ABOVE IS IN EFFECT ONLY TILL ENFORCEMENT OF SAVINGS SYSTEMS INTRODUCED BY SOCIAL PROTECTION LAW ISSUED BY ROYAL DECREE 52/2023;</p>
	<p>- EMPLOYER TO SETTLE THE ENTITLEMENT FOR PERIOD TILL IMPLEMENTATION OF SAVINGS SYSTEM BY TRANSFERRING SAME TO THE ABOVE SAID SAVING SYSTEM OR TO EMPLOYEE PROVIDED SETTLEMENT IS CALCULATED ON BASIC SALARY AS ON DATE OF SETTLEMENT.</p>

EXPLANATION OF THE END-OF-SERVICE GRATUITY UNDER ARTICLE 48 OF THE OMAN LABOUR LAW (ROYAL DECREE NO. 53/2023)

THIS ARTICLE OUTLINES THE ENTITLEMENT TO END-OF-SERVICE GRATUITY FOR WORKERS WHO ARE NOT COVERED UNDER THE SOCIAL PROTECTION LAW. BELOW IS A BREAKDOWN OF ITS KEY POINTS:

1. WHO IS ELIGIBLE?

- A) EMPLOYEES NOT COVERED BY THE SOCIAL PROTECTION LAW WILL RECEIVE END-OF-SERVICE GRATUITY UPON THE TERMINATION OF THEIR EMPLOYMENT.
- B) THIS APPLIES UNTIL THE NEW SAVINGS SYSTEM UNDER THE SOCIAL PROTECTION LAW COMES INTO FORCE.

2. HOW IS THE GRATUITY CALCULATED?

- A) THE GRATUITY MUST BE AT LEAST ONE MONTH'S BASIC WAGE FOR EACH YEAR OF SERVICE.
- B) IF AN EMPLOYEE HAS WORKED FOR LESS THAN A YEAR, THEY ARE ENTITLED TO A PROPORTIONAL GRATUITY BASED ON THE NUMBER OF MONTHS COMPLETED.
- C) THE FINAL BASIC SALARY (AT THE TIME OF TERMINATION) WILL BE USED TO CALCULATE THE GRATUITY FOR ALL YEARS OF SERVICE.

3. CONSIDERATION OF PAST SERVICE

- A) ANY PERIOD OF SERVICE BEFORE THIS LAW CAME INTO EFFECT WILL STILL BE COUNTED WHEN DETERMINING THE TOTAL GRATUITY AMOUNT.
- B) THIS MEANS THAT EMPLOYEES WHO HAVE WORKED FOR A COMPANY BEFORE THE NEW LAW CAME INTO EFFECT WILL STILL HAVE THEIR PREVIOUS SERVICE RECOGNIZED IN GRATUITY CALCULATIONS.

4. TRANSITION TO THE NEW SAVINGS SYSTEM

ONCE THE SAVINGS SYSTEM UNDER THE SOCIAL PROTECTION LAW IS IMPLEMENTED, THE EMPLOYER HAS TWO OPTIONS:

- A) TRANSFER THE ACCRUED GRATUITY TO THE WORKER'S SAVINGS ACCOUNT IN THE NEW SYSTEM.
- B) PAY THE GRATUITY DIRECTLY TO THE EMPLOYEE.
- C) IF THE EMPLOYER CHOOSES TO SETTLE GRATUITY BEFORE THE SAVINGS SYSTEM STARTS, THE CALCULATION WILL BE BASED ON THE BASIC WAGE AT THE TIME OF SETTLEMENT.

KEY TAKEAWAYS

- A) THE END-OF-SERVICE GRATUITY REMAINS IN EFFECT FOR EMPLOYEES NOT COVERED UNDER THE SOCIAL PROTECTION LAW.
- B) THE GRATUITY IS ONE MONTH'S BASIC WAGE FOR EACH YEAR OF SERVICE.
- C) PAST SERVICE COUNTS TOWARDS THE GRATUITY CALCULATION.
- D) EMPLOYERS WILL EVENTUALLY TRANSITION EMPLOYEES TO THE NEW SAVINGS SYSTEM ONCE IT IS ENFORCED.



NON COMPETE

RD 35/2003**RD 53/2023**

- EMPLOYER AND EMPLOYEE MAY AGREE FOR A NON-COMPETE PERIOD, NOT EXCEEDING TWO YEARS FROM TERMINATION OF EMPLOYMENT, PROVIDED NATURE OF WORK GIVES ACCESS OF BUSINESS SECRETS TO EMPLOYEE OR HE HAS KNOWLEDGE OF CUSTOMERS AND CLIENTS OF EMPLOYER;
- THUS, EMPLOYEE NOT TO COMPETE WITH EMPLOYER OR ENGAGE IN SAME ACTIVITY THAT COMPETES WITH EMPLOYER AFTER TERMINATION OF EMPLOYMENT.



WORK REGULATIONS

RD 35/2003

- EMPLOYER WITH 15 OR MORE EMPLOYEES WERE TO HAVE WORK REGULATIONS AFTER APPROVAL BY MINISTRY.

RD 53/2023

- EMPLOYER HAVING 50 OR MORE EMPLOYEES TO HAVE WORK REGULATIONS AFTER APPROVAL OF MINISTRY.



PENALTY REGULATIONS

RD 35/2003

- EMPLOYER WITH 15 OR MORE EMPLOYEES WERE TO HAVE PENALTIES REGULATIONS AFTER APPROVAL BY MINISTRY.

RD 53/2023

- EMPLOYER HAVING 25 OR MORE EMPLOYEES TO HAVE PENALTY REGULATIONS AFTER APPROVAL OF MINISTRY.



DISCIPLINARY ACTION

RD 35/2003

- EMPLOYEE CANNOT BE ACCUSED AFTER EXPIRY OF 15 DAYS FROM DISCOVERY OF VIOLATION;

- NO DISCIPLINARY PENALTY IMPOSED AFTER 30 DAYS FROM PROVING THE VIOLATION FOR EMPLOYEE RECEIVING MONTHLY SALARY AND 15 DAYS FOR OTHER EMPLOYEES.

RD 53/2023

- EMPLOYEE CANNOT BE ACCUSED AFTER EXPIRY OF 30 DAYS FROM DISCOVERY OF VIOLATION;

- NO DISCIPLINARY PENALTY TO BE IMPOSED AFTER 60 DAYS FROM DATE THE VIOLATION IS PROVED.



LIMITATION PERIOD

RD 35/2003

- 15 DAYS FROM DATE OF NOTIFICATION OF TERMINATION,
IN CASE OF DISMISSAL FROM WORK;

- 1 YEAR TO CLAIM ENTITLEMENTS FROM DATE OF RIGHT
TO SUCH ENTITLEMENTS

RD 53/2023

- 30 DAYS FROM DATE OF NOTIFICATION OF TERMINATION,
IN CASE OF DISMISSAL FROM WORK;

- 1 YEAR TO CLAIM ENTITLEMENTS FROM DATE OF RIGHT
TO SUCH ENTITLEMENTS



COMPENSATION FOR UNFAIR DISMISSAL

RD 35/2003

RD 53/2023

- MINIMUM THREE MONTHS GROSS SALARIES

- MINIMUM THREE MONTHS AND MAXIMUM 12 MONTHS
GROSS SALARIES



TERMINATION FOR POOR PERFORMANCE AND REDUNDANCY

RD 35/2003**RD 53/2023**

-THE NEW LABOUR LAW ALLOWS EMPLOYERS TO TERMINATE A WORKER FOR POOR PERFORMANCE FOR THE FIRST TIME, PROVIDED THAT THE WORKER HAS FAILED TO IMPROVE THEIR PERFORMANCE WITHIN SIX MONTHS OF BEING NOTIFIED BY THE EMPLOYER ABOUT THE AREAS THAT REQUIRE IMPROVEMENT.

-FURTHERMORE, EMPLOYERS ARE NOW EXPLICITLY PERMITTED TO TERMINATE WORKERS FOR ECONOMIC REASONS, SUBJECT TO APPROVAL BY A COMMITTEE COMPOSED OF MEMBERS FROM THE MINISTRY OF LABOR, THE MINISTRY OF COMMERCE, INDUSTRY & INVESTMENT PROMOTION, THE OMAN CHAMBER OF COMMERCE, AND THE GENERAL FEDERATION OF TRADE UNIONS OF OMAN.



OMANISATION

RD 35/2003
RD 53/2023

	<p>-EMPLOYERS MUST SHARE WITH THE MINISTRY OF LABOUR THEIR YEARLY STRATEGIES FOR LOCALISING THEIR WORKFORCE. THIS DATA, WHICH INCLUDES SPECIFICS SUCH AS THE COUNT OF OMANI WORKERS, WAGES, GENDER DIVERSITY, AND AVAILABLE JOB POSITIONS, MUST BE PUBLICLY ACCESSIBLE WITHIN THE WORKPLACE.</p>
	<p>-THE NEW LAW EXPRESSLY PERMITS THE TERMINATION OF NON-OMANI EMPLOYEES WHERE THE REASON FOR TERMINATION IS TO REPLACE THEM WITH AN OMANI NATIONAL.</p>
	<p>-THE NEW LAW REQUIRES EVERY COMPANY TO CREATE A PLAN FOR SELECTING AND TRAINING OMANI NATIONAL EMPLOYEES FOR LEADERSHIP POSITIONS, AND MAKING SURE THIS PLAN IS IMPLEMENTED.</p>



FIXED TERM CONTRACTS

RD 35/2003

RD 53/2023

- FIXED TERM CONTRACT NO LONGER AUTOMATICALLY BECOMES AN INDEFINITE CONTRACT UPON RENEWAL. HOWEVER, IF THE EMPLOYMENT CONTINUES FOR MORE THAN FIVE YEARS, THEN THE CONTRACT TERM BECOMES INDEFINITE. TERMINATION OF INDEFINITE CONTRACTS BY EITHER PARTY IS MORE STRAIGHTFORWARD THAN TERMINATION OF A DEFINITE CONTRACT, REQUIRING ONLY A "VALID REASON" AND COMPLIANCE WITH THE NOTICE PERIOD.



TERMINATING CONTRACT IN CASE OF NON-PAYMENT

RD 35/2003

RD 53/2023

-THE NEW LAW ALLOWS WORKERS TO LEAVE THEIR EMPLOYMENT IF THE EMPLOYER FAILS TO PAY WAGES FOR TWO CONSECUTIVE MONTHS OR FAILS TO ABIDE BY THE MAIN OBLIGATIONS OF THE LABOUR LAW AND THE CONTRACT.



PASSPORT CONFISCATION

RD 35/2003

RD 53/2023

-FOR THE FIRST TIME, THE NEW LABOUR LAW EXPLICITLY PROHIBITS THE EMPLOYER FROM KEEPING THE WORKER'S PASSPORT OR PRIVATE DOCUMENTS WITHOUT THE WRITTEN CONSENT OF THE WORKER.



MANDATORY MEDIATION

RD 35/2003

RD 53/2023

-UNDER THE NEW LABOUR LAW, IT IS OBLIGATORY FOR LABOUR DISPUTES TO INITIALLY UNDERGO MEDIATION AT THE MINISTRY OF LABOUR. DURING THIS PROCESS, THE MINISTRY AIMS TO ACHIEVE A RESOLUTION WITHIN 30 DAYS. IN CASE A SETTLEMENT ISN'T REACHED, THE MINISTRY WILL REFER THE DISPUTE TO COURT WITHIN A WEEK FROM THE CONCLUSION OF MEDIATION. WORKERS ARE PROHIBITED FROM FILING CASES TO DIRECTLY TO THE COURT WITHOUT MEDIATION.



REPATRIATION OF MIGRANTS

RD 35/2003

-PREVIOUSLY, THE LAW NOTED NO TIMEFRAME FOR REPATRIATION.

RD 53/2023

-THE NEW LABOUR LAW EXPLICITLY MANDATES A 60-DAY PERIOD DURING WHICH THE EMPLOYER HOLDS THE RESPONSIBILITY TO ARRANGE THE REPATRIATION OF MIGRANT WORKERS. SHOULD THE MIGRANT WORKER NOT HAVE DEPARTED WITHIN THIS TIMEFRAME, THE OMANI GOVERNMENT AUTHORITIES ARE THEN COMPELLED TO FACILITATE THEIR DEPORTATION.



NEW ARBITRARY DISMISSAL CODES

RD 35/2003

RD 53/2023

-ARTICLE 12 OF THE NEW LABOUR LAW PROVIDES NEW PROVISIONS ON WHAT CONSTITUTES ARBITRARY DISMISSAL WHICH INCLUDES, AMONG OTHER CASES, DISMISSAL IN CASE THE WORKER HAS JOINED A UNION, THE WORKER HAS FILED A COMPLAINT AGAINST THE EMPLOYER, OR THE WORKER'S ABSENCE DUE TO THEIR ARREST AND DETENTION BY THE AUTHORITIES UNDER CERTAIN CONDITIONS.



COMPENSATION FOR ARBITRARY DISMISSAL

RD 35/2003

-THE PREVIOUS LAW STIPULATED 3 MONTHS' SALARY FOR UNFAIR TERMINATION WITHOUT A CAP.

RD 53/2023

-THE COMPENSATION FOR UNFAIR DISMISSAL IS NOW CAPPED AT 12 MONTHS' GROSS SALARY. ADDITIONALLY, THE WORKER HAS NOW 30 DAYS TO FILE A COMPLAINT AGAINST UNFAIR DISMISSAL, UP FROM THE 15 DAYS STIPULATED BY THE PREVIOUS LAW.



INCREASED PENALTIES FOR IRREGULAR MIGRANT WORKERS

RD 35/2003

RD 53/2023

-THE NEW LABOUR LAW STIPULATES THAT MIGRANTS WHO WORK WITHOUT A PERMIT OR FOR AN EMPLOYER OTHER THAN THEIR OWN, AND EMPLOYERS WHO HIRE WORKERS IRREGULARLY, WILL BE SUBJECT TO IMPRISONMENT FOR A PERIOD OF NO LESS THAN TEN DAYS AND NOT MORE THAN A MONTH, AND A FINE NO LESS THAN OMR 1000 (US\$ 2,600) AND NOT EXCEEDING OMR 2000 (US\$ 5,200), OR ONE OF THESE TWO PUNISHMENTS. THE MIGRANT WORKER IS THEN DEPORTED AT THE COST OF THE EMPLOYER AND BANNED FROM ENTERING OMAN AGAIN.



WORKERS UNIONS

RD 35/2003

RD 53/2023

-THE NEW LABOUR LAW PROVIDES NEW CODES FOR UNION WORK. FOR EXAMPLE, ARTICLE 110 STIPULATES THAT REGISTERED TRADE UNIONS, SECTORAL GENERAL UNIONS, AND THE GENERAL CONFEDERATION OF WORKERS SHALL ENJOY AN INDEPENDENT LEGAL PERSONALITY AND HAVE THE RIGHT TO EXERCISE THEIR ACTIVITIES FREELY WITHOUT INTERFERING IN THEIR AFFAIRS OR INFLUENCING THEM.

ADDITIONALLY, IT IS PROHIBITED TO DISMISS OR PENALISE MEMBERS OF TRADE UNIONS DUE TO THEIR TRADE UNION ACTIVITY IN ACCORDANCE WITH THE REGULATIONS.



LABOUR STRIKES

RD 35/2003

RD 53/2023

-WORKERS CAN STRIKE WITHIN THEIR WORKPLACE TO ENHANCE WORKING CONDITIONS AFTER RECEIVING APPROVAL FROM THREE-QUARTERS OF THE TRADE UNION'S GENERAL ASSEMBLY MEMBERS. STRIKES ARE FORBIDDEN IN ESTABLISHMENTS OFFERING PUBLIC SERVICES, INCLUDING ESSENTIAL SECTORS LIKE OIL FACILITIES, REFINERIES, PORTS, AIRPORTS, AND PUBLIC TRANSPORTATION. ADDITIONAL SECTORS CAN BE DESIGNATED BY THE MINISTER.

TO INITIATE A STRIKE, WORKERS OR THEIR REPRESENTATIVES MUST INFORM BOTH THE EMPLOYER AND RELEVANT AUTHORITY IN WRITING AT LEAST THREE WEEKS PRIOR. THE NOTICE SHOULD OUTLINE THE STRIKE'S PURPOSE AND WORKER DEMANDS. STRIKING MUST CEASE DURING COLLECTIVE LABOUR DISPUTE RESOLUTION PROCEDURES.

STRIKE DAYS RESULT IN UNPAID LEAVE FOR WORKERS, WHILE ESTABLISHMENT CLOSURES DUE TO STRIKES GUARANTEE PAID WORKING DAYS. THE NEW LABOUR LAW PENALISES THE WORKER WHO "OBSTRUCTS OR DISRUPTS WORK IN THE ESTABLISHMENT DURING THE STRIKE PERIOD" WITH IMPRISONMENT FOR A PERIOD OF NO LESS THAN ONE MONTH AND NOT EXCEEDING SIX MONTHS, AND/OR A FINE NO LESS THAN OMR 500 (US\$ 1,300) AND NOT EXCEEDING OMR 3000 (US\$ 7,790).



OMANISATION MEASURES

RD 35/2003

RD 53/2023

-THE NEW LABOUR LAW INTRODUCES STRICTER OMANISATION POLICIES AND PENALTIES. THE LAW EXPLICITLY STATES THAT EMPLOYERS ARE NOT PERMITTED TO HIRE NON-OMANIS IN PROFESSIONS RESERVED FOR OMANIS. IN ADDITION TO THE CURRENT OMANISATION DECREES, EMPLOYERS WHO HIRE 25 WORKERS OR MORE MUST AMONG OTHER THINGS, PREPARE A PLAN FOR HIRING AND TRAINING OMANIS TO OCCUPY LEADERSHIP PROFESSIONS.



MEDICAL MANDATES

RD 35/2003

-THE PREVIOUS LAW REQUIRED EMPLOYERS WITH 100 WORKERS OR MORE TO PROVIDE FIRST AID EQUIPMENT AND APPOINT A QUALIFIED NURSE TO PROVIDE MEDICAL FIRST AID, OR CONTRACT WITH A SPECIALISED INSTITUTION TO PROVIDE SUCH SERVICES.

RD 53/2023

-THE NEW LABOUR LAW REQUIRES EMPLOYERS WITH MORE THAN 200 WORKERS TO PROVIDE FIRST AID EQUIPMENT AND APPOINT A QUALIFIED NURSE TO PROVIDE MEDICAL FIRST AID, OR CONTRACT WITH A SPECIALISED INSTITUTION TO PROVIDE SUCH SERVICES.



STRENGTHS

1. PROTECTION OF WORKERS' RIGHTS
2. PROMOTES FAIR EMPLOYMENT PRACTICES
3. LEGAL FRAMEWORK FOR DISPUTE RESOLUTION
4. REGULATION OF EMPLOYMENT CONTRACTS



WEAKNESS

1. COMPLEXITY AND AMBIGUITY
2. REGULATORY BURDEN ON BUSINESSES
3. LIMITED ENFORCEMENT AND COMPLIANCE
4. RESISTANCE TO CHANGE



OPPORTUNITIES

1. ADAPTATION TO TECHNOLOGICAL CHANGES
2. PROMOTING WORK-LIFE BALANCE
3. SKILLS DEVELOPMENT AND TRAINING
4. INCENTIVES FOR ETHICAL BUSINESS PRACTICES



THREATS

1. ECONOMIC DOWNTURNS
2. GLOBALIZATION AND OUTSOURCING
3. REGULATORY CHANGES
4. TECHNOLOGICAL UNEMPLOYMENT

IMPLEMENTATION – WHAT TO DO

THE HUMAN RESOURCES DEPARTMENT IN CONSULTATION WITH THE MANAGEMENT WILL STEP UP TO ENSURE THAT THE BELOW MENTIONED DELIVERABLES ARE COMPLETED BY NOVEMBER, 2023



1

NEW LABOUR LAW IS WELL-EQUIPPED TO RESOLVE DISPUTES

DISPUTE
RESOLUTION

2

THE NEW LABOUR LAW HAS BEEN PREPARED IN ALIGNMENT WITH VISION 2040 AND IS IN HARMONY WITH THE ASPIRATIONS OF EMPLOYERS AND EMPLOYEES

VISION
2040

3

THE LAW TAKES INTO ACCOUNT THE ECONOMIC DEVELOPMENT THAT MAY POSITIVELY OR NEGATIVELY AFFECT THE LABOUR MARKET.

ECONOMIC
DEVELOPMENT

4

THE LABOUR LAW PLACES GREAT EMPHASIS ON FOSTERING DIALOGUE AMONG THE THREE KEY STAKEHOLDERS IN PRODUCTION: THE GOVERNMENT, THE EMPLOYERS, AND THE EMPLOYEES. 1ST POINT OF CONTACT & MEDIATION WILL BE THE MINISTRY OF LABOUR.

FOSTERS
DIALOGUE

5

RIGHTS OF BOTH EMPLOYEES AND EMPLOYERS HAVE BEEN CONSIDERED AT GREAT LENGTHS

STAKEHOLDERS



**Smart Decisions.
Lasting Value.**

Crowe Oman

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THANK YOU

