

## **Cabinet Resolution No. (210) of 2025**

### **Regarding the Establishment of the Insurance Benefits Governance Fund for Workers in the Labor Market**

#### **The Cabinet:**

- Having reviewed the Constitution;
- Federal Law No. (1) of 1972 Regarding the Competences of Ministries and the Powers of Ministers, as amended;
- Federal Decree by Law No. (26) of 2019 Regarding Public Finance, as amended;
- Cabinet Resolution No. (11) of 2022 Regarding the Adoption of the Procedures Manual for the Establishment of Private Funds in the Federal Government; and
- Upon the proposal of the Minister of Human Resources and Emiratization, and the approval of the Cabinet,

#### **Hereby resolves as follows:**

### **Article (1)**

#### **Definitions**

For the purposes of the provisions of this Resolution, the following terms and expressions shall have the meanings assigned to each of them, unless the context requires otherwise:

- State** : The United Arab Emirates.
- Ministry** : The Ministry of Human Resources and Emiratization.
- Minister** : The Minister of Human Resources and Emiratization.
- Fund** : The Insurance Benefits Governance Fund for Workers in the Labor Market established pursuant to this Resolution.
- Activities** : The initiatives, programs, or projects undertaken by the Fund to achieve its objectives.

- Financial Resources** : The revenues derived from the percentages collected from providers of employment insurance services, any fees approved by the Cabinet, investment returns, contributions, and any other financial resources deposited into or transferred to the Fund’s account in accordance with the provisions of this Resolution, which shall be allocated to expenditure categories serving the objectives of the Fund.
- Distressed Establishment** : Any establishment subject to the provisions of Federal Decree by Law No. (33) of 2021 Regarding the Regulation of Labor Relations, in respect of which the Ministry, the judicial authority, or the competent authority determines that it is unable to fulfil its contractual obligations towards its workers, in whole or in part, during the term of employment or upon its termination, due to financial or operational difficulties as assessed by the Ministry.

## **Article (2)**

### **Establishment of the Fund**

1. A national fund shall be established within the Ministry to support workers in the labor market, to be known as the “Insurance Benefits Governance Fund for Workers in the Labor Market.”
2. The Fund shall be classified within the category of support and development funds.

## **Article (3)**

### **Objectives of the Fund**

The Fund shall aim to achieve the following:

1. Supporting workers in the Distressed Establishments.
2. Enhancing awareness among employers and workers in a manner that promotes sustainability, balance, and compliance in employment relations.

3. Promoting the stability and sustainability of the labor market through the development of innovative worker protection and insurance systems to respond to emergencies and economic fluctuations.
4. Providing financial support for activities that are not federally funded.

## **Article (4)**

### **Competences of the Fund**

For the purpose of achieving its objectives, the Fund shall exercise the following competences:

1. Preparing and implementing activities to support workers in Distressed Establishments.
2. Preparing and implementing awareness activities, studies, and consultancy services relating to the governance, regulation, and development of the labor market, and providing guidance materials to employers and workers.
3. Providing consultancy services and labor claims services to the parties to the employment relationship in a manner that contributes to the protection of rights and facilitates the settlement of labor disputes.
4. Developing worker protection and insurance systems and establishing preparedness plans for addressing emergencies and economic fluctuations in a manner that supports labor market stability.
5. Any other competences prescribed by a Cabinet Resolution.

## **Article (5)**

### **Management of the Fund**

The Minister shall be responsible for the management of the Fund and for establishing its governance controls in accordance with the Manual for the Establishment of Private Funds in the Federal Government approved by the Cabinet.

## **Article (6)**

### **Financial Resources of the Fund**

The Fund's Financial Resources shall consist of the following:

1. Financial amounts collected pursuant to agreements currently concluded, or to be concluded in the future, between the Ministry of Human Resources and Emiratization and providers of employment insurance services or any other services supporting the governance, regulation, and development of the labor market, in accordance with the percentages or amounts currently agreed upon or to be agreed upon in the future from the revenues collected by such service providers in consideration for the provision of services to workers or establishments.
2. Surpluses arising from the implementation of the Fund's budget for previous years from sources other than government support.
3. Cash and in-kind contributions, donations, and grants provided by private entities or individuals.
4. Returns generated from the Fund's investment income in accordance with the procedures followed by the Government.

## **Article (7)**

### **Management of the Fund's Assets**

1. The assets of the Fund shall be managed in accordance with the rules prescribed in the Federal Government Consolidated Financial Policies and Procedures Manual (FGAAP) and any other systems, legislation, and policies relating to financial affairs, accounting, and procurement applicable within the Federal Government.
2. The Fund's annual budget and final accounts shall be approved by the Cabinet.
3. Expenditure from the Fund's assets shall be limited to current expenditures relating to the competences and activities of the Fund.
4. No expenditure shall be made from the Fund's Financial Resources unless sufficient funds are available in its account to cover the amount to be financed or expended.
5. The Fund shall be subject to the oversight of the UAE Accountability Authority.
6. The assets of the Fund shall be deemed private funds and shall be deposited in special accounts opened in its name with the bank or banks designated by the Ministry of Finance in coordination with the Ministry. The Minister shall issue a decision specifying the persons authorized to manage such bank accounts.

7. The maximum aggregate cash balances at the end of each financial year shall be AED 500,000,000 (five hundred million Dirhams). Any amount in excess thereof shall be transferred to the general treasury account as federal revenue immediately upon approval of the Fund's final accounts.
8. The Fund shall enjoy financial independence from the Ministry's budget and accounts.

## **Article (8)**

### **Fiscal Year**

The fiscal year of the Fund shall commence on the first day of January and shall end on the thirty-first day of December of each year.

## **Article (9)**

### **General Provisions**

1. Without prejudice to the provisions of this Resolution, the provisions set out in the approved Manual for the Establishment of Private Funds in the Federal Government shall apply to the Fund.
2. The Ministry shall provide the Ministry of Finance with the report of the UAE Accountability Authority regarding the audit of the Fund's final accounts immediately upon receipt thereof, as well as any other financial reports.

## **Article (10)**

### **Executive Resolutions**

The Minister shall issue the resolutions necessary for the implementation of the provisions of this Resolution.

## **Article (11)**

### **Publication and Entry into Force**

This Resolution shall be published in the Official Gazette and shall enter into force on 1 January 2026.

**Mohammed bin Rashid Al Maktoum**

**Prime Minister**

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