

New Visa Regulations in the United Arab Emirates

The United Arab Emirates (“UAE”) have recently published new visa regulations. This newsletter provides an overview of changes introduced by the new regulations:

A. No Visa without Health Insurance in Dubai

A new Health Insurance Law for the Emirate of Dubai (Dubai Health Insurance Law No. 11 of 2013) came into effect on 1 January 2014. The law’s aim is to ensure that all employees in the Emirate of Dubai have adequate health insurance.

Although the new Health Insurance Law already came into effect on 1 January 2014, the mandatory provisions of health insurance cover will be implemented in 3 stages:

Stage 1:	1st September 2014	Employers with more than 1,000 employees
Stage 2:	1st August 2015	Employers with 100 to 1,000 employees
Stage 3:	1st August 2016	Employers with less than 100 employees; spouses; domestic staff; dependents

As a consequence of the new Health Insurance Law, as of **1 August 2015**, the General Directorate of Residency and Foreigners Affairs (“GDRFA”), which is responsible for all immigration related matters for the UAE, **will not issue new visas or renew any visa** if an employer with more than 100 employees has failed to provide adequate health insurance cover for its employees.

To ensure the adequate enforcement of the new Health Insurance Law, the Health Funding Department (“HFD”) of the Dubai Health Authority has partnered with the GDRFA. The GDRFA will have access to HFD’s electronic member register, which includes information about insurance details for each individual employee. Whenever an employee cannot be found in HFD’s electronic member register, the visa application will be rejected.

As per verbal information received from a GDRFA representative, a set of punitive measures is planned for companies which do not adhere to the provisions of the new law and fail to provide mandatory health insurance for employees; as per the representative such measures may include fines, a freeze on visa transactions (e.g. renewals and applications for new visas), blacklisting or non-renewal of trade licenses,.

To ensure compliance with the new Health Insurance Law, it is recommended to provide evidence at the time of applying for issuance or renewal of a visa that the employer has obtained insurance coverage for the concerned employee(s).

B. New Visa Regulations for European Citizens in the UAE

On 6 May 2015 the European Union (“EU”)¹ and the UAE signed a short-stay visa waiver agreement. The new visa agreement provides for visa-free travel for EU citizens when travelling to the UAE and for citizens of the UAE when travelling to the EU, for a period of 90 days (continuously or in several consecutive visits) within a 180-day period.

The agreement requires the consent of the European Parliament before it can be executed. However, the new regulations apply on a provisional basis as from **6 May 2015**.

While the new visa regulations are in favor of UAE nationals, the new regulations can be considered as limiting visa rights of EU citizens residing in the UAE without residence visas. Before the introduction of the new regulations EU citizens would receive a visit visa on arrival allowing them to stay in the UAE for 30 days (plus 10 days grace period); upon exiting the UAE they were allowed to immediately return to the UAE with a new 30-day visit visa being granted to them.

This mechanism led to the practice known as “visa run”, whereby many EU citizens (as well as citizens of other countries) live and work in the UAE without having appropriate visas and work permits; upon the expiry of their visit visa they leave the territory of the UAE and immediately re-enter it again (and thus obtaining a new 30- day visit visa).

As per the new regulations, EU citizens may stay in the UAE for a maximum duration of 90 days and will have to exit the UAE for a minimum of 90 days before being allowed to re-enter the UAE again. As a consequence, visa runs for European citizens to Oman and other neighboring countries may not be possible anymore and visa applicants coming back from any of the neighboring countries of the UAE may have their applications rejected.

As of now, it cannot be foreseen how the GDRFA will apply the new regulations upon expiry of the 90-day visa-free period, i.e. if EU citizens will have to exit the UAE for a 90-day period before being able to re-enter the country. As per verbal information obtained from a GDRFA representative, the GDRFA will refrain from implementing the new regulations and EU citizens exiting the UAE after a stay of 90 days may return to the UAE immediately without the necessity to observe the 90 days waiting period before re-

¹ Ireland and the United Kingdom are not subject to the agreement in accordance with the protocols annexed to the EU treaties. The visa regulations to these member states remain subject to their national legislation.

entering the UAE. However, it remains to be seen what the administrative practice of the GDRFA will actually look like.

C. New “Online Visa Application System” in Dubai

Starting from **1 September 2015**, companies carrying out their business in the mainland of the Emirate of Dubai must register with a mandatory “Online Visa Application System” in order to apply for new visas or renew existing visas for its employees. The GDRFA will no longer accept manual visa applications and all visa transactions must be carried out through the Online Visa Application System.

Employers in the mainland of Dubai can apply for their online account at any branch of the GDRFA in order to obtain their log-in details. Additionally employers must apply for a “Noqodi Account”² in order to process payments through the online account.

The legal consultants of SCHLÜTER GRAF Rechtsanwälte will gladly assist you with any queries or compliance matters regarding the above mentioned new laws and regulations.

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² Noqodi is an electronic payment service available through several banks such as Emirates Islamic Bank, Emirates NBD, Commercial Bank of Dubai, Abu Dhabi Islamic bank, Mashreq Bank or Dubai Islamic Bank. Noqodi accounts can be opened with any of the above mentioned banks without the requirement of having a company bank account with the respective bank.