

ALLEN & OVERY

Employment Reorganisation Roadmap

Qatar

1 April 2021



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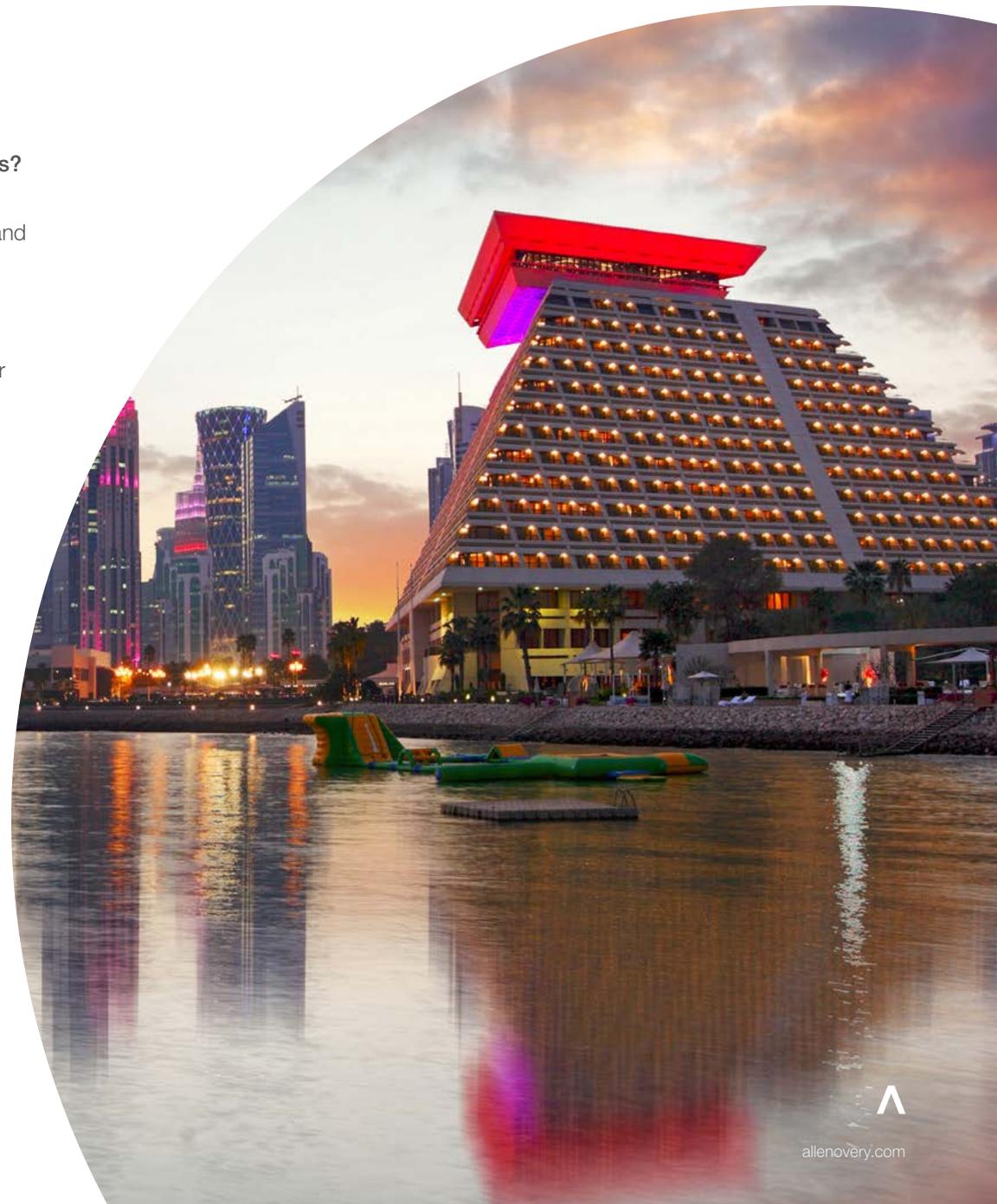
1. Employee representation

1.1. What are the main forms of employee representation involved in restructurings?

Although Qatari workers are allowed to form a committee if there are at least 100 Qatari workers in the company, this committee has no rights to be involved in the information and consultation process. There are no trade unions at company level in Qatar.

1.2. Is there a system of employee participation rights?

Employees have no right to management or board-level representation. Workers in companies with at least 30 workers may, however, form a joint committee with employer representatives to study various work-related matters and may conduct collective negotiation and conclude joint agreements.



2. Process on business sales

2.1. Are employees automatically transferred to a buyer by operation of law on a business sale?

If a business undergoes a merger or if there is a transfer of ownership or management to a new owner/buyer, all employment contracts are automatically transferred by operation of law to the buyer who will be jointly liable with the seller for the payment of employees' entitlements accrued for the period prior to the transfer. The employees' contracts remain in force and their services are deemed to be continuous.

2.2. If so, in broad terms, what is the legal test for identifying which employees transfer?

Employees who are employed by the target business, or who devote a substantial part (eg at least 50%) of their working time to it, will transfer.

2.3. Can employees object to the automatic transfer of their employment and what are the consequences of an objection?

An employee may resign on account of a change in their working conditions in which case the employee will be entitled to receive notice pay and any end-of-service gratuity from the seller (see answers to and).

2.4. Do obligations to inform and consult employees or employee representatives arise on a business sale?

There are no requirements to inform/consult employees representatives in relation to a proposed business sale.

2.5. What are the penalties for non-compliance with information and consultation obligations on a business sale?

There is no obligation to inform/consult employee representatives on a business sale.



3. Process on share sales

3.1. Do obligations to inform and consult employee representatives arise on a direct share sale (ie, on the sale of the company itself)?

There is no obligation to inform/consult employee representatives on a direct share sale.

3.2. Do obligations to inform and consult employee representatives arise on an indirect share sale (on the sale of a company's direct or indirect holding company)?

There is no obligation to inform or consult employee representatives on an indirect share sale.

4. Process on outsourcing

4.1. Are employees transferred by operation of law in the following scenarios: (i) on an initial outsourcing of processes/services; (ii) on a change of supplier; or (iii) on an insourcing of processes/services?

Where any of these scenarios leads to a partial transfer of management of the Qatari company, the employees affected by the transfer as a result of such outsourcing will automatically transfer to the supplier/service provider by operation of law.

4.2. Do obligations to inform and consult employees or employee representatives apply in any of these scenarios?

There is no obligation to inform/consult employees or employee representatives in these scenarios.



5. Process on collective dismissals

5.1. Is a “collective dismissal” (or “mass layoff”) defined by law?

There is no concept of collective dismissals, nor any specific regulations regarding collective dismissals. As to individual redundancy dismissals, please see

5.2. Do obligations to inform and consult employee representatives arise on a collective dismissal?

There is no concept of collective dismissals, nor any specific regulations regarding collective dismissals. As to individual redundancy dismissals, please see

5.3. Do obligations to inform and consult the competent authorities arise on a collective dismissal?

There is no obligation to inform/consult the competent authorities as there are no specific regulations regarding collective dismissals.

5.4. When are these obligations triggered?

There is no requirement to inform/consult regarding collective dismissals.

5.5. What are the penalties for non-compliance with information and consultation obligations on a collective dismissal?

There are no specific penalties for collective dismissals. Please see answer to as to penalties for non-compliance with individual dismissal procedure.

5.6. Do obligations to inform and consult employee representatives and/or competent authorities arise in the context of multiple dismissals, which do not qualify as a collective dismissal, as defined by law?

There is no obligation to inform/consult employee representatives and/or competent authorities in the context of multiple dismissals.

5.7. Does an employer have options/alternatives when it has been unable to reach agreement with employee representatives during the negotiation period?

There is no duty on the employer to inform/consult or to reach agreement with employee representatives.



6. Process on individual dismissals

6.1. Are employees entitled to a minimum period of notice on dismissal on redundancy or economic grounds?

The minimum notice entitlement ranges from:

- one to two months for a worker who is paid annually or monthly, and
- one week to one month for other workers.

6.2. Does any special procedure apply when proposing to implement an individual dismissal on redundancy or economic grounds?

An employer is not required to give reasons to terminate an indefinite employment agreement. There are no specific procedural requirements relating to a redundancy, other than the requirement to give minimum notice and pay severance.

6.3. Does special dismissal protection apply where dismissals are to be implemented following or in connection with a business transfer?

There are no specific procedural requirements relating to dismissals following a business transfer, other than the requirement to give minimum notice.

6.4. Are employees entitled to a minimum severance payment on dismissal for redundancy or economic grounds?

On the expiry of specific-term contracts or on the termination of an indefinite contract by employers, employees with one or more years' service are entitled to a minimum end-of-service gratuity. The amount of this gratuity is subject to agreement between the parties, subject to a minimum of three weeks' wages for each year of employment. The end-of-service gratuity is calculated on the basis of the last basic wage, and the employee will be entitled to an end-of-service gratuity for fractions of the year in proportion to the duration of employment.

The employer must pay all outstanding wages by close of business following the last day of employment and must honour all benefit and bonus gratuities. The employer must also meet the cost of returning non-Qatari nationals to the location where they were recruited (or to such other location as is agreed) unless such employee will be remaining in Qatar following the end of their employment.

6.5. What are the penalties for non-compliance with individual dismissal procedure?

The employer must pay the employee compensation equivalent to their wage for the prescribed notice period and any end-of-service gratuity.

6.6. Is there any special legal protection or does any special treatment apply for particular groups of workers?

There is no special legal protection that applies for particular groups of workers.



7. Process when implementing alternatives to redundancy

7.1. Can changes to employment terms be made with or without express employee consent?

Changes to the employment terms should generally be agreed with the employee. The employment agreement may, however, contain an express right for an employer to vary terms without the employee's consent.

7.2. Must an employer consult individually or collectively with affected employees or their representatives (if any) before making changes to employment terms?

Unless the employment agreement contains an express right for the employer to vary terms without the employee's consent (see answer to 7.1), an employer must consult individually with the affected employees before making changes to the employment terms.

7.3. Do additional restrictions apply if changes are proposed in connection with or following a business transfer?

There are no additional restrictions if changes are proposed in connection with or following a business transfer.

7.4. What are the penalties for non-compliance with these procedures?

Subject to the terms of the employment agreement, the changes cannot be made without the employee's consent (see answer to 7.1). If the employee resigns on account of changes made unlawfully or if they are dismissed, the employer must pay the employee compensation equivalent to their notice pay and any end-of-service gratuity (see answers to and).

7.5. Do national laws promote or permit any alternatives to redundancy (eg layoff or short-time working)?

Qatari law does not promote alternatives to redundancy. However, alternatives can be agreed between an employer and the relevant employees.

8. Process on insolvency

8.1. Do obligations to inform and consult employee representatives arise on the sale of an insolvent business (whether share sale or business sale)?

Insolvency in Qatar is extremely rare and there are no real precedents providing guidance on what happens to employees on the sale of an insolvent business. There is, however, no obligation to inform/consult employee representatives on the sale of a solvent business, and this is also likely to be the position on the sale of an insolvent business (see [here](#) for further information).

8.2. Does the buyer of an insolvent business inherit employees and/or employee liabilities by operation of law?

Insolvency in Qatar is extremely rare and there are no real precedents providing guidance on what happens to employees on the sale of an insolvent business. However, the same rules are likely to apply as on the acquisition of a solvent business. If there is a transfer of ownership or management of the business to a new owner/buyer, all employment contracts are automatically transferred by operation of law to the buyer who will be jointly liable with the seller for the payment of employees' entitlements accrued for the period prior to the transfer. The employees' contracts remain in force and their services are deemed to be continuous.

Please note that the employment contracts of an insolvent entity do not automatically terminate unless the entity must discontinue use of its commercial premises. An employee whose services are terminated may seek appropriate compensation from the insolvent entity.

8.3. Do obligations to inform and consult employee representatives arise where collective dismissals are to be implemented in an insolvent business?

There is no concept of collective dismissals, nor any specific regulations regarding collective dismissals. Rules on individual dismissals would, however, need to be observed in an insolvency situation (see [here](#) for further information)



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