

ALLEN & OVERY

Employment Reorganisation Roadmap

Qatar (QFC)

1 April 2021



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1. Employee representation

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

There are no trade unions or employee works councils under the Qatar Financial Centre Employment Regulations (which are effective from 16 June 2020) (QFC Regulations).

1.2. Is there a system of employee participation rights?

Employees have no right to management or board-level representation.



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 sale takes place, employees are not automatically transferred by law. The transfer of employees must be agreed separately between a buyer and seller. Employees will only transfer to a buyer if the buyer offers them employment and they accept. If their employment terminates with the seller and they are rehired by the buyer, employees will be entitled to receive notice pay and any contractually agreed end-of-service payment from the seller (see answers to and).

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

Employees are not automatically transferred to a buyer by operation of law on a business sale.

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

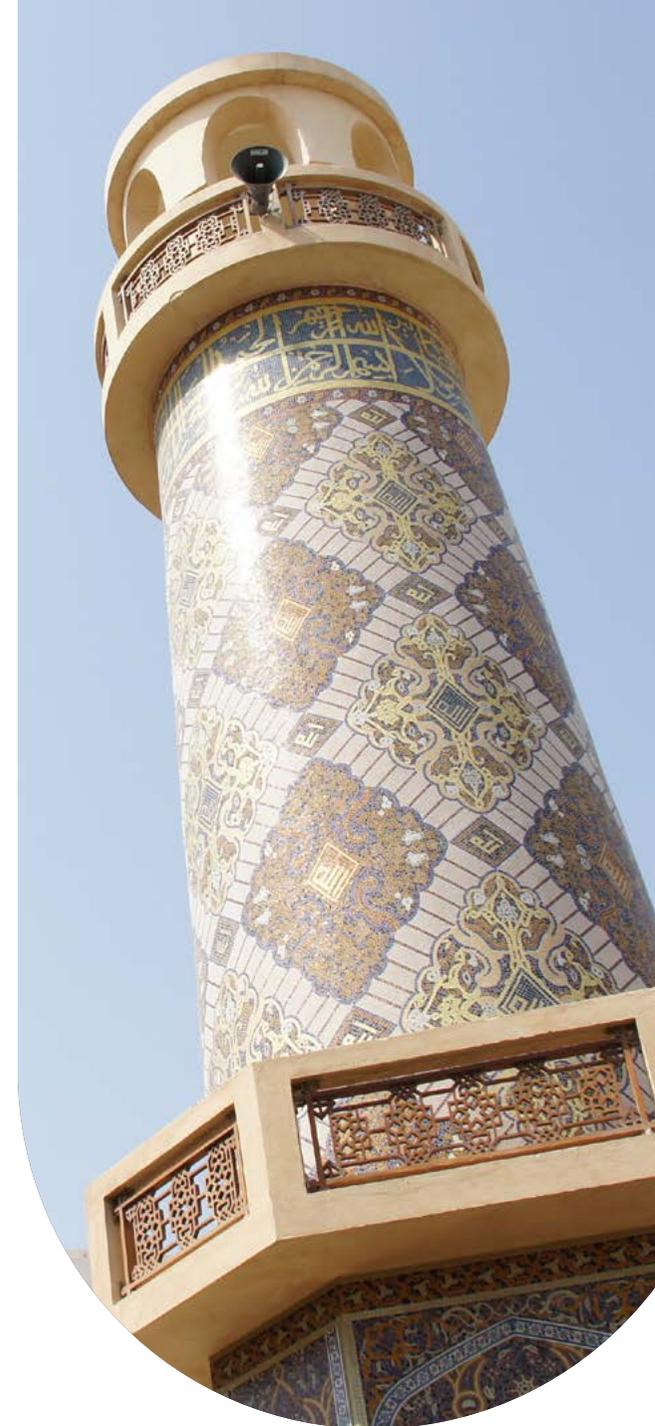
An employee may resign on account of a change in their working conditions in which case the employee will be entitled to receive notice pay and any contractually agreed end-of-service payment from the seller (see answers to and).

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

There is no obligation to inform or consult employee representatives in relation to a proposed business sale. There is no obligation to inform and consult employees save to the extent necessary to seek their consent to a transfer of their employment to the buyer.

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/consult employee representatives on an indirect share sale.

4. Process on outsourcings

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?

Employees are not automatically transferred by operation of law in any of these scenarios. The transfer of employees must be agreed separately in the outsourcing arrangement. Employees will only transfer to a new supplier/service provider if it offers them employment and they accept. If their employment terminates with the outgoing supplier/service provider and they are rehired by the incoming one, employees will be entitled to receive notice pay and any contractually agreed end-of-service payment from the outgoing supplier/service provider (see answers to and).

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 employee representatives in these scenarios. There is no obligation to inform/consult employees save to the extent necessary to seek their consent to a transfer of their employment to the new supplier/service provider.

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 requirement to inform/consult the QFC Authority. However, in practice, all QFC licensed firms have a general obligation to keep the QFC Authority informed of any material change affecting their business.

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?

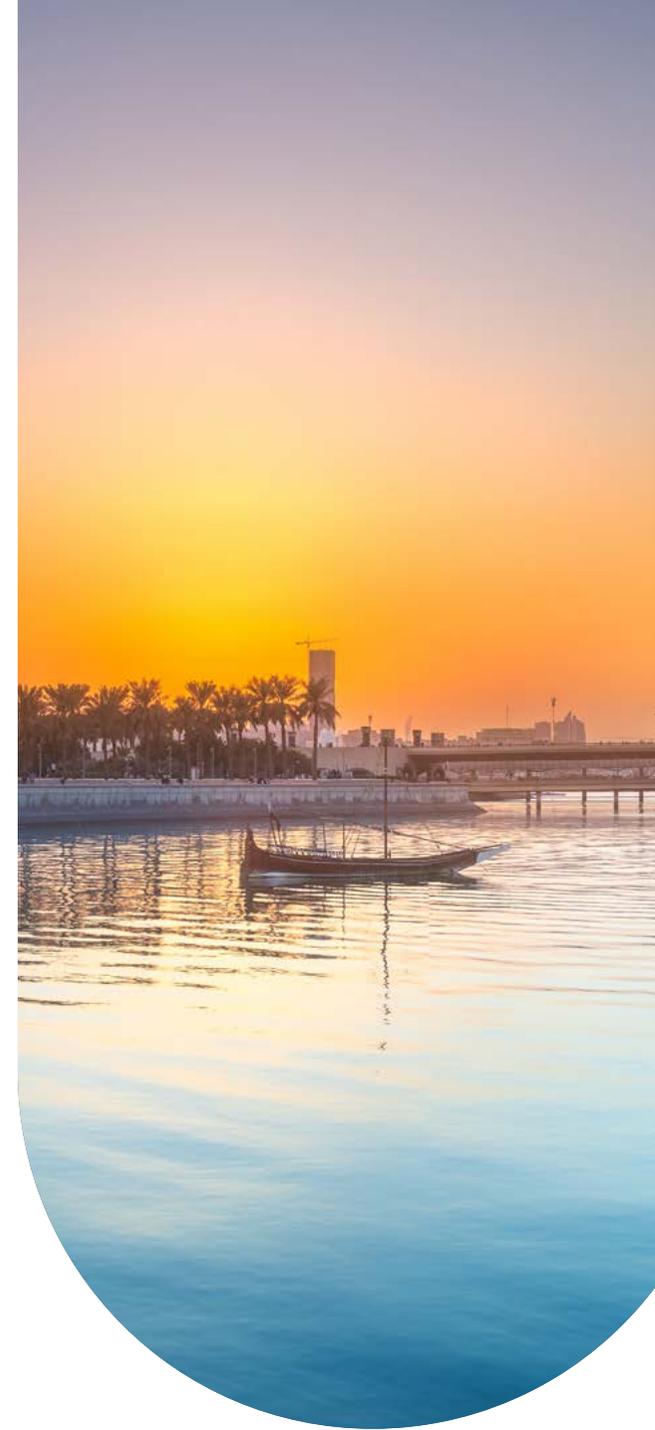
There are no specific penalties for collective dismissals. Please see answer to as to penalties for non-compliance with individual dismissal procedure.

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 the 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 depends on length of service:

- up to three months' service – two weeks' notice
- three months' up to five years' service – one month's notice, or
- five or more years' service – three months' notice.

The parties may agree a longer or shorter notice period. Either party may waive notice, or a payment in lieu of notice may be accepted.

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

There are no specific procedural requirements relating to a redundancy, other than the requirement to give minimum notice.

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?

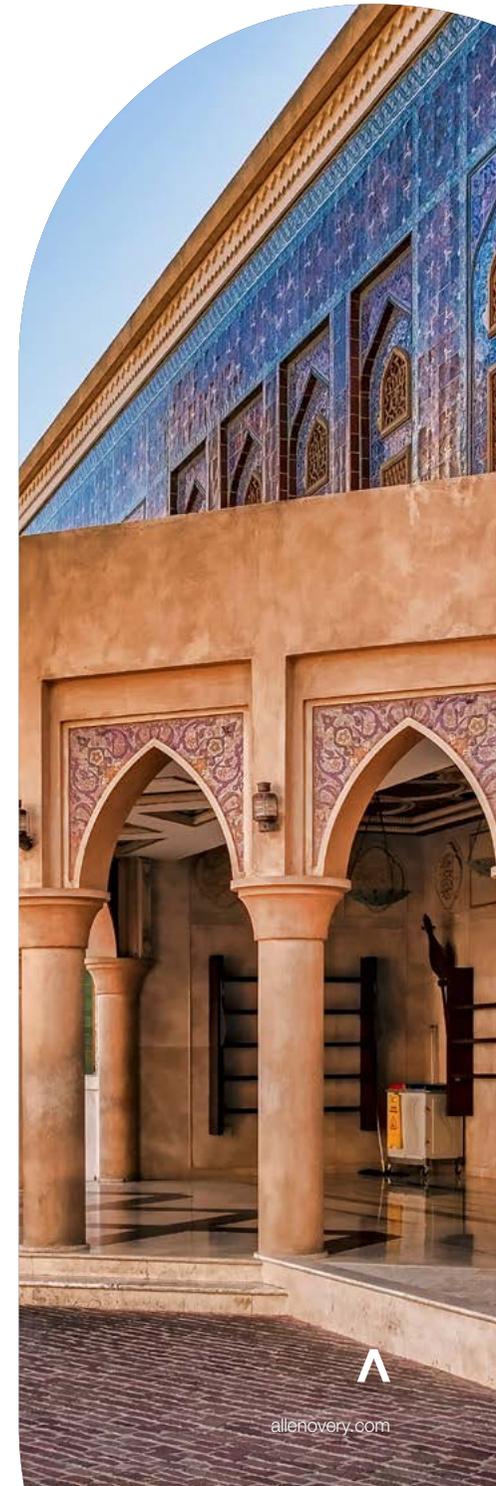
An employee is entitled to receive any end-of-service payment agreed in the employment agreement.

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

A complaint may be made to the Employment Standards Office, which may order the employer to pay any sums due to the employee or former employee, and/or an amount of compensation, where it is satisfied that the employer has breached a provision of the QFC Regulations.

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 agreed end-of-service payment (see answers to and).

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

QFC 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)?

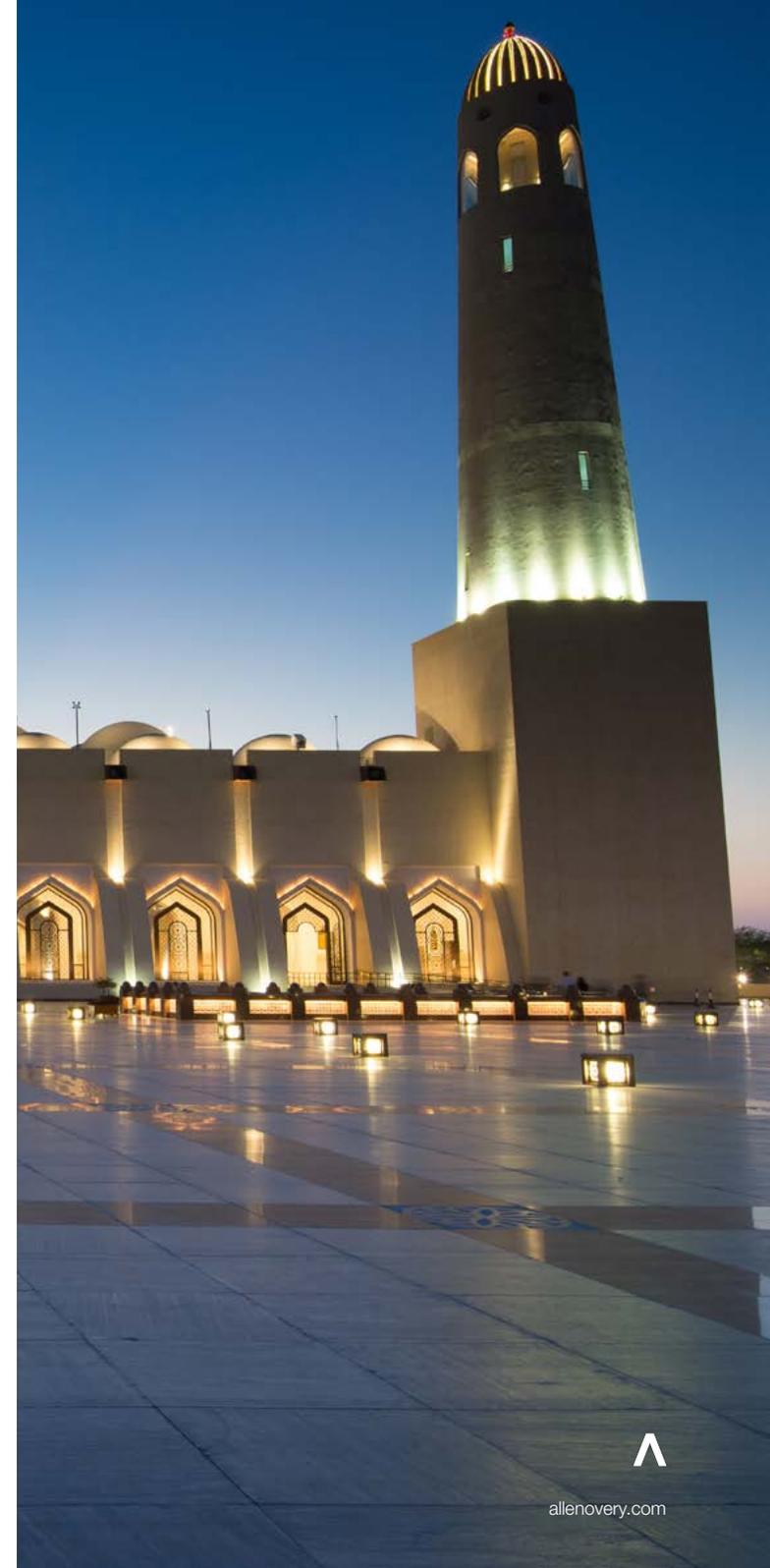
Insolvency in the QFC is extremely rare and there are no real precedents providing guidance on what happens to employees on the sale of an insolvent business. There is no obligation to inform/consult employee representatives on the sale of a solvent business, and this is also likely to be the position 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 the QFC 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 a business sale takes place, employees are not automatically transferred by law. For the employees' employment to transfer to a buyer, the buyer must make an offer of employment to the employees which must then be accepted by them.

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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