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Global Employer Services
Middle East

In the Middle East
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As businesses continue to evolve and expand, companies require a global workforce and global mobility now more than ever. Increasingly, employees are expected to be sent to different locations, in a wider variety of roles. Management of mobility programs within the Middle East can be challenging given its complex socio-political environment, and frequent changes to rules and practices contribute to making the Middle East a more difficult region to navigate, and to maintain compliance, than elsewhere.

Failure to comply with employer reporting obligations and company registrations can impact the ability to do business in many other locations across the globe. An understanding of key mobility issues is therefore essential.

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Key considerations for the Middle East region

Although specific rules and practices will vary from country to country, there is a number of key themes which are consistent across the region. We have set out below an overview of key considerations from a mobility perspective.

Key considerations	Overview
Quota considerations	<ul style="list-style-type: none"> • Depending on local legislation, a company may be provided with a certain quota for each visa type. • Restrictions on recruitment in terms of the requirements of local staff relative to the number of foreign employees (which might be dependent on the size of the company, the industry sector and the region).
Restriction of certain job roles to local nationals	<ul style="list-style-type: none"> • Certain job roles can be limited to local nationals only.
Employee designation	<ul style="list-style-type: none"> • An individual's role and job title may also trigger specific requirements from an immigration perspective. • In some countries an individual who will be employed in certain roles will need a degree or certificate of education which supports that job specification.

Key considerations	Overview
Employee status	<ul style="list-style-type: none"> • Security concerns across the region have led to increased scrutiny of new visa applications and renewals. Nationals of countries which are perceived to be ‘high risk’ or ‘medium risk’ may face difficulties in obtaining the required security clearances to enter and work in the region – which can delay processes, or in some cases lead to rejection of visa applications.
Sponsoring of dependents	<ul style="list-style-type: none"> • Should the assignee have accompanying dependents, the assignee will usually be able to act as a sponsor for their visa applications, subject to meeting basic salary requirements and other conditions. • However, consideration should be given on a case-by-case basis – for example, a wife wishing to sponsor a dependent husband may face challenges in obtaining the required approvals, depending on the specific circumstances.
Labor laws	<ul style="list-style-type: none"> • Many jurisdictions will require the individual to have a local contract of employment with their employer in the host country, and this may be a prerequisite to obtaining the required residence visas and work permits. • The local contract of employment will be required to comply with the applicable labor law in the host country.
Payroll compliance	<ul style="list-style-type: none"> • Certain jurisdictions in the region require employees to be paid locally into a local bank account with a designated bank. For example, the UAE has introduced the Wage Protection System (WPS) as a means of protecting the interests of employees.
Tax and social security	<ul style="list-style-type: none"> • While the Gulf countries do not currently impose personal income taxes on individuals, there are extensive employment tax and social security considerations for individuals working elsewhere in the region – e.g. Iraq, Iran, Libya, etc. • Tax legislation in the region and tax authority processes may not be as developed as elsewhere – approaches taken by the relevant tax authorities can be inconsistent.
Permanent establishment and corporate level considerations	<ul style="list-style-type: none"> • Few of the countries within the Middle East region are OECD members. Many countries in the region take a territorial approach to assessing corporate taxes at an entity level, and do not provide for any de minimis period of time before an exposure to taxes is created – this should be borne in mind in respect of frequent business travelers to the region. • From a corporate law perspective, it may also be a requirement for the foreign company to establish a legal entity in the country prior to commencing operations.

Transforming your global employment programs

Deloitte has been advising clients across the region and providing a connected end-to-end approach to businesses in the Middle East whilst ensuring a cost-efficient return on investment.

We have set out below a brief overview of key potential service offerings and areas where we are able to support and add lasting value. The scope of work required may vary from country to country within the region, based on local legislation and practices.

1. Pre-assignment planning

- Prior to mobilization of employees, we can provide advice with respect to key considerations in the host jurisdiction, with a view to supporting the process efficiently – e.g. consideration of quota restrictions with respect to the number of expatriates that can be brought into the country; support in applying for new or additional quotas, etc.



2. Eligibility assessment

- We will conduct a full eligibility assessment through review of facts and circumstances of the assignee's move to the region – e.g. based on job title, nationality, qualifications, etc.
- Our eligibility assessment will also include early identification of red flags and possible delays to the process.
- We are able to advise on required steps, process and timing in relation to the proposed move to help manage the assignment.



3. Immigration – transactional support

- We can assist firms with obtaining work permits and residence visas for their employees assigned to the Middle East region.
- In certain jurisdictions the Company's Public Relations Officer (PRO) should represent the company before the relevant authorities. However, Deloitte is also able to assist the PRO in the background and will work with you to the fullest possible extent.

4. Document procurement services

- We can assist with attestation of education documents required as part of the visa process, including coordination within the Deloitte network to obtain attestation in the country of origin of the document, where necessary.



5. Labor law considerations

- While we do not typically provide legal services in the Middle East, we can advise on key issues from an employment law perspective – e.g. local payroll and immigration considerations, end of service benefits, local contract requirements, minimum wages (where applicable), salary structuring etc.



6. Corporate services

- Company formation (onshore, offshore and free zones), managing licensing, company secretarial, trademark registration, liquidations and other government-related procedures.

7. Payroll services

- Assistance with monthly payroll processing services including salary payment under the Wages Protection System (WPS), where applicable.



8. Ongoing tax and social security compliance

- We are able to assist with preparation of the assignee's host country tax and social security returns, including keeping track of their compliance obligations in their host country.
- Assistance with obtaining exemptions from social security.
- We are also able to assist firms to fulfill their corporate tax obligations in the region, where applicable.
- Permanent establishment considerations, identification and monitoring of business travelers.

Contacts



Alex Law
Partner, Tax
Deloitte Middle East
Tel +971 (0) 4 506 4891
alexlaw@deloitte.com



Jayne Stokes
Global Employer Services Leader
Deloitte Middle East
Tel +971 (0) 4 506 4895
jstokes@deloitte.com



Amir Mayo
Immigration Subject Matter Expert
Deloitte Middle East
Tel +971 (0) 5 5941 9904
amayo@deloitte.com



Basit Hussain
Business Process Outsourcing Leader
Deloitte Middle East
Tel +971 (0) 4 376 888
bhussain@deloitte.com



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