



International
Labour
Organization

المكتب التنفيذي
EXECUTIVE BUREAU



► Wage Protection Systems in the Gulf Cooperation Council Countries

A regional analysis

© International Labour Organization 2025.
First published 2025.



Attribution 4.0 International (CC BY 4.0)

This work is licensed under the Creative Commons Attribution 4.0 International. See: creativecommons.org/licenses/by/4.0. The user is allowed to reuse, share (copy and redistribute), adapt (remix, transform and build upon the original work) as detailed in the licence. The user must clearly credit the ILO as the source of the material and indicate if changes were made to the original content. Use of the emblem, name and logo of the ILO is not permitted in connection with translations, adaptations or other derivative works.

Attribution – The user must indicate if changes were made and must cite the work as follows: *Wage protection systems in the Gulf Cooperation Council countries: A regional analysis*, Geneva: International Labour Office, 2025. © ILO.

Translations – In case of a translation of this work, the following disclaimer must be added along with the attribution: *This is a translation of a copyrighted work of the International Labour Organization (ILO). This translation has not been prepared, reviewed or endorsed by the ILO and should not be considered an official ILO translation. The ILO disclaims all responsibility for its content and accuracy. Responsibility rests solely with the author(s) of the translation.*

Adaptations – In case of an adaptation of this work, the following disclaimer must be added along with the attribution: *This is an adaptation of a copyrighted work of the International Labour Organization (ILO). This adaptation has not been prepared, reviewed or endorsed by the ILO and should not be considered an official ILO adaptation. The ILO disclaims all responsibility for its content and accuracy. Responsibility rests solely with the author(s) of the adaptation.*

Third-party materials – This Creative Commons licence does not apply to non-ILO copyright materials included in this publication. If the material is attributed to a third party, the user of such material is solely responsible for clearing the rights with the rights holder and for any claims of infringement.

Any dispute arising under this licence that cannot be settled amicably shall be referred to arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL). The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of such a dispute.

For details on rights and licensing, contact: rights@ilo.org. For details on ILO publications and digital products, visit: www.ilo.org/publns.

ISBN: 9789220420232 (print); 9789220420249 (web PDF)

DOI: <https://doi.org/10.54394/UFUU1345>

Also available in Arabic: *نظم حماية الأجور في بلدان مجلس التعاون الخليجي - تحليل إقليمي*

ISBN: 9789220420256 (print)

9789220420263 (web PDF)

The designations employed in ILO publications and databases, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the ILO concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers or boundaries. See: www.ilo.org/disclaimer.

The opinions and views expressed in this publication are those of the author(s) and do not necessarily reflect the opinions, views or policies of the ILO.

Reference to names of firms and commercial products and processes does not imply their endorsement by the ILO, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

► Wage Protection Systems in the Gulf Cooperation Council Countries

A regional analysis



Foreword

In an important step forward towards ensuring timely and correct payment of wages in line with the ILO Protection of Wages Convention, 1949 (No. 95) and the Protection of Wages Recommendation, 1949 (No. 85), the six Gulf Council Cooperation (GCC) countries have all introduced wage protection systems (WPSs). These are electronic salary transfer systems that allow oversight by authorities and institutions – including ministries of labour, government-authorized financial institutions, banks and currency exchange centres – of wages paid by employers to workers in the private sector.

An innovation developed in the GCC, these WPSs constitute promising practices that highlight ways in which WPSs can support the identification of wage violations alongside some of the actions that can be taken to support resolution of these violations in GCC countries. There are also opportunities to further strengthen WPSs, by ensuring that they are extended to more workers who are vulnerable to non-payment or delayed payment of wages, and by implementing stronger enforcement mechanisms.

Despite more than a decade of implementing WPSs in some GCC countries, limited information is available about the institutional frameworks and internal mechanisms of how each WPS is designed and operates. This report has been prepared by the ILO, in close collaboration with the GCC Executive Bureau, to address this knowledge gap.

The critical analyses of WPSs in the GCC presented in this work are informed by a review of publicly available documentation on the various WPSs, with supplementary information provided by GCC government focal points as nominated by their respective governments. They benefited from a workshop organized by the GCC Executive Bureau and the ILO in February 2024, where government focal points provided feedback on a draft version of the report.

The report offers valuable insights for policymakers and practitioners. It advances several recommendations to support strengthened WPSs, which cut across four areas: (1) extending coverage to all workers who are vulnerable to wage issues; (2) capturing high-quality data; (3) improving systematic detection of wage violations; and (4) linking violations to robust enforcement and compensation mechanisms. It also includes separate recommendations to support the inclusion of domestic workers within a WPS on a mandatory basis.

The ILO and the GCC Executive Bureau hope this report will stimulate further discussion and action to strengthen wage protection for all workers in the GCC region. The experience and lessons learned gained in designing and implementing these WPSs are a valuable resource, not only to improve the operation and effectiveness of WPSs in the GCC countries themselves, but to potentially also serve as good practice models for replication elsewhere.



Ruba Jaradat
Regional Director for Arab States
International Labour Organization



Mohammed Al Obaidli
Director-General
GCC Executive Bureau

Acknowledgements

This report was drafted by a research team from Ergon Associates, under the close supervision of the ILO and the GCC Executive Bureau. The core Ergon team comprised: Matthew Waller, Associate Director, Sarah McLeish, Senior Consultant, and Jakob Kessel, Researcher.

The production of the report was managed by Sophia Kagan, former Chief Technical Advisor of the ILO FAIRWAY Programme, in collaboration with Ryszard Cholewinski, Senior Migration Specialist in the ILO Regional Office for Arab States (ROAS), and Tariq Haq, former ROAS Senior Employment Policy Specialist and current Head of the Transport and Maritime Unit at the ILO SECTOR department. Khalil Buhazza, Director of Labour Affairs at the GCC Executive Bureau, assisted by Hasan Matar, Specialist, Labour and Social Development, GCC Executive Bureau, played a vital role in facilitating the work on the report, reviewing drafts and liaising with and obtaining inputs from the focal points appointed by GCC governments to engage with the research team.

Staff in ROAS, the ILO Project Office for the State of Qatar and ILO Headquarters were also engaged in the review of the report drafts. Helpful inputs and comments were received from Michail Kandarakis, Max Tunon, Niyama Rai, Luca Pellerano, Patrick Belser, Valérie Breda, and Siham Nuseibeh. An earlier draft of the report also benefited from the comments of Ray Jureidini, former Professor of Migration, Human Rights and Ethics at the Center of Islamic Legislation and Ethics, Hamad Bin Khalifa University, Doha, and the editing support of John Maloy.

The preparation and production of the report enjoyed the strong support of Peter Rademaker, Deputy Director and Director, Decent Work Technical Support Team (DWT) for Arab States, ROAS, as well as Ameer Redha, former Chief, Regional Programme Services Unit, ROAS. Dina Hasrouny, Najiyah Menassa, Vitalii El-Dani, Feras Mesmar and Maarouf Saad El Masri provided valuable administrative support at various stages of the report's preparation and production.

This report was produced under the ILO FAIRWAY Programme, funded by the Swiss Agency for Development and Cooperation (SDC) – an interregional ILO initiative that promotes fair recruitment, decent work, and strengthened labour migration governance between Africa and the Arab States.



Contents

Foreword	3
Acknowledgements	4
Abbreviations and acronyms	8
Executive summary	9
Background	9
Findings	9
Recommendations	11
1. Introduction	13
1.1 Background	13
1.2 Objectives	14
1.3 Methodology	14
2. Wages and international labour standards	15
2.1 What are wages?	15
2.2 What is wage protection?	15
2.3 Common wage protection issues	16
2.4 Who does wage protection apply to?	16
3. Summary findings	17
3.1 Key institutions involved in the implementation of WPSs	17
3.2 Coverage	18
3.3 Wage payments	19
3.4 Identifying wage violations	19
3.5 Enforcement	21
4. Strengthening the effectiveness of wage protection systems	22
4.1. Extending coverage to all workers who are vulnerable to wage issues	23
4.1.1 Extending coverage in law	23
4.1.2 Extending coverage in practice	24
4.2 Capturing high quality data	24
4.2.1 Expand the range of fields included in SIFs	25
4.2.2 Bring end-of-service payments within the scope of the WPS	25
4.2.3 Design the WPS to reduce risks of contract substitution	26
4.2.4 Design the WPS to reduce risks of other fraudulent or abusive practices	26
4.2.5 Harness WPS data to support broader wage protection measures	26
4.3 Improving systematic identification of wage violations	26
4.3.1 Automatic cross-check of wage payments against employment contracts	27
4.3.2 Automatic cross-check of wage payments against national law	27
4.3.3 Ensure that violations are detected in relation to individual workers	27
4.3.4 Reduce scope for violations resulting from “technical” or administrative errors	27
4.3.5 Empower workers to identify violations through provision of detailed salary information	28
4.3.6 Require documentary evidence and worker approval for justifications	28

4.4 Linking violations to robust enforcement and remedy	28
4.4.1 Timeliness	29
4.4.2 Prevention and penalties throughout the contracting chain	29
4.4.3 Ensure that penalties and sanctions are not detrimental to workers	29
4.4.4 Direct integration with a mechanism through which workers can obtain remedy	29
4.4.5 Direct integration with relevant administrative and judicial systems	30
4.4.6 Direct integration of WPSs with labour inspectorates	30
4.4.7 Data protection	30
5. Effective wage protection systems for domestic workers	31
5.1 Underpinning legal and practical reforms	31
5.2 Scope and design considerations	32
5.3 Enforcement considerations	33
6. Wage protection systems by country	34
6.1 Bahrain	34
6.1.1 Background	34
6.1.2 Coverage	35
6.1.3 Wage payments	36
6.1.4 Identifying wage violations	38
6.1.5 Mechanisms to enforce wage protection	38
6.2 Kingdom of Saudi Arabia	39
6.2.1 Background	39
6.2.2 Coverage	40
6.2.3 Wage payments for domestic workers	43
6.2.4 Identifying wage violations	45
6.2.5 Mechanisms to enforce wage protection	46
6.3 Kuwait	48
6.3.1 Background	48
6.3.2 Coverage	49
6.3.3 Wage payments	49
6.3.4 Identifying wage violations	50
6.3.5 Mechanisms to enforce wage protection	51
6.4 Oman	52
6.4.1 Background	52
6.4.2 Coverage	53
6.4.3 Process for registering and paying wages through the WPS	53
6.4.4 Identifying wage violations	55
6.4.5 Mechanisms to enforce wage protection	55
6.5 Qatar	56
6.5.1 Background	56
6.5.2 Coverage	58
6.5.3 Wage payments	59
6.5.4 Identifying wage violations	60
6.5.5 Mechanisms to enforce wage protection	62
6.5.6 Compensation mechanisms	63

6.6 United Arab Emirates	64
6.6.1 Background	64
6.6.2 Coverage	65
6.6.3 Process overview – registration and wage payments	66
6.6.4 Identifying wage violations and enforcement - MOHRE	69
6.6.5 Identifying wage violations and enforcement – free zones	71
6.6.6 Compensation mechanisms	72
 7. Sources	 73
7.1 Laws and Regulations	73
7.2 Online sources	73
 8. Annex: summary tables focussing on scope and coverage of WPSs	 75
8.1 Coverage of the WPS	75
8.2 Issues covered by the WPS	76

Abbreviations and acronyms

CBO	Central Bank of Oman
CBUAE	Central Bank of the United Arab Emirates
DAFZ	Dubai Airport Free Zone
DMCC	Dubai Multi Commodities Center
DSC	Workers' Dispute Settlement Committee (Qatar)
GCC	Gulf Cooperation Council
GOSI	General Organization for Social Insurance (Saudi Arabia)
HR	Human resources
JAFZ	Jebel Ali Free Zone (United Arab Emirates)
LMRA	Labour Market Regulatory Authority (Bahrain)
MHRSD	Ministry of Human Resources and Social Development (Saudi Arabia)
MoHRE	Ministry of Human Resources and Emiratisation
MoL	Ministry of Labour
PPO	Public Prosecutor's Office (Qatar)
QCB	Qatar Central Bank
SIF	Salary information file
SIO	Social Insurance Organization (Bahrain)
WPS(s)	Wage protection system(s)
WPSU	Wage Protection System Unit (Qatar)
WSIF	Workers' Support and Insurance Fund (Qatar)

► Executive summary

Background

Over the past 14 years, wage protection systems (WPSs) have been introduced in all Gulf Council Cooperation (GCC) countries,¹ engaging Ministries of Labour and other government authorities, banks, currency exchange centres, and financial institutions authorized by the respective governments.

WPSs are electronic salary transfer systems that are designed to give national authorities oversight of wages paid by employers to workers in the private sector. An innovation developed in the GCC States, WPSs can be seen as a step forward for ensuring timely and correct payment of wages in line with the [ILO Protection of Wages Convention, 1949 \(No. 95\)](#) and the [Protection of Wages Recommendation, 1949 \(No. 85\)](#).

Despite more than a decade of implementation of WPSs in some countries, relatively little information is available about the institutional frameworks and internal mechanisms for how each WPS is designed and operates. Nor is official data generally available on how WPSs are enforced beyond ad-hoc, aggregated statistics, usually reported in the media. This report attempts to provide new insights and information on the way GCC States operate WPSs and suggests recommendations to support strengthened WPSs.

The analysis in this report has been informed by a review of publicly available documentation on the respective WPSs, alongside interviews with relevant GCC focal points as nominated by their respective governments, and which occurred between October 2023 and February 2024. The analysis has since been updated to take account of key developments as at December 2024.

Findings

This research finds that the existing WPSs can be an important tool to support wage protection. Across the GCC there are promising practices that highlight the ways in which WPSs can support the identification of wage violations alongside some of the actions that can be taken to support resolution. The research also highlights that there are opportunities to further strengthen WPSs, by ensuring that the systems are extended to more workers who are vulnerable to wage non-payment and by implementing stronger enforcement mechanisms.

Coverage of WPSs across the GCC is typically focused on workers employed in the private sector as defined by each country's labour law. In addition to excluding workers in the public sector, this arrangement also excludes most domestic workers, with the exception of the recent decision to extend the WPS to the employers of all domestic workers in Saudi Arabia and a small number of domestic work categories in the United Arab Emirates. The result is that many migrant workers who are susceptible to wage violations are not covered by WPSs.

¹ These comprise Bahrain, Kuwait, Saudi Arabia, Oman, Qatar and the United Arab Emirates.



Since the first WPS was introduced in the GCC in the United Arab Emirates in 2009, there has been a convergence on how to collect wage payment data to support WPS functioning. There is a requirement across the GCC for employers to submit wage / salary information files (SIFs) containing a breakdown of worker pay calculations, and this is the primary source of data for the identification of wage violations. While these SIFs contain different data points in each country, the primary focus of the WPSs is to see if workers have been paid on time and/or whether the amount paid is broadly consistent with the registered basic salary. Methods to review compliance on wage payments vary across the GCC, and in some countries, compliance is verified separately at the enterprise and worker levels, confirming that wages are paid to each worker individually, thus ensuring that the enterprise is compliant (see Saudi Arabia and United Arab Emirates) – while in Kuwait and Qatar the WPS checks are conducted at the level of each individual worker. At the time of the research, WPS frameworks have been set up in Bahrain and Oman but enforcement for non-compliance is yet to be fully implemented.

All employers within the scope of WPSs in the GCC are given the opportunity to justify any discrepancies in their wage payments. This reduces time spent investigating companies who may have legitimate reasons for paying workers an amount that differs from what is expected. Saudi Arabia's WPS is the only system that offers workers the opportunity to validate these employer justifications, though Oman is also developing an approach to implement this. There are also opportunities to strengthen transparency for workers in regard to wage payments through the issuance of itemized payslips, as these are not yet mandated in the GCC.

The power of WPS divisions to enforce wage protection is largely focused on their ability to suspend/block employers' access to labour ministry services – for example, preventing non-compliant employers from hiring new workers. While financial penalties for non-compliance are also permitted in the United Arab Emirates, Qatar and Saudi Arabia, responsibility for issuing fines is beyond the WPS team's remit and requires involvement of other labour ministry divisions or the judiciary. Linked to this, there is limited evidence that the current design and operation of WPSs actually reduces workers' need to submit complaints to other judicial or administrative mechanisms if they want to receive compensation for unpaid wages, despite WPSs being seen as a tool to reduce labour disputes. This need to raise separate complaints or cases for compensation applies to all workers in the GCC, regardless of whether or not a wage violation related to them has been identified by the WPS.

Recommendations

Based on the analysis of WPSs across the GCC, this report presents a series of recommendations to support the strengthening of WPSs, largely focused on the technical aspects of WPS functions. These recommendations cut across four areas:

1. Extend coverage to all workers who are vulnerable to wage issues	2. Capture high quality data	3. Improve systematic identification of wage violations	4. Link violations to robust enforcement and compensation mechanisms
<p>Extend coverage in law.</p> <p>Extend coverage in practice.</p>	<p>Expand the range of fields included in salary information files (SIFs).</p> <p>Bring end-of-service payments within the scope of WPSs.</p> <p>Design the WPS to reduce risks of contract substitution.</p> <p>Design the WPS to reduce risks of other fraudulent or abusive practices.</p> <p>Harness WPS data to support broader wage protection measures.</p>	<p>Automatically cross-check wage payments against employment contracts.</p> <p>Automatically cross-check wage payments against national law.</p> <p>Ensure that violations are detected in relation to individual workers.</p> <p>Reduce scope for violations resulting from “technical” or administrative errors.</p> <p>Empower workers to identify violations through the provision of detailed salary information.</p> <p>Require documentary evidence and worker approval for employer justifications related to changes in payment.</p>	<p>Ensure timeliness.</p> <p>Ensure prevention measures and penalties extend throughout the contracting chain.</p> <p>Ensure that penalties and sanctions are not detrimental to workers.</p> <p>Direct integration with a mechanism through which workers can obtain remedy.</p> <p>Direct integration with relevant administrative and judicial systems.</p> <p>Direct integration of the WPS with the labour inspectorate.</p>

As there is currently limited coverage of domestic workers by WPSs in the GCC, the report also includes separate recommendations to support inclusion of domestic workers within a WPS on a mandatory basis. Based on the experiences in the GCC, these recommendations focus on the need for:

- Legal reforms along with practical changes in the way that domestic workers are currently paid.
- Special considerations on the design of a WPS that includes domestic workers, as they present a set of unique challenges compared to workers in the wider private sector that are typically within the scope of a WPS.
- Special enforcement considerations – including the need to design systems through consultation and engagement with domestic workers and their representatives.



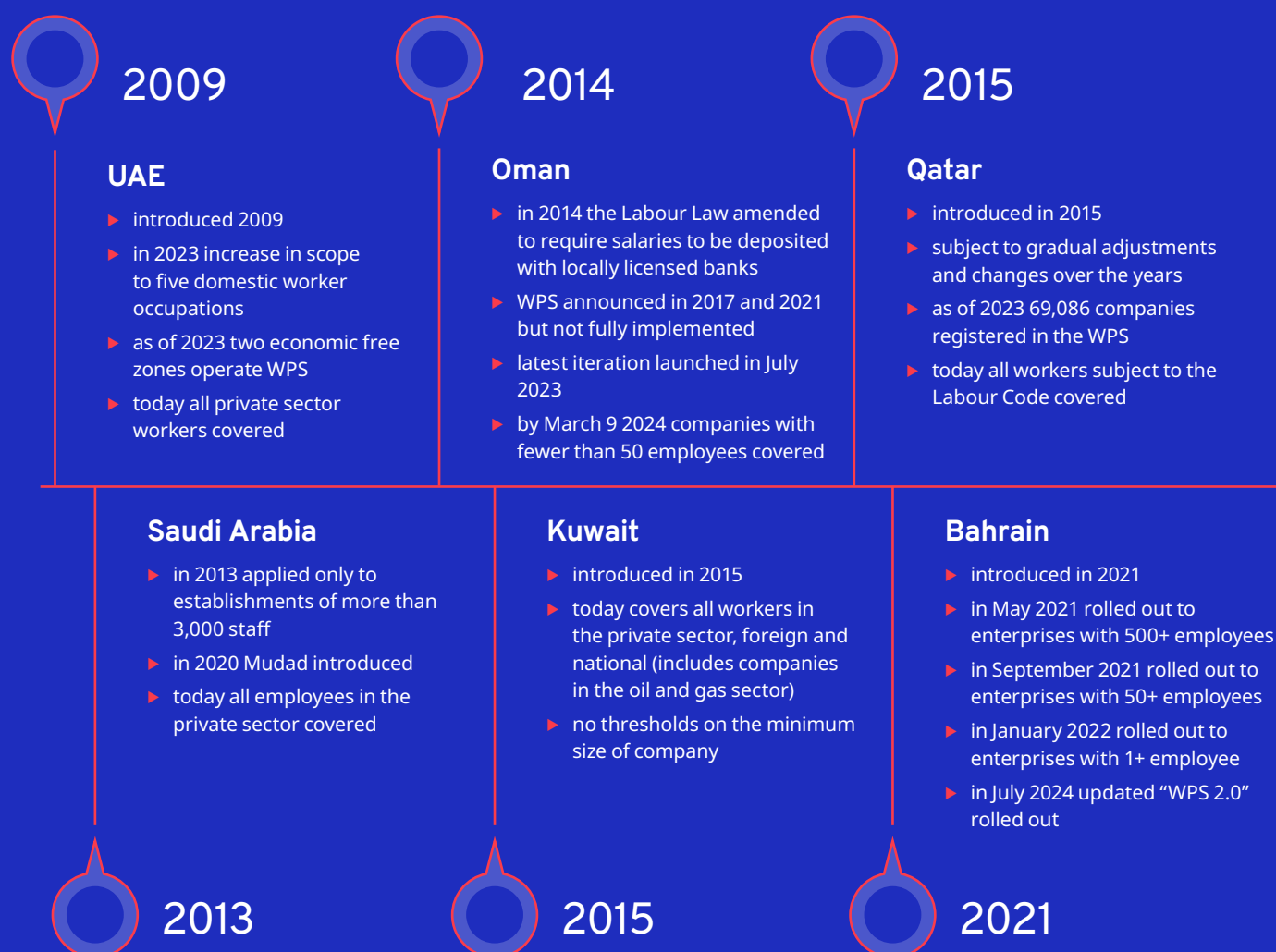
► 1. Introduction

1.1 Background

Wage protection systems (WPSs) are electronic salary transfer systems designed to give national authorities oversight of wages paid by employers to workers in the private sector. An innovation developed in the Gulf Cooperation Council (GCC) States, the introduction of WPSs has been framed as an important step forward in ensuring timely and correct payment of wages.

Over the past 15 years, WPSs have been introduced in all six GCC countries, usually in cooperation between national labour authorities and the respective central bank. Figure 1 below presents a broad timeline of the introduction of WPSs across the region, while also showcasing that the WPSs in all countries are subject to continuous updates.

► Figure 1. Timeline of WPS developments in the GCC





1.2 Objectives

Despite more than a decade of implementation in some countries, relatively little information is publicly available about the institutional frameworks and internal mechanisms of WPSs in the GCC, or about how each WPS identifies and penalizes violations.

The objective of this study is to fill some of these information gaps by providing an overview of how each WPS in the GCC functions, along with an overarching summary of several key features and challenges. It also provides a series of general recommendations for actions that could strengthen the design and implementation of WPSs, including for domestic workers.

This report is structured as follows: Section 2 presents key concepts related to wages as covered by international labour standards. Section 3 provides a summary of the country-specific findings on how WPSs function across the GCC. This is followed in Section 4 by a series of recommendations to support strengthening WPSs; while considerations for integrating domestic workers under WPSs on a mandatory basis are offered in Section 5. The final section presents a series of brief case studies that provide more detail on how WPSs function in each GCC country.

1.3 Methodology

The findings presented in this report are the result of:

- ▶ A comprehensive review of publicly available information related to the functioning of the WPS in each GCC country, including analysis of the relevant national legal frameworks.
- ▶ In-depth interviews with government representatives appointed by each GCC country.
- ▶ Supplementary interviews with other institutions with direct insights into the functioning of the WPSs, including financial institutions, payroll companies, employers, and organizations representing migrant workers.
- ▶ Feedback on the draft report from government representatives across the GCC.

► 2. Wages and international labour standards

2.1 What are wages?

ILO standards adopt a broad definition of “wages”, defined as “remuneration or earnings, however designated or calculated, capable of being expressed in terms of money and fixed by mutual agreement or by national laws or regulations, which are payable in virtue of a written or unwritten contract of employment by an employer to an employed person for work done or to be done or for services rendered or to be rendered” ([ILO Protection of Wages Convention, 1949 \(No. 95\)](#), Article 1).

Thus, this report adopts a similarly broad definition of wages to include any remuneration or earnings for work done or services rendered, including:

- basic pay;
- other fixed earnings, allowances or in-kind payments (such as for food, accommodation or living expenses); and
- variable pay elements such as bonuses and commissions and payments for overtime work.

Another important element is any deductions that have been made from these amounts. Also included in the scope of this research are one-off payments, such as end-of-service or gratuity payments.

2.2 What is wage protection?

Under ILO Convention No. 95, wage protection may be considered to encompass the following:

- The right to payment in legal tender at regular intervals, directly to the worker or the worker’s chosen bank account.
- The ability of workers to dispose of their wages as they choose.
- Protection with regards to payments in kind and deductions of wages (including prohibiting payments to intermediaries, such as labour contractors or recruiters for obtaining or retaining employment, or deductions by an employer to cover the cost of such intermediaries).
- Privileged treatment of worker wage claims in the enterprise insolvency procedure.
- Upon the termination of the employment contract, the right of workers to a swift and final settlement of wages they may be owed.
- The right of workers to be informed of their wages before they enter employment and at the time of each payment of wages (for example, via a written employment contract and wage payment slips or statements).

2.3 Common wage protection issues

Globally – and including within the GCC – there are a range of wage payment issues affecting workers, particularly migrant workers. Though data on the precise extent to which these issues occur is not available, research and information presented in the [ILO Guidance Note: Wage Protection for Migrant Workers](#) suggests that key wage protection issues include:

- total or partial non-payment of wages;
- systematic delayed payment of wages;
- payment of wages below the minimum wage or the contractually agreed rate;
- non-payment or under-payment of overtime;
- non-payment of benefits and entitlements, including end-of-service benefits;
- non-payment of severance pay;
- unlawful deductions.

2.4 Who does wage protection apply to?

Article 2(1) of Convention No. 95 states that international labour standards relating to wage protection apply to all persons to whom wages are paid or payable. Under Article 6 of the [Migration for Employment Convention \(Revised\), 1949 \(No. 97\)](#), there is a prohibition of unequal treatment resulting from legislation or administrative practices between regular status migrant workers and nationals, including in respect of remuneration, meaning that the State must ensure that the relevant legislative provisions are effectively applied in practice.

The [ILO Domestic Workers Convention, 2011 \(No. 189\)](#), extends the key principles and rights underlying wage protection specifically to domestic workers, including migrant domestic workers.

It is important for migrant workers to be covered under legislation and systems designed to protect wages, as they are more vulnerable to wage violations. This vulnerability can arise as a result of: practices in the recruitment of migrant workers; policies and laws in the countries in which migrants end up working (for example, the application of the kafala (sponsorship) system which results in undue dependence of the worker on his/her employer); and the employment practices of employers that engage migrants. Migrant workers become particularly vulnerable to wage violations if they have an irregular status in a country, which also comes with increased risk of forced labour, discrimination, and exposure to poor health and safety practices.

► 3. Summary findings

This section summarizes key overarching findings related to the design and functionality of WPSs across the GCC, drawing out important similarities and differences between countries. Ultimately this research finds that existing WPSs can be an important tool to support wage protection, but they could be further strengthened to ensure that they provide more comprehensive coverage to workers vulnerable to wage non-payment and include stronger enforcement mechanisms.

Nonetheless, there are promising practices across the GCC that highlight the ways in which WPSs can support improved identification of wage violations along with the actions that can be taken to support resolution of violations and/or disputes arising from wage claims.

More detailed country-level findings are contained in Section 6 below.

3.1 Key institutions involved in the implementation of WPSs

WPSs across the GCC are typically implemented by specific divisions within a labour ministry or through other quasi-governmental bodies, in conjunction with the respective central bank. For example, in Kuwait, Oman, United Arab Emirates and Qatar, there are WPS teams within their respective labour ministries that have full responsibility for managing the WPS. In Saudi Arabia, while the WPS is the responsibility of the Ministry of Human Resources and Social Development (MHRSD), much of the implementation of checks is carried out by a quasi-governmental body, Mudad, which works closely with the Ministry. In Bahrain, the WPS is administered by the Labour Market Regulatory Authority (LMRA), a legal entity under the supervision of the Minister of Labour.

The levels of staffing of the various divisions responsible for the WPS in the GCC varies. In Kuwait, Saudi Arabia and Qatar, the WPS divisions within the relevant ministries employ 25 people responsible for checking compliance (though an additional 50 support the Saudi WPS through administration of the Mudad platform). The LMRA in Bahrain employs 13 staff with WPS administration responsibilities, and there are nine staff in Oman overseeing the WPS there.

In Oman and the United Arab Emirates, their respective central banks act as the “clearing house” for WPS payments, – i.e. securing employers’ funds, and issuing payment authorizations to workers’ banks. In other countries, the role of the central bank varies. For example, in Bahrain and Saudi Arabia, the central bank is responsible for maintaining the list of banks and financial service providers approved to be used by employers under the WPS.

3.2 Coverage

Across the GCC, WPSs apply to workers employed in the private sector who are covered under the country's labour law, regardless of nationality. As such, where workers are not covered by the WPS it is generally because either they are not covered by the national labour law; they do not have a formal employment relationship; or they are engaged through commercial contracts, for example, through Bahrain's Labour Registration Program. This can include migrant workers who are in an irregular situation.

As noted above, coverage depends on the scope of the labour law in each GCC country. As such, public sector workers – who are covered by separate labour legislation in every GCC country – are not covered by any WPSs. It also means that, with the partial exception of Saudi Arabia and the United Arab Emirates, domestic workers are not covered by the WPSs on a mandatory basis across the GCC. Interestingly, in the United Arab Emirates, five domestic worker occupations – personal tutor; private agricultural engineer; private messenger; personal trainer, and home care provider – are covered by the WPS on a mandatory basis. These have been selected as all would receive relatively high incomes which reportedly makes it easier to open bank accounts and thus include in a system of electronic payments. In Saudi Arabia, the Government applies an alternative WPS for employers of domestic workers, which, as of 1 July 2024, became mandatory for employers of domestic workers employed under new contracts and which will be implemented in phases for employers of domestic workers with existing contracts. Employers of domestic workers are also reportedly now able to use Bahrain's and Qatar's WPSs on a voluntary basis.

The use of separate WPSs for different categories of workers is also found in the United Arab Emirates, where four of the country's 46 free zones operate their own WPS through a direct agreement with the central bank. They do so as these categories of workers do not fall within the scope of the country's labour law and thus are not under the jurisdiction of the primary WPS. (See the "Coverage of the WPS" table in the Annex for a summary overview of WPS coverage by country.)

In practice, even when workers are formally eligible to be covered by the WPS in law, there are sometimes challenges in achieving full coverage of the WPS in practice. This may be the case for a variety of reasons. One is that coverage may not yet be fully extended due to the relatively recent introduction of the WPS. In Bahrain, where the WPS has been compulsory for all enterprises since January 2022, 100 per cent of large enterprises (500+ employees) are registered with the system, but only 25 per cent of small enterprises (1–49 employees) have done so. A phased approach is also being taken in Oman, where the WPS was introduced in 2014, but has since undergone a series of updates in 2017 and 2021 – with the latest iteration launched in 2023 for roll out in early 2024. Initially, Oman's WPS applied only to companies with more than 50 workers, but it has been moving to incorporate smaller companies too. It is important to note that at the time of this research, due to the phased roll out of WPS in Bahrain and Oman, measures to enforce WPS compliance were not yet being implemented.

This phased roll-out of a WPS has been taken by other countries with more established systems. For example, Saudi Arabia introduced its system in 2013, applying to companies with more than 3,000 employees. Ten years later and after various improvements, the system now applies to all companies regardless of size. This shows that some countries have opted for a more gradual introduction of enhancements over time in relation to the scope of their WPS, while other countries immediately applied their WPS to all private sector companies from day one of operation – see Kuwait, Qatar and the United Arab Emirates.

Another particular challenge across the GCC relates to achieving registration and participation of small companies, which may have limited human resources (HR) capacity and lack a formal payroll system. To support smaller companies in complying with the WPS, there are a range of payroll companies that undertake this administrative support to help employers comply with WPS requirements, or sometimes dedicated staff in particular banks. A number of countries, including Saudi Arabia and the United Arab Emirates, also have detailed online resources available to help companies understand how to use the WPS. In Qatar, the Central Bank has responsibility for building capacity of employers to comply with the WPS.

3.3 Wage payments

All WPSs use a standardized wage or salary information file (SIF) containing information about each worker's salary for that payment period, which employers submit to their bank or financial institution. The SIF is the key source of information to enable effective identification of wage violations and allows the cross-checking of this information with data that has been registered by the employer when the worker was hired. In Bahrain, Kuwait, Oman, Qatar and the United Arab Emirates, SIFs should be registered by an employer with an approved bank. In Saudi Arabia, SIFs are to be registered on Mudad, the system that supports WPS implementation for the Government. The information that a SIF contains should enable a WPS to validate that wage payments comply with national law and the respective provisions in employment contracts; hence, it is important they contain the information necessary for carrying out such a validation.

There is quite wide variation between WPSs in terms of the types of information required in the SIF. For example, in Bahrain and Kuwait, it is sufficient to provide a single "salary" figure that encompasses all elements of pay. In other countries, some further breakdown is required. In Saudi Arabia, in addition to "basic pay", employers must also specify the "housing allowance" for each worker, as well as any other additional payments made to the worker (including overtime). Employers in Oman and Qatar are also able to add additional hours or additional income where relevant. In Qatar's SIF, for example, it is possible to record overtime. In the United Arab Emirates, the SIF contains an optional standalone "Employee Variable Pay" section that distinguishes between seven types of variable payments that can be made to workers, including housing, medical, and overtime allowances. Qatar's WPS is the only one in the region to check for compliance against minimum wage laws.

A number of common wage violations are not yet monitored by any GCC WPS or included as mandatory data points in any SIFs, including end-of-service/gratuity payments. Only the United Arab Emirates includes end-of-service/gratuity payments as a voluntary option in its SIF.

3.4 Identifying wage violations

Across the GCC, WPSs have been designed to identify two types of wage violation – delayed payments and non-payment of wages. In some GCC States, payments made through the WPS are also automatically cross-checked against:

- the basic pay in workers' registered contracts (as in Kuwait, Oman and the United Arab Emirates).
- the basic pay information held by the social security database (as in Saudi Arabia and being planned in Bahrain); or
- the national minimum wage (as in Qatar).

Nonetheless, the extent to which a WPS can effectively identify delayed/non-payment of wages or identify other types of issues depends largely on whether the underpinning information is captured in the SIF. For example, where the SIF only requires a single salary figure encompassing all elements of pay, it is not possible for the WPS to identify specific wage violations relating to incorrect or unpaid overtime payments, allowances or excessive/incorrect deductions. How much information is in the SIF may also be influenced by what information is required to be provided in the standardized contract (including detailed and disaggregated information on basic wage, allowances, in-kind payments, deductions, etc.).

WPSs in Saudi Arabia and the United Arab Emirates seek to identify violations based on an overall evaluation of the enterprise's entire payroll, rather than focusing on whether individual workers are affected by wage violations. For example, in the United Arab Emirates, WPS compliance is defined as paying at least 80 per cent of workers at least 80 per cent of their registered basic pay through the WPS.

In Saudi Arabia, compliance is reached if five basic checks² are passed for at least 90 or 95 per cent of the workforce, depending on the size of the company. Taking this approach allows the WPS to prioritize enforcement efforts on employers who are at the highest risk of non-compliance across their entire workforce; though it also leaves room for individual wage violations to go undetected by the WPS, which may fail to pick up on workers not being paid correctly. Whilst an enterprise's compliance percentages are tracked by WPSs in Bahrain and Oman – i.e., the percentage of a workforce paid correctly – there are currently no fixed thresholds used by WPS teams for follow up or investigation in these countries.

In other countries, such as Qatar, there are no enterprise-level thresholds for determining compliance, and non-compliance alerts are instead triggered for wage violations affecting individual workers. There are also some emerging practices of WPSs being configured to identify non-wage violations. For example, in Qatar, the system flags a violation if the SIF records overtime hours that exceed national legal limits on maximum overtime hours. In Kuwait too, WPS compliance is reviewed at the level of the individual worker.

All WPSs give employers the opportunity to justify why a payment may not be in line with the registered basic pay in the SIF. This is to ensure that employers are not penalized for circumstances such as workers being on unpaid leave, having worked fewer days (hence taking home less pay that month), or having left the company. However, in all but one country this justification is only sought from the employer. Saudi Arabia's WPS asks for an employer to justify any discrepancy, following which, the affected workers are also asked to approve the justification through a link to the Mudad platform, which they receive in an SMS in English and in Arabic. Where the worker(s) rejects the employer's justification, the relevant Ministry begins further engagement and investigation with the employer. A similar approach is being adopted in Oman where a new WPS portal is under development through which workers will be provided with details of any deductions to their salary and given an opportunity to approve or contest the deduction.

Taking this approach gives workers a unique opportunity to provide input into WPS assessment. However, even though workers in this case are given an opportunity to review the justifications provided by the employer, this does not necessarily constitute a review informed by detailed information on how the pay has been calculated, as employers are not obliged to provide workers with a detailed payslip that gives an itemized breakdown of their pay. This is an issue across the GCC, where there are no requirements to provide workers with detailed payslips, despite relevant information and itemized breakdowns of pay being collected by the WPSs. This means that workers may receive wages without a clear idea of how that pay has been calculated, which limits the ability of workers to challenge potentially inaccurate wage payments. In some countries, banks and ancillary service providers offer a range of options for workers to access information related to their wages, including online and app-based services; however, there is generally no explicit requirement for these banks or ancillary service providers to do so. (See the "Issues covered by the WPS" table in the Annex for a summary overview of types of wage issues that can be identified by country.)

² Checks on individual workers: (1) wages not paid; (2) paid basic salary 50 per cent lower than registered; (3) deductions of more than 50 per cent of total salary; (4) payment made to non-registered worker; and (5) basic salary 50 per cent above registered salary.

3.5 Enforcement

Where an enterprise is found to be non-compliant with a WPS, the primary mechanism for enforcement across the GCC is suspending the enterprise's access to labour ministry services, including the issuance of future work permits. This applies to all countries in the study. The United Arab Emirates, Qatar and Saudi Arabia also envisage financial penalties for companies that fail to comply with the WPS – though authority to issue these financial penalties usually sits beyond the remit of the WPS team and requires the involvement of the judiciary. Even where financial penalties are available, as a general rule authorities seek to resolve WPS offences through negotiation and amicable settlements with employers. In Oman, there is also an intention to block non-compliant companies from accessing government subsidies for hiring unemployed Omani workers.

The timelines for blocking of access to government services varies across the GCC states. In Qatar, companies are “blocked” from accessing government services within eight days of the due pay date. Companies have 16 days to comply in Saudi Arabia before such action is taken. Timelines for these penalties are less defined in Kuwait where they are determined by an administrator reviewing the case in the WPS.

Though there are frameworks in place in Bahrain and Oman for enforcing non-compliance with the WPS, at the time of the preparation of this research report implementation and enforcement of these procedures is yet to fully take place.

GCC countries cite the objective of reducing the number of labour disputes as a key rationale for introducing a WPS, yet the way in which the WPSs are currently designed and operationalized means that workers are still dependent on other administrative and judicial mechanisms to resolve wage disputes and receive compensation. For example, in countries where the WPS examines compliance at an enterprise-level (such as the United Arab Emirates and Saudi Arabia), workers affected by wage violations in enterprises that have reached the “compliance threshold” would not be detected in the WPS. This means they would need to register an individual wage complaint with a separate complaint department within the labour ministry, even though their individual wage data has been collected through the WPS. Similarly, workers who are affected by a wage violation that is not routinely captured in the WPS, such as relating to overtime or deductions, would need to register a complaint in order to start a process to receive compensation.

Finally, the WPSs across the GCC are generally not designed to directly facilitate compensation of lost wages to the workers affected, even if a violation has been identified in the system. In the current systems, WPS violations can trigger a process to penalize an employer, which should in theory result in workers being correctly remunerated. However, if the employer still does not pay, workers will need to separately submit a complaint or file a case against the employer through the relevant administrative or judicial mechanism to access compensation for wage violations. This places a heavy burden on workers, particularly migrant workers, who may likely lack the resources, language skills, finances or time needed to go through separate legal proceedings in order to receive compensation. To alleviate this burden in Saudi Arabia, workers can file cases via a representative or through their embassy if they have left their jobs and the country, and then once compensation is available this can be transferred to a worker's nominated representative.

While in some countries, such as Qatar, there is relatively streamlined integration between complaints mechanisms and the WPS – for example, allowing investigators and judges/public prosecutors to access WPS data – there remain challenges in expediting cases to support provision of compensation to workers. In the United Arab Emirates, if an employer fails to correct an identified wage payment violation within 7-14 days, workers will be able to transfer to another employer without notice and are reportedly able to receive compensation for unpaid wages through an insurance scheme. In other countries, no such routine access to WPS data exists for labour inspectors, police or the judiciary.



► 4. Strengthening the effectiveness of wage protection systems

This section sets out recommendations to strengthen the effectiveness of WPSs across the GCC. While these recommendations have been drafted to be broadly relevant across the region, specific actions will differ between countries, depending on the national context and the way in which the existing WPS functions and operates.

While the recommendations focus specifically on WPSs, attention is also given to how a WPS can be integrated and embedded into a wider range of wage protection measures. This reflects the fact that a WPS is just one tool to protect wages and that it will be most effective when well integrated into other administrative and judicial frameworks to prevent and resolve wage issues.

These recommendations are focused around improving the effectiveness of the WPS across four key areas:

1.

Extend coverage to all workers who are vulnerable to wage issues

2.

Capture high quality data

3.

Improve systematic identification of wage violations

4.

Link violations to robust enforcement and compensation mechanisms

4.1. Extending coverage to all workers who are vulnerable to wage issues

All of the WPSs in the GCC have gaps in coverage that result in some workers who are vulnerable to wage issues not being covered by the system. To address this issue, a combination of national legal reforms to extend coverage in law and practical measures to ensure coverage in practice should be considered.

4.1.1 Extending coverage in law

Across the GCC, WPSs generally only apply to workers who are protected by national labour laws for the private sector. However, some categories of workers in vulnerable situations do not fall within the scope of such legislation, and are therefore not protected by the WPS. These include:

- workers without a formal employment relationship;
- workers outside the scope of any labour legislation, often including gig economy workers and other workers engaged via a commercial contract – for example, through Bahrain’s Labour Registration Program); and
- workers who are subject to separate labour regulation (such as domestic workers, public sector workers or workers in free zones).

Therefore, one way to extend the legal coverage of WPSs is to bring more workers under the scope of the national labour law, particularly by focusing on the most vulnerable migrant workers. This might include introducing legislative and enforcement measures aimed at tackling disguised and informal employment. Extending labour law coverage is also an important step for wage protection more generally, as it ensures workers benefit from broader wage protections established by national law, for example, in relation to the minimum wage, allowances (such as for food and accommodation), wage deductions and payment frequencies.

For workers who are subject to separate labour regulation, in some circumstances it may be possible to extend the existing WPS system to cover these groups, particularly if they are under the jurisdiction of the same national authority (for example, the labour ministry or equivalent). This also has the advantage of potential efficiency gains by having a centralized WPS team in charge of a single system.

Where workers are under the jurisdiction of a separate labour authority, extending coverage may necessitate parallel WPS systems, as is the case in the United Arab Emirates in relation to free zones. This model could also be explored in relation to extending coverage to workers in vulnerable situations in the public sector – for example cleaning/maintenance staff in hospitals or public buildings who are employed by a government entity.

4.1.2 Extending coverage in practice

Even when workers are included in the WPS by law, this does not always result in actual coverage in practice; either because their employers fail to register with the system or fail to pay wages through the system on a regular basis. Where this is the case, specific attention needs to be given to boosting the registration and participation of smaller companies that lack dedicated HR capacity or a formal payroll system.

The following should also be considered in regard to extending coverage in practice:

- Ensure that the processes for registering with the WPS are accessible and user-friendly for all employers. Specific measures in this regard may include simplifying the way in which companies register with the WPS, for example, by:
 - integrating WPS registration with other company registration processes (i.e., automatic registration of new companies to the WPS during the initial registration process);
 - ensuring that registration can be done remotely rather than requiring in-person attendance at a bank (as in the case of Qatar); or
 - leveraging use of artificial intelligence to transfer data from existing paper contracts to an electronic platform.
- Establish a simple and user-friendly interface for entering salary information, accompanied by clear guidance for companies on how to do this.
- Provide a single platform for employers to enter all WPS information, rather than separate systems and interfaces for different aspects (for example, one system for submitting salary files and a separate system for logging justifications).
- Build the awareness of smaller employers in relation to WPS requirements, particularly in countries with newly established (or newly expanded) WPSs.
- Develop dedicated training and capacity-building approaches, focusing on the needs of smaller enterprises. One potential approach would be to require banks and financial institutions that are “approved” as WPS agents to provide training and capacity-building to their clients. Potentially, this could be made a prerequisite for becoming an approved institution.

4.2 Capturing high quality data

At present, WPS are primarily configured to identify two types of violations: (i) delayed wage payments and (ii) non-payment of wages. From a technical perspective, it is feasible for WPSs to be used to identify a broader range of wage issues, including:

- excessive or otherwise prohibited wage deductions;
- non-payment of contractually agreed allowances;
- non-payment of end-of-service payments; and
- non-payment of an applicable minimum wage.

There is also potential scope to incorporate non-wage issues; for example, collecting information on the number of overtime hours (for the purposes of calculating overtime payments) could also be used to identify excessive overtime hours in breach of legal limits.

4.2.1 Expand the range of fields included in SIFs

Currently, all GCC countries use salary information files (SIFs) to ensure that employers provide uniform information on specific data points for each worker. However, there is significant variation between GCC countries in terms of what must be included in an SIF, with some countries just requiring a single figure encompassing all components of a workers' salary. Ensuring that SIFs require a detailed breakdown of wage payments would enable the WPS to respond to a broader range of wage issues. While the exact content of an SIF should be determined by each country and be aligned with national law,³ consideration should be given to including the following fields:

- ▶ start and end date of salary period;
- ▶ number of days worked during salary period;
- ▶ number of overtime hours (further breakdown may be required in certain jurisdictions if different overtime rates are payable, for example, enhanced rates for night work);
- ▶ basic salary;
- ▶ overtime pay;
- ▶ contributions (that is, any contributions to pension funds/tax/insurance that are deducted from the salary);
- ▶ fixed allowances (to be further broken down by types of allowance, for example, housing allowance, food allowance, travel allowance);
- ▶ variable allowances or payments (to be further broken down by types of allowance or payment, for example, leave encashment, performance bonuses);
- ▶ deductions (to be further broken down by types of deductions permitted by national law, for example, loan repayment, damage replacement);
- ▶ net pay; and
- ▶ comments/justifications.

4.2.2 Bring end-of-service payments within the scope of the WPS

Many migrant workers across the GCC are entitled to end-of-service payments or gratuities at the conclusion of their employment, but sometimes face challenges relating to non-payment, under-payment or payment delays. Requiring end-of-service payments to be paid through the WPS would therefore offer significant potential to improve protection for migrant workers by providing oversight over whether such payments have been made and whether they have been calculated correctly. It is also technically feasible that the wage data collected through the WPS could be used to automatically calculate the end-of-service payments due to workers, overcoming some of the challenges that smaller employers can face in manually calculating such payments.

Closer integration with the WPS should also be considered in relation to end-of-service systems being based on contributions to national funds or insurance schemes (as in the United Arab Emirates), rather than being paid out as lump sum payments. From a worker perspective, one practical step that would be needed to support this is requiring that banks and institutions that participate in the WPS provide workers with accounts that are accessible from outside the country and that do not close on the day of their departure, allowing workers to access or transfer funds following their departure.

³ For example, if national law establishes a separate rate of pay for overtime during public holidays, this should also be reflected as a separate item in the SIF.

4.2.3 Design the WPS to reduce risks of contract substitution

Despite significant improvements being made to stamp out the practice,⁴ migrant workers in the GCC face well-documented risks related to contract substitution, whereby workers are recruited on the understanding that they will be performing a specific job for a given wage, only to find on arrival that their contract and visa are actually linked to different – usually inferior – terms and conditions. There is potential to incorporate design features into WPSs that could help to reduce these risks, including creating a dynamic link to cross-check among: (i) a system for electronically documenting job offers at the recruitment stage; (ii) electronic employment contracts; and (iii) WPS data from the SIF.

4.2.4 Design the WPS to reduce risks of other fraudulent or abusive practices

The WPS should be designed to offer robust protection to workers from other fraudulent or abusive practices related to wages and include measures to reduce the risk of employers controlling workers' accounts, withholding payment cards or accessing workers' funds. For example, as a condition for participating in the WPS, banks and financial institutions could be required to put in place security measures to ensure that workers are in control of their own bank accounts (for example, through implementing biometric security at ATMs); that employers cannot access or withdraw workers' funds; and that any potential violations or breaches are reported to appropriate national authorities.

4.2.5 Harness WPS data to support broader wage protection measures

The data generated by a fully-functioning WPS – which creates a real-time, accurate record of all wages paid in the private sector – offers substantial potential to support economic planning and policymaking, including in relation to wage protection. For example, the WPS could play an important role in supporting the development of minimum wage rates. This is particularly significant given that a lack of quality wage data has previously been identified as one of the main barriers to establishing minimum wages in the GCC. Gathering and analysing data is also essential to continuous improvement of WPSs to avoid fraudulent activities and close any potential loopholes.

4.3 Improving systematic identification of wage violations

In order to improve systematic identification of wage violations, there is significant untapped potential for WPSs to automatically identify two types of violation: (i) payments that do not meet minimum thresholds set out in national law; and (ii) payments that fall short of contractually agreed amounts. There is also scope to significantly strengthen WPSs by ensuring that violations are identified at the level of individual workers, rather than determining compliance at the enterprise level through the use of (enterprise-level) thresholds.

⁴ Including through visa centres in countries of origin, where workers sign a contract which is entered into the system and cannot be changed on arrival.

4.3.1 Automatic cross-check of wage payments against employment contracts

The WPS should be configured to automatically identify when a wage payment does not correspond to a worker's registered employment contract – for example, where the wage paid is lower than the agreed amount or where an allowance has not been paid (correctly). From a technical perspective, this could be achieved by requiring all employment contracts to be electronically registered and recorded, and that the salary information (including in relation to allowances, overtime rates and end-of-service payments) corresponds and is mapped against the fields included in the SIF.

4.3.2 Automatic cross-check of wage payments against national law

A WPS should be configured to automatically identify when a wage payment does not meet the minimum thresholds set out in national law. For example, the WPS should be able to automatically detect when payments fall below the national minimum wage, when overtime has not been paid according to national legal requirements, and when the value of deductions exceeds the level permitted in national law. The extent to which the WPS is able to do this will depend on whether national law contains clear and explicit provisions relating to different aspects of wages, such as overtime pay and deductions. Where it does not, the WPS could provide a useful impetus to strengthen the legal framework in this regard.

4.3.3 Ensure that violations are detected in relation to individual workers

In several GCC countries, compliance with the WPS is determined at the enterprise level on the basis of thresholds – for example, that in a given month the enterprise must pay a certain percentage of their workers in line with an amount registered in the system. While this approach has some advantages in terms of operational efficiency, it means that a proportion of wage violations are not identified or addressed. In order to ensure that wage protection reaches all workers, the system should be configured to identify, record and remedy each individual wage violation.

4.3.4 Reduce scope for violations resulting from “technical” or administrative errors

While expanding the scope of issues covered by the WPS, there is also potential to reduce the number of “violations” flagged by the system resulting from technical and administrative errors, such as errors resulting from SIFs being filled in incorrectly or failures to properly log deductions or justifications. Reducing such errors could increase efficiencies in the system by ensuring that follow-up and enforcement actions are focused on tackling actual wage violations. Specific measures that could be taken to reduce such errors include:

- Ensuring that the interface for entering wages is user-friendly and provides clear information and guidance about how to complete each field, using straightforward and understandable language.
- Configuring the system to prevent obvious errors in SIF files from being submitted – such as through error messages that prompt users to check specific data that they have provided.
- Requiring participating banks and financial institutions to run (automatic) verification checks on all SIF submissions for errors, and to resolve any issues with the company prior to final submission into the WPS.
- Identifying and proactively responding to any common technical/administrative errors, for example, by modifying the SIF or providing additional guidance.
- Providing an accessible way for employers to immediately correct administrative errors.

4.3.5 Empower workers to identify violations through provision of detailed salary information

While WPSs are well-placed to automatically identify certain types of wage issues – such as whether wages have been paid in line with national legal requirements and the recorded employment contract – they are less suited to identifying other types of wage issues. For example, a WPS may not be able to detect specific issues related to individual workers, such as whether overtime hours have been worked but not remunerated, or where deductions have been imposed without due reason. Nevertheless, there is significant potential for WPSs to be used to facilitate the provision of clear and accurate salary information to workers; thereby enabling workers to identify and flag payment inaccuracies.

As a starting point, banks and institutions should utilize the information and salary breakdown provided by employers in SIFs to provide itemized salary breakdowns to workers. These salary breakdowns should be provided in a language understood by the worker and made easily accessible to workers, for example, through SMS notifications, via an online portal or through a receipt at an ATM. In practical terms, requirements relating to the provision of information to workers could form part of the minimum criteria that banks and institutions need to meet to participate in the WPS. Alongside the salary information, workers should also be given clear information on how to alert their employer to any errors with the payment, as well as information on how to escalate any unresolved issues to national authorities.

4.3.6 Require documentary evidence and worker approval for justifications

Wage violations are not always self-evident. For example, there may sometimes be legitimate reasons why workers have not been paid in a given month (for example, because they are on unpaid leave) or have not been paid contractually agreed amounts (such as lawful and justified wage deductions). For this reason, it is important that WPSs provide the possibility for employers to provide “justifications” to explain payment irregularities – ideally also requiring the submission of documentary evidence to support the justification. In addition, WPSs should systematically provide workers with the opportunity to review – and approve – these justifications. Where disagreement arises, the burden of proof should be on the employer to provide sufficient evidence that the justification given is legitimate and accurate.

4.4 Linking violations to robust enforcement and remedy

When a wage violation is identified by the system, this should trigger robust escalation and enforcement procedures for non-compliant enterprises. There should also be accessible mechanisms through which affected workers can obtain remedy (such as compensation for unpaid wages), without having the onus to independently lodge a complaint or pursue a separate process. While all GCC countries have escalation and enforcement procedures in place, there is scope to improve the timeliness of these measures, and also to consider how these measures might apply within the context of complex contracting chains. At present, there is limited evidence of integration between WPSs and the mechanisms through which workers affected by wage violations can obtain remedy.

4.4.1 Timeliness

Given that remittances are often used for critical health care and education needs of workers' families, even small delays to salaries can cause a significant strain on workers, particularly if these delays are cumulative (that is, payments are delayed for several days each month, with the overall delay gradually increasing over time). For this reason, it is important that WPSs are configured to issue immediate alerts when salaries are not paid, rather than permitting a few days or weeks leeway to enterprises.

4.4.2 Prevention and penalties throughout the contracting chain

The penalties and enforcement measures envisaged in WPSs generally only apply to workers' direct employers. However, this is likely to be less effective where complex contracting arrangements prevail and where the workers' direct employers may be genuinely unable to pay wages because they themselves have not been paid for work already completed. This is a particular issue in the construction sector, where contractors need to have been paid by their clients before they can afford to pay their workers. In these circumstances, it is important for there to be a broader system of prevention and penalties. Banning such "pay when paid" arrangements in construction sector contracting would make clients and contractors jointly liable for wage payments of contractor workers.⁵ On top of this, WPSs should consider how contractor deposits on projects and/or how insurance funds, such as the one in Qatar, can be used to compensate unpaid workers.

4.4.3 Ensure that penalties and sanctions are not detrimental to workers

Across the WPSs in the GCC, the primary mechanism for enforcement is suspending company access to labour ministry services, including the issuance of work permits. While this is seen as an effective way of enforcing compliance, it is important to ensure that it is operationalized in a way that is not detrimental to workers. For example, where possible such suspensions should not be an impediment to existing workers having their work permits renewed, nor should it prevent workers from transferring to other employers. Consideration may also be given to introducing streamlined procedures through which workers in non-compliant enterprises can transfer more easily to other jobs. In Saudi Arabia, for example, if an employer fails to pay a worker's wages for three months, the Contractual Relationship Improvement Law allows them to move to another employer while retaining their rights.

Consideration could also be given to new types of sanctions for enterprises that fail to comply with a WPS, with these sanctions specifically designed to support workers. Such sanctions could include requiring non-compliant companies to deposit workers' salaries in advance or to set up a ring-fenced fund from which to pay workers.

4.4.4 Direct integration with a mechanism through which workers can obtain remedy

When the WPS identifies that a worker has not been paid, or has not been paid the contractually agreed amount, there should be direct integration with a mechanism through which that worker can obtain remedy, such as compensation for unpaid wages. In those GCC countries where there is already an existing wage compensation mechanism, namely a wage fund (such as in Qatar) or a wage insurance system (such as in the United Arab Emirates), this would involve establishing a direct integration between

⁵ ILO. 2018. [Exploratory study of good policies in the protection of construction workers in the Middle East](#), Beirut: ILO Regional Office for Arab States.

the WPS and that system. In practical terms, this would mean that non-payment detected through the WPS could act as a direct trigger for this compensation, without the worker having to raise a separate complaint or go through other administrative hurdles. In other GCC countries, a wage compensation mechanism would first need to be established to fulfil this role.

4.4.5 Direct integration with relevant administrative and judicial systems

All countries in the GCC have administrative and judicial systems for handling worker complaints related to labour issues, including wages. Given the multiple barriers that can impede workers in the GCC from lodging complaints through official channels, a key advantage of WPSs lies in their ability to enable national authorities to proactively identify and address wage issues without relying on complaints from workers. When complaints are lodged, the relevant national authorities should also be able to request access to WPS data as part of their investigations.

While all countries in the GCC operate a wage complaints mechanism, this is not always well integrated with the WPS, and national authorities with responsibility for investigating worker complaints do not routinely have access to WPS data and information.

Specific considerations for the integration of WPSs with administrative and judicial systems might include:

- Ensuring that information about how to access the complaint mechanism is clearly accessible to workers through the WPS, ideally alongside the salary breakdown provided to workers.
- Ensuring that there is coordination between the WPS and the complaints mechanism, and that wage violations are dealt with consistently, regardless of how they were identified.
- Removing the need for duplication. If wage violations are identified in the WPS, there should be no need for workers to lodge a complaint separately, for example, as a requirement for accessing compensation/redress mechanisms.
- Those responsible for the compensation/redress mechanism should have access to WPS information to verify and triangulate complaints.

4.4.6 Direct integration of WPSs with labour inspectorates

There is scope for more systematic coordination and integration between the WPS and the labour inspectorate, including to ensure that WPS compliance feeds into the process of selecting or prioritizing companies for inspection visits, and that labour inspectors have access to relevant WPS data as part of their inspection. Where the labour inspectorate also carries out advisory services for employers, this should routinely include the provision of advice on issues relating to WPS compliance, with focus being placed particularly on smaller enterprises.

4.4.7 Data protection

Given that each WPS holds a large amount of sensitive data relating to workers, including comprehensive salary records, any integrations would need to include clear data protection protocols. This may include a system through which different national authorities are able to request access according to specific criteria, or systems to allow for the anonymizing of WPS data or providing aggregated data that does not include the details of individual workers.

► 5. Effective wage protection systems for domestic workers

Domestic workers are among the most vulnerable groups of workers in regard to wage violations in the GCC, but at present no country includes all domestic workers in their WPS on a mandatory basis. In Saudi Arabia, the WPS recently became mandatory for employers of domestic workers employed under new contracts and by the beginning of January 2026, all employers of domestic workers with existing contracts will need to include them in the WPS. The United Arab Emirates currently includes five “higher paid” categories of domestic workers in their WPS on a mandatory basis, but all other categories on a voluntary basis. Voluntary inclusion of domestic workers in some form of WPS is also in place in Bahrain, Saudi Arabia, and Qatar. In part, this is because there are specific features of domestic work that make WPS coverage challenging. These include: the fact that employers of domestic workers are private households that lack payroll or HR capacity; the predominance of cash payments; and (in some GCC States) the lack of a clear legal framework regulating domestic workers’ wages. Another practical challenge is that extending the WPS to domestic workers would represent a substantial expansion of the number of workers covered by the system. Across the GCC countries, domestic workers represent 21.4 per cent of all employees, compared to a global average of 4.5 per cent (ILO 2021).

Therefore, while the features and recommendations set out in the previous section are equally applicable to the design of a WPS for domestic workers, this section sets out some specific considerations aimed at addressing to the specific situation of domestic workers.

5.1 Underpinning legal and practical reforms

Effective implementation of a WPS for the domestic work sector would require the enactment of specific legislation or regulation to mandate the use of a WPS for domestic workers. The ability of the WPS to detect wage violations would be enhanced by a clear legal framework relating to domestic workers’ wages. In several GCC countries, the relevant labour regulations covering domestic workers do not provide explicit clarity on aspects of wages, including minimum payments, overtime rates and deductions. Developing relevant provisions would greatly enhance the scope of the protections that a WPS could offer domestic workers.

Given the technical challenges in integrating cash payments into a WPS, this would also need to be accompanied by a requirement for domestic workers to be paid electronically. Depending on the national context, this might also need to be accompanied by specific measures to improve the accessibility of banking and financial services to domestic workers (and in some cases, their employers). This could include awareness campaigns for employers of domestic workers relating to the benefits of electronic payments – for example, that electronic payments provide clear evidence that payment has been made, thereby reducing the potential for wage disputes. The WPS could also be designed in a way that allows for employers of domestic workers to receive notifications that remind them how and when to make payments. There is also a role for banks in providing appropriate services to domestic workers, including online accounts and online remittance services. A related issue is taking steps – such as through legislative measures and related enforcement – to ensure domestic workers’ freedom of movement to leave the household during their breaks and rest days, so they are able to access banking and financial services.

5.2 Scope and design considerations

In addition to the reforms mentioned above, special consideration related to WPS design would be needed, namely the integration of a WPS for domestic workers with e-contracts for these workers. This would reduce the need to duplicate work in registering data and could automatically have workers enrolled in the system. These contracts could also be subject to review to ensure they comply with minimum requirements under national law.

In some GCC countries, domestic workers are under the jurisdiction of the national labour authority that also operates the WPS – see Qatar. In these cases, there could be practical efficiencies to extending the existing WPS to cover domestic workers, potentially through a dedicated domestic worker subdivision within the existing WPS unit. This would likely entail the need for significant extra resources and staffing for the WPS unit, particularly during the initial roll-out of the system. In other countries, where a separate labour authority has responsibility for domestic workers, it might be necessary to operate a separate or parallel WPS. In both situations it would be important for those with responsibility for the domestic worker WPS to have specific training and capacity to understand the specific context of the domestic work sector.

The process of registering with the WPS should be made as seamless as possible and be integrated into existing national processes for registering domestic workers – as is envisaged in Saudi Arabia's model for recruiting and employing domestic workers. As well as reducing practical barriers to registration, this is also a practical and effective way to ensure that the WPS is linked to the workers' contracted wage rate. An e-contracting system would help with this.

Employers of domestic workers are private citizens and may not have the capacity or expertise to compile detailed information relating to salary payments on a monthly basis. It would therefore be important to devise a simplified SIF for domestic workers that encompasses the key data needed to make wage protection possible. This data could include:

1. payment date;
2. employee name/ID number/visa number;
3. employee phone number;
4. employee bank account details;
5. number of days worked;
6. number of overtime hours worked;
7. basic salary;
8. overtime pay;
9. other allowances (specified);
10. deductions (such as those for accommodation and food);
11. net pay;
12. settlement salary – for delayed/late payments;
13. end-of-service payments/benefits;
14. comments/justifications.

Particular attention should therefore be given to developing a simple and user-friendly interface for processing wage payments for domestic workers. For example, one practical approach could be for the system to “auto-fill” elements of the SIF on the basis of contractual salary information, so that employers only need to compile data that might vary for each payment period (for example, overtime pay or any wage deductions). Another possibility could be that the software will automate certain calculations, for example, calculating overtime payments using the entered overtime hours.

5.3 Enforcement considerations

As with WPSs in the private sector, the roll out of the WPSs for domestic workers could be considered in phases, starting with occupational categories of domestic worker where there are likely to be fewer barriers to implementation and enforcement. This has been the model for rolling out a mandatory WPS for domestic workers in the United Arab Emirates.

Specific protocols would need to be adopted to respond to wage violations affecting domestic workers, including appropriate enforcement action against the employer, alongside access to compensation mechanisms for the worker. Such penalties could be reinforced in worker contracts so there is strong messaging on the implications of non-compliance. In developing these, it would be important to consult with relevant national stakeholders, including trade unions or member-based organizations representing domestic workers (or domestic workers themselves). This would help to ensure that any penalties imposed on the employer were not to the detriment of the worker, and that appropriate compensation mechanisms were in place.

Penalties and enforcement mechanisms used across the GCC in relation to other private sector workers – such as suspension of access to government services or the recruitment of new workers – could also be used in relation to domestic workers. Where escalation is required, there should be clear mechanisms in place to refer cases to law enforcement authorities.



► 6. Wage protection systems by country

6.1 Bahrain

6.1.1 Background

Bahrain launched a WPS in 2021, applicable to all workers in the private sector. The WPS was developed in collaboration with the Labour Market Regulatory Authority (LMRA) and is underpinned by a number of Ministry of Labour (MoL) regulations, most notably Resolution No. (68) of 2019 on the Wages Protection System, and the Labour Law for the private sector (2012) which sets out general provisions relating to the payment of wages.

As of November 2023, the immediate priority for the LMRA is the development of a revised WPS ("WPS 2.0"), expected to be rolled out from July 2024 (Interview with LMRA, November 2023).

6.1.1.1 Overview of key institutions involved in the WPS:

Name of institution (or sub-department /function)	Summary of their role
Central Bank of Bahrain	Public entity with responsibility for maintaining monetary and financial stability, including acting as the single integrated regulator of Bahrain's financial industry. Jointly developed the WPS with the LMRA. Responsible for maintaining the List of approved banks and List of approved financial service providers who can participate in the WPS.
BENEFIT company	Licensed by the Central Bank of Bahrain to maintain Bahrain's electronic network for financial transactions. Appointed clearing house for all WPS payments.
Labour Market Regulatory Authority (LMRA)	Legal entity under the supervision of the Minister of Labour. According to Act No. 19 (2006) on the regulation of the labour market , the LMRA is responsible for activities to regulate the labour market in the Kingdom, including the regulation of work permits and licensing recruitment agencies. Responsible for the development and implementation of the WPS.
Wage Protection Directorate	Division responsible for overall implementation of the WPS. There are currently 13 staff responsible for administering the WPS. Key duties include verifying transactions and reviewing the level of compliance of each company (Interview with LMRA, February 2024).
Labour Inspection Directorate	Labour inspection team with responsibility for labour issues relating to foreign workers, including following up on WPS violations.
Protection and Grievances Centre	Operates a mechanism through which workers can make labour complaints, including relating to wages.
Ministry of Labour	Government ministry with responsibility for developing national strategies in relation to labour, provision of national employment and training services and the development of labour legislation and regulations, including the Ministerial Resolution establishing the WPS.
Labour Inspection and Occupational Safety Directorate	Team of 16 labour inspectors – primarily responsible for labour issues relating to Bahraini nationals (including issues raised by the WPS), as well as overarching enterprise-level issues, especially relating to occupational safety and health.

6.1.1.2 Key objectives

According to the LMRA (Information Request, October 2023), the key objectives of the WPS are as follows:

- to protect workers' wages, as a means to achieving Bahrain's international commitments and obligations relating to combatting trafficking in persons and forced labour.
- to reduce the number of complaints and "malicious claims" relating to wages, considering that wage issues amount to 85 per cent of total labour cases.
- to contribute to a stable work environment, based on the principles of transparency and support for workers' rights.
- to obtain a comprehensive, accurate and documented database of workers' wages in the private sector, which can in turn contribute to sound economic planning.

In addition, the MoL has highlighted the importance of being able to proactively respond to wage violations, given that migrant workers often face barriers in lodging complaints via formal channels (Interview with MoL, November 2023).

6.1.2 Coverage

Bahrain's WPS covers all workers covered by the Labour Law for the private sector ([Law No. 36 of 2012 promulgating the Labour Law for the Private Sector](#)), including Bahraini and foreign nationals (LMRA, 2023a) but not domestic workers (who are covered by some sections of the Labour Law). All enterprises are required to participate in the WPS, regardless of size.

6.1.2.1 Key exclusions

There is no mandatory coverage of domestic workers, but employers of domestic workers can decide to opt in on a voluntary basis. There are no immediate plans to extend the WPS to domestic workers on a compulsory basis, although according to the LMRA this might be given further consideration following successful rollout to enterprises (Interview with LMRA, November 2023).

Workers who are not under the scope of the Labour Law for the private sector are not covered by the WPS. This includes all public sector workers, as well as self-employed workers such as migrant workers registered under Bahrain's Labour Registration Program (LRP) (Interview with LMRA, October 2023). There is no possibility to include such workers in the scope of the WPS because they are engaged on the basis of service contracts, and fall under the remit of Bahrain's civil code, rather than the labour code (Interview with MoL, November 2023).

6.1.2.2 Coverage in practice

Rollout of the WPS took a phased approach, beginning with large enterprises (500+ employees) in May 2021, before being rolled out to medium enterprises (50-499 employees) in September 2021 and small enterprises (1-49 employees) in January 2022. All enterprises were given a six-month grace period following their "launch date" to fully implement the WPS.

Despite being compulsory for all enterprises since June 2022, as of October 2023, only 47 per cent of enterprises have registered with the system. Registration rates vary significantly depending on the size of the enterprise:

- 100 per cent of Bahrain's 95 large enterprises
- 95 per cent of Bahrain's 1,400 medium enterprises
- 25 per cent of Bahrain's 63,594 small enterprises

According to the LMRA, one of the key considerations for “WPS 2.0” is the introduction of adjustments which will enable the participation of small companies without a formal payroll system. While the exact details of the adjustments are not clear, according to the LMRA it will involve a dedicated web portal where companies can log salary information for employees (Interview with LMRA, November 2023).

Even when employers are registered with the WPS, it does not necessarily mean that they use the system for processing salaries. For example, in December 2021, the LMRA noted that while 100 per cent of large enterprises had joined the system, only around 80 per cent actually used the system to transfer their employees’ salaries (LMRA, 2021).

6.1.3 Wage payments

6.1.3.1 Registration

All employers are required to register with an approved bank or ancillary service provider. As of November 2023, the list of approved institutions includes 25 banks and 6 ancillary service providers which offer secure “digital wallets” that facilitate person-to-person transfers, bill payments and remittances. Workers can also be issued with cards linked to their digital wallets, allowing for cash withdrawals at ATMs or specialist kiosks. Following registration by the employer with an approved bank or ancillary service provider, all employees must also register with that provider, but it is possible for wages to be disbursed to a separate bank account, if requested by the worker (Interview with LMRA, November 2023).

To register for the WPS, enterprises are required to provide a range of documentation to the bank or ancillary service provider, including copies of commercial registration and details of all employees. There are no explicit requirements to provide copies of employment contracts, or details of contractually agreed salaries.

6.1.3.2 Processing wages payments

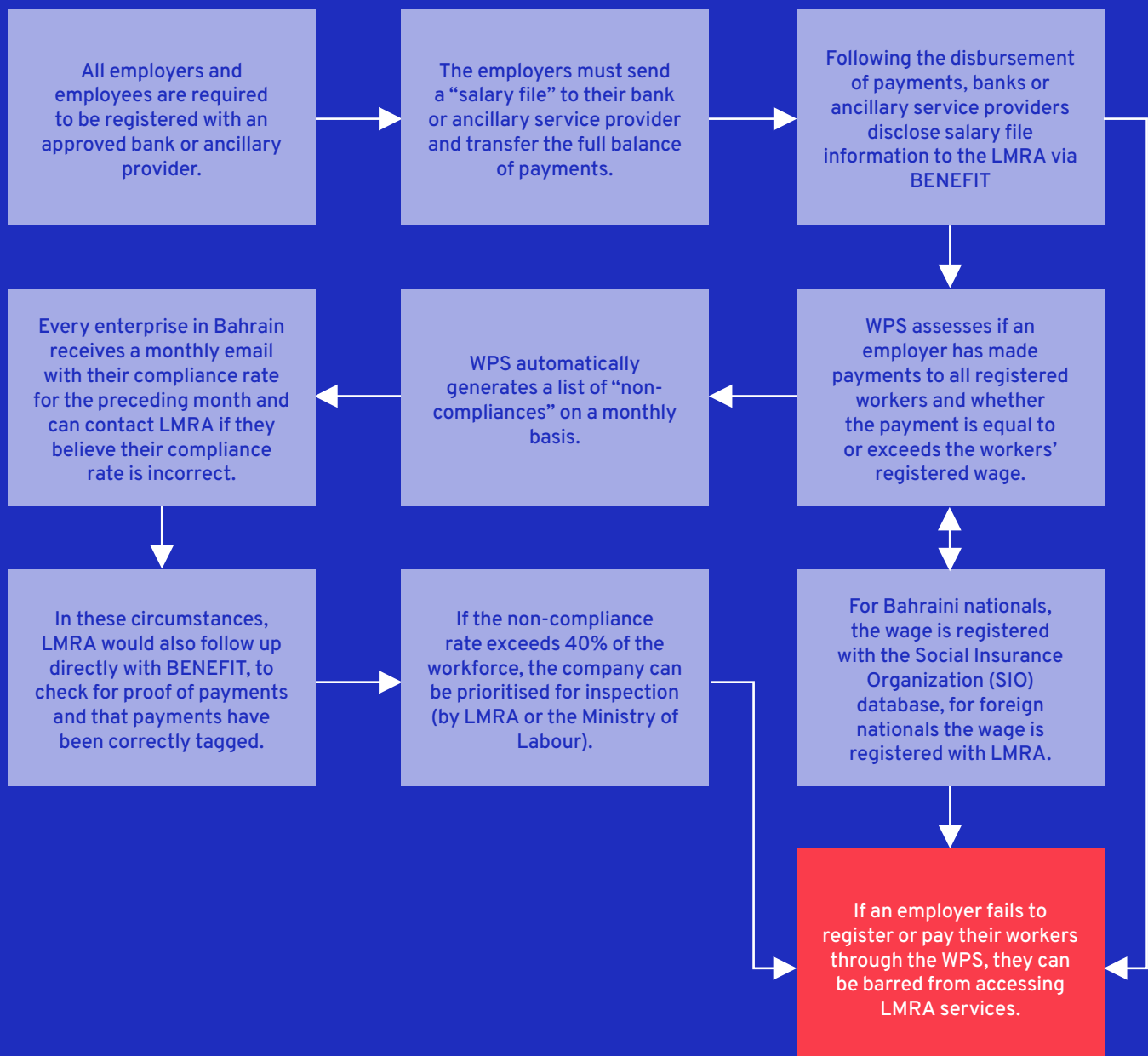
Following registration, in order to process payments employers must prepare a “salary file” for processing by the bank or ancillary service provider and transfer the full balance of payments due. Employers need to ensure that the payment is tagged as a “salary payment”. If the payment is not tagged as a salary payment, it will still reach workers but will not be logged in the WPS or be accessible to the LMRA.

BENEFIT, Bahrain’s electronic network for financial transactions, acts as the clearing house for WPS payments. For any payments which have been tagged as a “salary payment”, BENEFIT discloses the following information to the LMRA:

- The employee’s full name
- The employee’s ID number
- The amount paid to the employee
- The date of paying the wage
- The employee’s account number or its identification code
- The employer’s account number
- The employer’s ID number or CR number

There are no specific requirements relating to the information that must be provided to workers in relation to payments made under the WPS, although [Resolution No. \(68\) of 2019 on the Wages Protection System](#) states that the LMRA “may provide the concerned parties with the data or information related to them and mentioned in the previous article upon a written reasoned request” (Art 4). In addition, there are no specific requirements in Bahraini Labour Law relating to the provision of wage slips. Nevertheless, bank and ancillary service providers often offer a range of options for workers to access information relating to their wages, including online and app-based services.

► Figure 2. Bahrain WPS process



Note on end-of-service / gratuity payments: Following recent reforms, responsibility for end-of-service payments is with the Social Insurance Organization (SIO). Employers have responsibility for making insurance payments to the SIO on a monthly basis, and the end-of-service payment is paid to eligible workers directly by the SIO at the conclusion of their contract. As such, there is no basis for including this in the WPS (Interview with MoL, November 2023).

6.1.3.3 Planned adjustments

According to the LMRA, the new WPS will include several important changes in respect to wage payments.

Most significantly, rather than just specifying the overall amount paid to the employee, the employer will be required to distinguish between “fixed” and “variable” payments. Fixed payments would include any wages or allowances which are contractually agreed and paid at the same rate each month, while variable payments would include any payments which are subject to change, for example, overtime payments, bonuses or commissions, or changeable allowances. Once the distinction between fixed and variable payments has been implemented, the system will be configured in a way that prevents employers from making “fixed” payments below contractually agreed rates, unless additional justification is provided (Interview with LMRA, November 2023).

Other key changes will include requiring the employer to specify the time period which the wage covers – at present, although employers provide the date of the payment, the LMRA does not have information about the period of coverage. In addition, the new system will allow for payments to be made in any currency (Interview with LMRA, November 2023).

6.1.4 Identifying wage violations

On a monthly basis, LMRA automatically generates a compliance rate for each enterprise in Bahrain. The compliance rate is based on two tests – (1) whether an employer has made payments to all registered workers, and (2) whether the payment is equal to or exceeds the workers’ registered wage. For Bahraini nationals, the registered wage is the wage in the Social Insurance Organization (SIO) database, for foreign nationals the registered wage is the wage in the employment contract registered with LMRA. Every enterprise in Bahrain receives a monthly email with their compliance rate for the preceding month, and can contact LMRA if they believe their compliance rate is incorrect (Interview with LMRA, January 2024).

Once the compliance rate for each enterprise has been established, the LMRA also manually follows up with non-compliant employers. There is no specific compliance threshold; however, where the number of non-compliances exceeds 40 per cent of the workforce, the company is prioritized for an inspection (Interview with MoL, November 2023). Employers are provided with the opportunity to provide justifications for non-payment of workers, or paying below contractually agreed amounts. In addition, employers can also provide proof that payments have been made but not correctly tagged as salaries. In these circumstances, LMRA would also follow up directly with BENEFIT, to check for proof of payments and to request the payment to be retagged. There is no mechanism for checking these justifications with workers (Interview with LMRA, January 2024).

6.1.5 Mechanisms to enforce wage protection

At present, the WPS does not have the functionality to automatically carry out enforcement in relation to identified wage violations. According to the LMRA, this is because such a system is not workable until universal coverage is achieved. Given current levels of registration and use, non-participation in the WPS is not yet a reliable indicator that a wage violation has taken place. In addition, it is not possible to identify violations based on the information which is provided to the LMRA, given that the system does not collect information on the time period to which the payment corresponds, and does not distinguish between fixed and variable payments (Interview with LMRA, November 2023). In addition, a high proportion of identified “non-compliances” are actually due to technical issues such as not tagging the wage file correctly, rather than actual wage violations (Interview with MoL, November 2023).

If an employer fails to register or pay their workers through the WPS, they can be barred from accessing LMRA services, including relating to the issuance and renewal of work permits (Interview with LMRA, November 2023). No financial penalties are envisaged. As of November 2023, no employers have been sanctioned for non-participation in the WPS, largely because LMRA's current focus is on developing an operational system and raising awareness among employers, rather than on enforcement (Interview with LMRA, November 2023).

At present, there are two labour inspectorate services with responsibility for following up on WPS violations – one under the auspices of the LMRA which is responsible for foreign nationals, and the other under the auspices of the MoL which is responsible for Bahraini nationals. There are currently 28 labour inspectors in the LMRA and 18 labour inspectors in MoL. There is close coordination between the LMRA and MoL, including sharing reports on inspection results (Interview with LMRA, February 2024).

6.1.5.1 Connection between WPS data and worker complaints

Workers (excluding domestic workers and workers in the Labour Registration Program) can submit grievances relating to wages by submitting a complaint to the Grievances and Protection Directorate of the LMRA. Domestic workers and workers in the Labour Registration Program can submit complaints to the [Expatriate Protection Centre of the LMRA](#). In total, there are 31 LMRA staff with responsibility for processing worker grievances. The majority of submitted grievances relate to wages (Interview with LMRA, February 2024). Where the LMRA is unable to reach an amicable solution to the grievance, it is referred to the Ministry of Justice, Islamic Affairs and Waqf (Interview with LMRA, November 2023). A case is considered closed and resolved when the employer and worker agree to a specific response, for example the immediate payment of unpaid wages or if the employer is able to provide evidence that the grievance is not justified (Interview with LMRA, November 2023).

Of the approximately 14,000 wage-related complaints received by the LMRA in the last 3-4 years, around 4,000 have been referred to the Ministry of Justice, Islamic Affairs and Waqf (Interview with LMRA, February 2024). According to the LMRA, in the majority of complaints, employers will choose to pay workers' outstanding wages "rather than risk a human trafficking case being brought against them" (Interview with LMRA, November 2023).

While the Resolution underpinning the WPS states that the LMRA should provide WPS data to relevant stakeholders "based on a reasoned written request" (Art 4), it is not clear to what extent this happens in practice. It is reportedly common for requests to be rejected due to data protection concerns, meaning that public prosecutors do not generally have access to WPS data, even if they are managing a case relating to a wage dispute (Interview with MoL, November 2023).

6.2 Kingdom of Saudi Arabia

6.2.1 Background

The Kingdom of Saudi Arabia has been operating a WPS since 2013. In the 10 years of implementation, it has gone through significant change, particularly in relation to the way it now harnesses digital technology, and the broadening of its scope from applying only to establishments of more than 3,000 staff to now covering the entire private sector.

The WPS is overseen by the Ministry of Human Resources and Social Development (MHRSD), and is underpinned by a range of laws that govern the Wage Protection Programme, including [Saudi Labour Law](#), a Decision on the wage protection programme and a defined list of violations.

6.2.1.1 Overview of key institutions involved in the WPS:

Name of institution (or sub-department /function)	Summary of their role
Ministry of Human Resources and Social Development (MHRSD)	The MHRSD is the legislative and supervisory body for labour. Engages with employers to resolve payment issues detected by the WPS and enforces penalties for non-compliance.
Labour inspection unit within the MHRSD	Includes 25 staff with responsibility for administering the WPS. The WPS unit is also linked with a team of around 1,000 labour inspectors. The latter usually carry out roughly 100,000 remote or in-person inspections related to wage violations per year, including cases of non-compliance with WPS, in order to verify the effectiveness of the WPS.
Mudad	An electronic platform launched by the MHRSD in 2020. Employs 50 staff providing technical support, customer service, and linking with other entities (GOSI, MHRSD). Mudad automatically identifies wage violations based on wage protection files data.
General Organization for Social Insurance (GOSI)	Governmental entity that provides social protection and insurance coverage. Hosts the government's social insurance database which is used as reference data for WPS checks performed by Mudad.
Musaned	Established by the MHRSD to streamline the recruitment and employment of domestic workers in Saudi Arabia. One of the services it includes is a WPS. Employers of domestic workers employed under new contracts are required to register their contract details on the Musaned platform, while those employing domestic workers under existing contracts will be required to do so through a phased implementation according to the number of domestic workers they employ.
Saudi Central Bank	National body responsible for maintaining monetary and financial stability. Operates and maintains the Saudi Arabian Interbank Express SARIE System, approval of which is required for private banks and payroll companies to participate in the WPS.

The WPS has been set up to verify that workers are paid on time and in line with amounts that had been previously agreed upon. The objectives of the WPS are to benefit workers, employers, communities, the economy and help to reduce crime (Saudi Arabia Focal Point 2023). This is set out in more detail below.

6.2.1.2 Objectives of the WPS

The WPS in Saudi Arabia has five stated objectives:

- To benefit workers in the private sector by improving worker confidence in accuracy of wage payments through improved transparency and systems to record wage data;
- To benefit employers by reducing wage disputes, bureaucracy and increasing competitiveness in the labour market;
- To benefit the community by enhancing social protection for private sector employees;
- To benefit security by reducing potential fraud and “wage theft” through cash payments, and
- To benefit the economy by increasing productivity, providing job opportunities for citizens, and providing up to date information on future needs of the private sector.

6.2.2 Coverage

The WPS was initially developed in 2013, at which point it applied only to establishments of more than 3,000 staff (MHRSD 2022). Ten years later, after various amendments and iterations, it is now applicable to all private sector enterprises – roughly 650,000 – covering Saudi and foreign nationals (Saudi Arabia Focal Point 2023). This also includes private companies engaged in public sector joint ventures or partnerships.

6.2.2.1 Key exclusions

Workers who are serving their probation period – one-month for Saudi nationals and three months for foreign nationals – are not covered by the WPS. Public sector workers are not within the scope of the WPS, despite estimated to make up a significant proportion of the country's workforce.

All employers in the private sector are required to open bank accounts into which their staff will be paid. These accounts must be opened with a list of banks approved by the Saudi Government to take part in the Saudi Arabian Interbank Express SARIE System, and workers are to be paid in Saudi Riyals. The bank will then issue the employer with ATM cards that the workers can use to withdraw money. This card includes the name of the worker and employer (MHRSD 2022). Should workers prefer, they may set up their own bank account into which they then transfer received wages (Saudi Arabia Focal Point 2023).

► Figure 3. Saudi Arabia WPS process



6.2.2.2 Registration

Employers are also required to register on the WPS. This includes registration of the company and registration of the worker on the Mudad platform, an electronic platform that has been used by the Saudi government to help automate the identification of wage violations. This has been in place since 2020. This platform also allows for worker contract information to be uploaded as the e-contracting documentation capability moved to the Qiwa platform (the electronic services of the MHRSD), which is already connected to the Mudad platform. This would therefore include all the terms and conditions related to payment for a worker (Mudad Interview). These terms and conditions include:

- general information (including job title, contract period type, starting date, notice period and trial period)
- working time details (including the number of hours they are contracted to work and number of annual vacation days)
- financial details (including the type of salary and the basic salary rate)
- housing/transportation details - whether housing/transportation is provided and what the allowance is for each
- if needed, custom paragraphs like non-disclosure clauses, non-compete clauses, additional terms, etc. (Qiwa 2024).

However, the contract information is not “used” by the Mudad WPS platform to assess wage payment compliance. To do this, Mudad draws data from the government’s social insurance database, GOSI (Mudad Interview). All employers are required to register their workers on to GOSI within a month of their start date, which includes information related to a workers’ terms and conditions and wages. This data is then reflected in the WPS.

6.2.2.3 Processing wage payments – Mudad

The employer needs to submit wage file data to the bank each time they pay a worker. Depending on the type of contract a worker is under, they are to be paid either monthly or weekly (Art. 90, PART VI: Work Conditions and Circumstances, Chapter 1: Wages, Labour Law, Royal Decree No. M/51). Once the wage file is received by the bank, the bank validates and generates a “wage protection file” – an electronically sealed file containing the records and wages of employees. This is sent back to the employer who then uploads it into the Mudad system. This takes place during every wage payment period, either weekly or monthly.

The wage protection file format submitted to the bank also has information on individual workers’ wage payments, with details set out below.

Field name	Description	Required
TRN-DATE	The date of the transfer.	Completed by the bank
TRN-STATUS	The status of the transfer (successful or failed).	Completed by the bank
TRN-REF	Unified process reference number.	Completed by the bank
MOL-ID	Worker ID (the national ID number for Saudi workers, and residency number of migrant workers).	Yes

MOL-DED	Value of deductions owed by worker (so long as these do not conflict with legal requirements).	Yes
MOL-OEA	Value of other payments owed to the worker in this period. Note: this could include overtime (Saudi Arabia Focal Point 2024).	Yes
MOL-HAL	Value of worker's monthly housing allowance. ⁶	Yes
MOL-BAS	The value of the worker's basic wage. A zero can be placed in this field if a financial settlement is being filed.	Yes
RET-CDE	A code indicating why the payment has been rejected by the bank.	Completed by the bank
70-DET	Description of the payment (monthly salary, incentives, allowances, etc.).	No
57-BANK	If a worker receives payment in a Saudi bank, include their bank code. If a worker is paid into a bank outside of Saudi Arabia, enter the SWIFT Code for the bank.	Yes
59-NAM	The name of the worker.	Yes
59-ACC	The worker's account number (IBAN number, salary card number).	Yes
328-AMT	Total Amount to be paid to the worker.	Yes

► Figure 4. Example of wage file

[23-REF]	[328-AMT]	[59-ACC]	[59-NAM]	[57-BANK]	[70-DET]	[RET-CDE]	[MOL-BAS]	[MOL-HAL]	[MOL-OEA]	[MOL-DED]	[MOL-ID]	[TRN-REF]	[TRN-STATUS]	[TRN-DATE]
36400012309102012WAG	20000.00	123456789012345678901234	Employee One	SABB	SALARY for the month January		6000.00	2000.00	4000.00	2000.00	1023456789			
36400013409102012WAG	8000.00	123456789012345678901254	Employee Two	SABB	SALARY for the month January		5000.00	2000.00	2000.00	2000.00	1023456767			

Source: Mudad User Manual, p. 8.

6.2.3 Wage payments for domestic workers

6.2.3.1 Registration

For domestic workers, there is a separate electronic WPS operated through the Musaned platform (Saudi Arabia Focal Point 2023). This has been kept separate as the labour inspection unit within MHRSD deals with companies, and there is a separate domestic worker division which focuses on employment of domestic workers (Saudi Arabia Focal Point 2024). The Musaned platform has been established by the MHRSD to streamline the recruitment and employment of domestic workers in Saudi Arabia, and one

⁶ A zero can be placed in this field in the following cases: Payment of housing allowance is made to the worker in annual or 6 monthly instalments; the worker is not entitled to housing allowance; or the housing allowance is provided as an in-kind payment.

of the services it includes is a WPS. As of 1 July 2024, employers of domestic workers employed under new contracts are required to register their contract details on the Musaned platform. For employers of domestic workers with existing contracts, the WPS will be implemented in phases according to the number of domestic workers they employ. Employers with four or more domestic workers will need to comply with the WPS by 1 January 2025. Those with three or more domestic workers will need to comply by 1 July 2025, while employers with two or more domestic workers will need to do so by 1 October 2025. As of January 2026, all domestic workers will need to be included in the WPS.

To register, the domestic worker must have a residency permit (*Iqama*) and have a mobile number registered in ABSHER – a web portal and smartphone app allowing access to various government services (Musaned FAQ).

The first stage of registration is uploading data on the domestic workers' contract. All employers of domestic workers are able to pay their staff electronically either through one of the five participating banks or through [STC Pay](#),⁷ an electronic mobile wallet, allowing the employer to quickly and easily pay their domestic workers through the respective apps of participating financial institutions (Musaned FAQ, Saudi Arabia Focal Point 2024). Information on the chosen e-payment method should be uploaded onto Musaned. The Musaned platform holds all personal information on the employer and information for the employee's contract. Where needed an employer can update and modify this information in the future.

This includes the following information on the worker (Musaned User Manual):

The residency number of the worker	Monthly salary
Sex	Domestic worker's mobile number
Nationality	Worker bank account details
Occupation	Next of kin for the domestic worker

After this is complete, an electronic employment contract is created, both in English and Arabic. According to the Musaned Manual, this contract can be given to domestic workers as a print-out or electronically.

6.2.3.2 Processing wage payments – Musaned

Whilst Musaned monitors payment data for electronic payments, it does not currently cross reference or check that this is in line with payment terms in a worker's contract. As a result, there is no follow up in cases of non-payment or delayed payment.

⁷ STC Pay is an electronic mobile wallet that allows customers to, amongst others, add money to their accounts (e.g. via Apply pay, credit/debit card, bank transfer), as well as transfer money domestically and internationally.

6.2.4 Identifying wage violations

6.2.4.1 Through Mudad

Once a wage file has been submitted, Mudad processes a wage file in two ways. Firstly, it checks whether the data input by the employer has been uploaded correctly. There are a range of data checks that the Mudad system runs. For example, if a worker's ID number is incorrect, the company will receive an email alert to correct the file and upload it again. Once the data is inputted correctly, the system can check for wage violations (Mudad User Manual). It looks at five potential violations at the individual worker level, and then if one of these violations contributes to the company's overall payroll compliance. See below for more information.

Worker specific checks: There are five automatic checks against which Mudad will evaluate each individual worker's wage file. This includes (Mudad Interview):

- Non-payment - If a worker has not been paid by the registered payment date.
- The basic salary is 50 per cent lower than the amount registered in GOSI.
- There are deductions of more than 50 per cent of the total received salary.
- Payment is made to an employee who is not registered in GOSI.
- The basic salary is more than 20 per cent of the basic salary in GOSI.

Overall payroll compliance: Depending on the size of the company, the employer's payroll must be 90 per cent (companies with fewer than 30 employees) or 95 per cent (companies with more than 30 employees) in line with the total payroll in GOSI to avoid an alert being flagged in Mudad (Mudad Interview).

A company's overall payroll compliance is calculated using the number of employees registered in GOSI whose wages have been transferred correctly (i.e. not breaching the above 5 violations). This number is then divided by the total number of employees registered in GOSI whose wages have not been transferred correctly plus the number of unregistered workers whose wages have been paid (Mudad Interview). Where the compliance percentage is below those thresholds above, then an alert would be sent to Mudad, and a series of actions would need to be taken. See below.

► Figure 5. Saudi Arabia compliance percentage calculation

$$\frac{\text{Number of employees registered in GOSI, and their wages have been transferred}}{\text{Number of employees registered in GOSI, and their wages have not been transferred} + \text{Number of employees unregistered in GOSI, and their wages have been transferred}} \times 100$$

Source: Mudad interview 2023.

While individual wage violations help trigger alerts in Mudad, the system is not designed to necessarily identify all violations. For example, if an employer has 100 employees, and pays 95 correctly but fails to pay five (i.e. 95 per cent compliance) this would not trigger an alert. This leaves some scope for potential violations going undetected.

The alert in Mudad is raised the day after wages should have been paid, though employers have a 10-day grace period to make the correct payments.

6.2.5 Mechanisms to enforce wage protection

This section focuses on enforcement of WPS alerts in the private sector WPS. Where an alert is raised, there are a number of tools available to the MHRSD to ensure the employer either corrects the issue or is penalized for not complying with wage payment requirements.

6.2.5.1 Escalation

If an employer receives an alert related to a wage violation, they need to either take action to address it or to provide a justification (see below). Where an employer fails to take action, the Mudad platform takes a staged approach to promote an employer's compliance, with penalties enforced by the MHRSD. The staged approach is set out below (Saudi Arabia Focal Point 2023, Mudad User Manual).

- If the compliance rate is lower than permitted, Mudad sends an alert by email and SMS to the company on the 11th of the month, giving five days to resolve the issue before being suspended.
- If no action is taken by the 16th of the month, a warning on the imposition of statutory penalties is sent to the company by Mudad, and penalties are imposed on the company on the 16th by the MHRSD.
- Any suspension on the company will be lifted immediately once the required percentage is adhered to. The MHRSD are responsible for lifting this penalty.

6.2.5.2 Justification process

When an alert is sent to an employer by Mudad, they are required to take action either through resolving the issue or submitting a justification for the worker to accept or reject through the Mudad platform (Saudi Arabia Focal Point, Mudad Interview and User Manual). Once the employer is able to provide a justification for the non-payment or delay (for example, it is a new employee, or they have finished the job, etc.), the system verifies social security payments, and then the justification is sent to the worker.

If the justification is not completed within seven days (Mudad Interview), then the Mudad system closes the justification and the company is deemed to have violated their wage payment responsibilities (Saudi Arabia Focal Point 2023). The primary cause of alerts in the WPS is reportedly due to the SIF being incorrectly completed by an employer (Saudi Arabia Focal Point 2024).

When the justification is made, it is sent through the Mudad platform to any workers against which a violation has been identified, who receive a notification via SMS. At this point they need to create or log into a Mudad account to view the justification (Saudi Arabia Focal Point 2023). They are then able to either approve or reject it within three days (Mudad Interview). If they approve, the violation is closed in the system and no further action is taken (Mudad User Manual, Saudi Arabia Focal Point 2023). The notification and justifications are available to workers in English or Arabic (Mudad interview). However, there is no requirement for employers to provide a disaggregated payslip to workers (Saudi Arabia Focal Point 2024).

If the worker objects, then the employer is deemed to have violated their wage payment responsibilities. In these cases, the MHRSD will be notified and will follow up with the employer if the wage payment issue has not been rectified within 3 days of the worker's rejection of the justification. Mudad also has a team of business analysts that review the employer's previous violations to identify if there are broader trends to report to the MHRSD (Mudad Interview).

If the employer does not justify and the grace term expires, the company will be held in violation. In case of wage payment failure, the worker may take their employer to a Labour Court. However, this is reported to happen very rarely (Saudi Arabia Focal Point, 2023).

6.2.5.3 Inspections

As mentioned above, the labour inspection division within the MHRSD will contact an employer if there is an alert triggered by the Mudad system (Saudi Arabia Focal Point 2023). This involves a notification to the employer to resolve the issue. If after 20 days the worker has not been paid, labour inspectors visit the facility in question (Saudi Arabia Focal Point 2023). Whilst the MHRSD aim to conduct inspections as quickly as possible, there are no specific time limits in which inspections have to be completed as this will depend on the size of the enterprise or number of affected workers.

The MHRSD has 25 staff within the WPS Programme Administration who analyse the data and risks, develop inspection mechanisms, prepare plans for the inspections, check the validity and effectiveness of the programme and who consider new ways of innovating. There are roughly 1,000 labour inspectors, covering regular visits and complaints-based visits that do not necessarily relate to wage payments. However, even if a visit is not focussed on wage violations, inspectors will always check on the payroll and make sure workers are being correctly paid. When conducting in-person assessments, inspectors have a tablet which allows them to remotely access WPS data related to the company they are visiting (Saudi Arabia Focal Point 2023).

6.2.5.4 Enforcement

If still not resolved, the MHRSD inspector will record the situation and enable the worker to transfer the case to the Labour Court. The Labour Court must pass a judgement within 21 days. The worker must submit a request to the Executive Judge for the order to be implemented, but in practice this is done automatically, and there is no need for the worker to go in person (Saudi Arabia Focal Point 2024).

If the justification is not valid and the correct payment still has not been made, the employer will receive a financial penalty of SR3,000 (USD\$800) for each worker who has not been paid correctly (Saudi Arabia Focal Point 2023, [MHRSD 2022](#)).

There is also information on the MHRSD website related to other penalties that can be imposed on employers by the judiciary if an employer is found to have violated wage payment laws, including:

- Stopping all services except the issuing and renewal of work permits – in cases where wages have not been paid within two months of their due date.
- Stopping all services and allowing employees to transfer to another employer without the need for prior consent of the existing employer – in cases where wages have not been paid within three months of their due date.

If an employer cannot pay, the worker can transfer to any other employer or they can leave the country. The representative/embassy can file a case for the worker's compensation (e.g., as part of the bankruptcy proceedings). Once the compensation is available, it will be transferred to the worker by the nominated representative. This is a process designed specifically for workers who are no longer in Saudi Arabia (Saudi Arabia Focal Point 2024).

6.2.5.5 Incentives and support to companies

Mudad: For smaller companies – fewer than 1,000 employees - that do not have the technical finance or human resources know-how, the Saudi government permits payment directly through Mudad for a defined period as the company becomes more familiar with what they need to do. As part of their Payroll Management Service, Mudad essentially take care of all payroll for these companies. This service is reportedly beneficial to wage protection as smaller companies are the main source of violations, often due to lack of technical capacity in payroll management (Mudad Interview). There is also a dedicated [YouTube channel](#) with information on how to use the WPS correctly, and a detailed [instruction manual](#) that employers can use.

Musaned: Given the WPS is not yet mandatory for all domestic workers, there have been some awareness-raising campaigns to try and influence employers to pay their domestic workers through bank transfers. This has been targeted at both employers of domestic workers and domestic workers themselves. See the [Musaned YouTube Channel](#) for examples of this.

6.3 Kuwait

6.3.1 Background

Kuwait's WPS was set up in 2015. It is administered by the Wage Protection Division within the Public Authority for Manpower (PAM) (Kuwait Focal Point 2023).

The system is given its legal basis under Article 57 of the [Private Sector Labour Law](#) (PSLL) which includes a requirement to notify PAM when a wage payment has been made. Administrative Resolution N 719 also requires employers to provide a financial guarantee to PAM, which may be used in cases where the employer refuses or delays wage payments in line with their regular schedule.

6.3.1.1 Overview of key institutions involved in the WPS:

Name of institution (or sub-department /function)	Summary of their role
Public Authority for Manpower (PAM)	Independent public body with a legal personality and an attached budget that reports to the Minister of Interior. PAM hosts several institutions responsible for WPS functions. Its primary function is the implementation and enforcement of labour laws in the private sector.
<i>Wage Protection Division</i>	Administers the WPS within the PAM. Employs 25 staff to administer the WPS. The main role is to follow up on company violations and verify the reasons for the wage deductions and thereby validate them so as to enable compliant employers to obtain the required certificate to recruit new workers, bid for public sector contracts and subsequently receive the due instalments relating to successful contracts.
<i>IT Directorate</i>	Administers the "Ashal" platform, and acts as a supply and exchange information centre for the WPS. It automatically detects any discrepancies between the payment and actual contract.
<i>Domestic Workers' Directorate</i>	Regulates the domestic work sector in Kuwait.
<i>Labour Relations Division</i>	Responsible for labour disputes and disputes resolution. Can ask the WPS division for proof related to wage payments in cases of wage complaints. They are then able to send cases to the Ministry of Interior and to Labour Courts.
<i>Inspection Division</i>	Responsible for investigating wage violation cases. Includes a "Violations Unit" that is responsible for collecting all violations / penalties, and then forwarding cases to the Ministry of Interior and Labour Courts.
Authorized banks	Forward information on the wage payments made by the employer to the WPS.

6.3.1.2 Key objectives

The objectives of the WPS are to ensure accurate wages are paid to workers, to limit discrimination on the basis of protected characteristics, to strengthen the economy through increased worker purchasing power, to improve job satisfaction and regularity of wage payments, to limit labour disputes, and to improve tracking of social security payments (Mint HR 2023).

6.3.2 Coverage

The WPS in Kuwait covers workers in the private sector, including companies in the oil and gas sector, and companies working under public contracts and employing five workers or more as provided by Article 57 of the Labour Law (Kuwait Focal Point 2023). This applies to both Kuwaiti nationals and migrant workers in the private sector. There are no thresholds on the minimum size of company that the WPS applies to (Kuwait Focal Point 2023).

6.3.2.1 Key exclusions

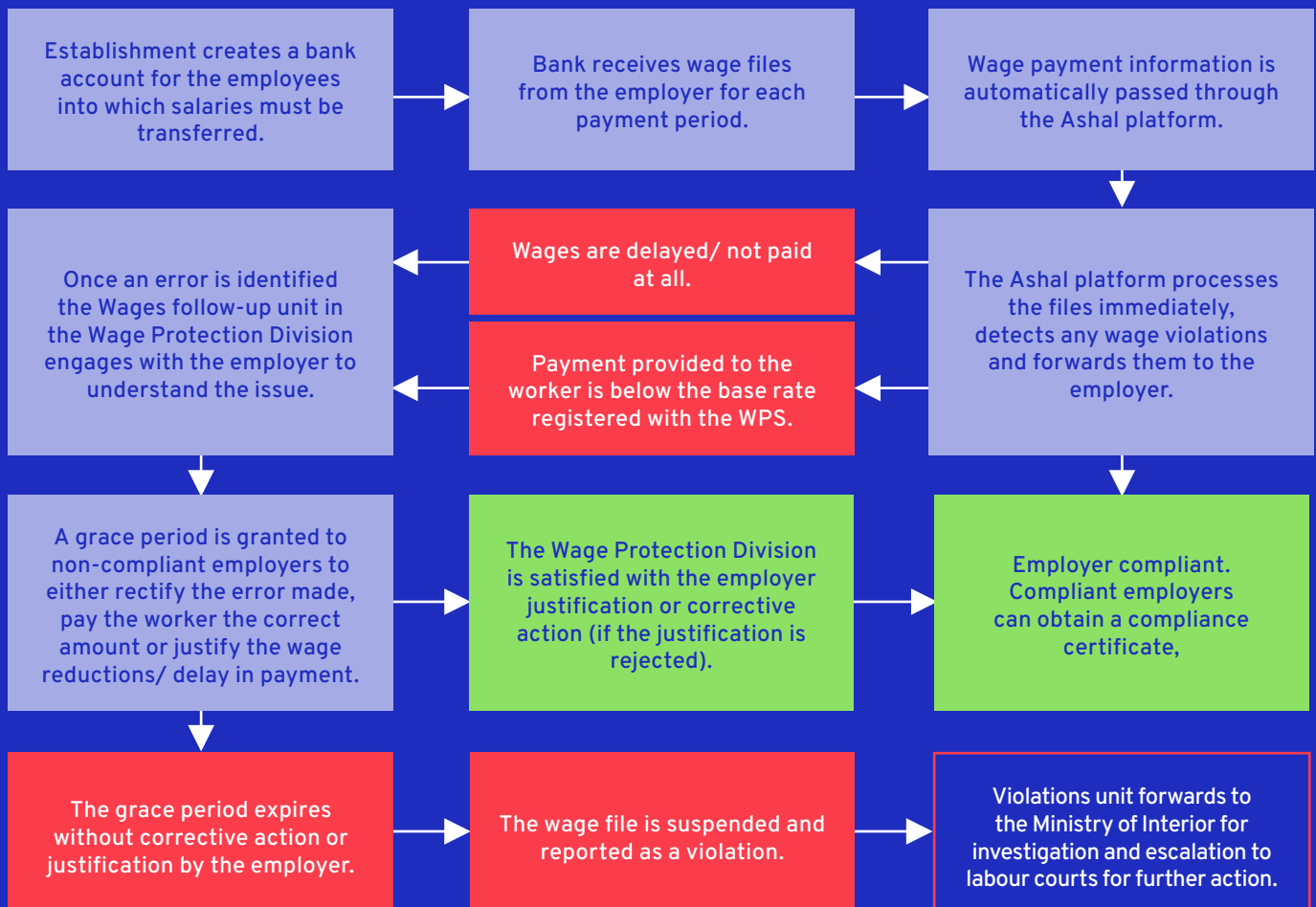
All workers in the private sector should be paid electronically and should be paid by local banks into their accounts.

Domestic workers are not currently required to receive their wages in a bank account. Under Law No. 68 of 2015 on Domestic Workers, Article 8 requires the employer to issue a receipt for the domestic worker's payment of the monthly wage, and the transfer deed and receipt of the domestic worker's salary is considered a form of proof of payment of the wage.

6.3.3 Wage payments

All workers in the private sector should receive payment in Kuwaiti dinars, into local bank accounts in Kuwait. Depending on the type of contract a worker is employed under, they must receive their pay either monthly or fortnightly, and payments may not be delayed by more than seven days from the due date (ILO 2019a, Kuwait Focal Point 2023).

► Figure 6. Kuwait WPS process



All commercial banks operating in Kuwait need to be accredited and are reportedly able to receive wage payments from employers (Kuwait Focal Point 2023). Banks are accredited by the Council of Ministers upon the proposal of the PAM and the Minister of Finance (Art 57 PSL).

6.3.3.1 Registration

The bank account into which a worker is paid should be set up by the employer unless the employee already has one (Kuwait Focal Point 2024). This means that when workers are registered to work for them, the employer can obtain the worker's ID card and then must set up a bank account for workers within 60 days of registering the worker (Kuwait Focal Point 2023). Should workers choose to withdraw money and put it in a different account after being paid, they can do this (Kuwait Focal Point 2023).

6.3.3.2 Processing wage payments

The bank that has been selected by an employer receives wage files from the employer for each payment period. Information on the wage payments made by the employer is passed on to the WPS by the bank. The wage files submitted to the bank ask employers to enter the following information:

- Company and establishment details – including the company name, bank account number, contact persons, address, and names of persons responsible for managing company accounts.
- Information on the number of workers being paid – asks companies to upload and provide details of the number of users (i.e. workers) whose salaries are being paid.
- Details of each worker – Asks companies to submit the worker's Uder ID, their full name, Civil ID, mobile number, email address, and asks them to upload salary and allowances files.

6.3.4 Identifying wage violations

The PAM Wage Protection Division is able to identify two types of wage violation (Kuwait Focal Point 2023):

1. Delayed payment of wages. This is because each company will register its payment days, so failure to pay on those days will lead to a red flag in the WPS.
2. The payment of an amount lower than the basic rate of pay, as per the information relating to that worker registered on the WPS.

Overtime payments, social security contributions or other allowances are not monitored by the WPS, what matters for the WPS is the basic wage specified in the contract, including all elements provided for by the contract, in accordance with Article 55 of the Labour Law (Kuwait Focal Point 2023). Companies are given seven days to amend / resolve the issue before it is flagged to the WPS team and there is a permitted deduction of 10-25 per cent depending on the reasons provided (Kuwait Focal Point 2023, 2024). However, there is no more information on how these variations in deductions are considered.

All uploaded wage files are automatically checked by the WPS system. The WPS checks for non-compliance at the level of each individual worker and there is reportedly a dashboard that allows WPS team members to quickly see where there is a non-compliance. Once an error is identified in this automated "Ashal" dashboard, the team of 25 staff responsible for administering the WPS check justifications and either approve or reject the employer's reasoning (Kuwait Focal Point 2024).

Following this, should there be a continued deviation in wage payments, an employer needs to either (a) rectify an administrative error (i.e. if they failed to correctly enter an employee's number, etc.), (b) pay the worker the correct amount due to them, or (c) provide a justification to the Ministry as to why the payment is either lower than the stipulated amount or late (Kuwait Focal Point 2023). There are no defined timeframes for this, and each WPS administrator has discretion for determining timeframes for resolution depending on the severity of the case (Kuwait Focal Point 2024).

If the PAM is satisfied that the issue has been resolved or the reasons for deviation are sufficient, the case is closed. However, if there continues to be an issue or the employer does not respond, the WPS team can forward the case to the PAM's litigation division for further investigation. This would likely involve an inspection of the company involved, including engagement with workers (Kuwait Focal Point 2023).

Where a violation is identified, an employer would be referred to the courts who would be responsible for determining penalties (Kuwait Focal Point 2023).

6.3.5 Mechanisms to enforce wage protection

There are a range of mechanisms available to enforce wage protection in Kuwait, though these are largely beyond the scope of the division responsible for the WPS specifically.

6.3.5.1 Certificate of wage payments

The primary tool to enforce wage payment in line with the WPS is the provision of wage payment certificates. To operate a business in Kuwait, all companies are required to receive a Certificate of Wage Payments from the Wage Protection Division within the PAM. This must be renewed monthly. Without this certificate, a company cannot recruit new workers, nor can it bid for public sector contracts and subsequently receive the due instalments relating to successful contracts. This essentially stops a company's ability to operate as openly as it would with a certificate (Kuwait Focal Point 2023). Therefore, at the point of issuing /renewing a wage payment certificate which is downloaded from the Ashal app, WPS data is used to check compliance.

6.3.5.2 Justification process for late or insufficient payments

Where an employer is found not to have paid wages on time or to the specified amount – as per the information in the WPS – they may be able to provide a justification as to why this was the case. The Ministry has a defined list of permitted justifications, which include the requirement for the employer to provide evidence of workers having left / “absconded”, or that they have been on leave, etc. There is no engagement with individual workers by the WPS team in reviewing the justification, there is only engagement with employers. Where the justification is sufficient, an employer may receive their wage protection certificate (Kuwait Focal Point 2023). If the WPS official is not satisfied with the justification or evidence provided, the case would then be forwarded to the violations unit within the PAM Inspection Division (Kuwait Focal Point 2024).

6.3.5.3 Escalation process

The WPS team applies a phased approach to promoting company compliance with the WPS. Firstly, the employer will be given a period of time to provide their justification or to amend the error. If this has not been resolved, the Violations Unit within the inspection division would then be responsible for compiling the information of the WPS data provided to them (Kuwait Focal Point 2023). If no action has been taken by the employer, the Violations Unit can forward information about the employer and affected workers to the Ministry of Interior and then to the labour courts for further investigation (Kuwait Focal Point 2023, 2024). However, there are no standard timeframes and operating procedures for case follow up and investigation. This would depend on the number of employees involved in a case and the size of the employer (Kuwait Focal Point 2024).

6.4 Oman

6.4.1 Background

The latest iteration of Oman's WPS was launched in July 2023, as a joint initiative between the Ministry of Labour (MoL) and the Central Bank of Oman. Oman's WPS has gone through several iterations. As a first step, in 2014 the Labour Law was amended to require salaries to be deposited with locally licensed banks. WPS updates were subsequently announced in 2017 and 2021, but neither were strictly enforced or fully implemented (Interview with MoL, November 2023).

A "Wages Protection Section" within the Inspection Department of the MoL has overall responsibility for monitoring and implementing the WPS. There are currently nine employees in the section, all of whom have responsibility for following up on violations identified in the system according to a defined workplan. The MoL is currently in the process of recruiting additional staff to work in the section, corresponding to the increased number of enterprises enrolled in the WPS (Interview with MoL, January 2024).

6.4.1.1 Overview of key institutions involved in the WPS:

Name of institution (or sub-department /function)	Summary of their role
Ministry of Labour	Responsible for proposing and implementing policies regarding the labour market. Launched latest iteration of the WPS together with the Central Bank of Oman.
<i>Wages Protection Section</i>	Has overall responsibility for monitoring and implementing the WPS. Currently, there are nine employees in the section, including three employees with responsibility for operational aspects, and three employees with responsibility for technical aspects.
Central Bank of Oman	Responsible for maintaining monetary and financial stability. Acts as the clearing house for payments. Saves payment information on an interface which is also accessible by the MoL. Authorizes banks or financial institutions to operate in Oman.
Banks List of Banks operational in Oman	Authorized banks are responsible for carrying out technical validation of the SIFs, primarily consisting of ensuring that the information has been entered correctly.

The legal underpinning for the WPS is [Ministerial Decision No. 729/2024 regarding the Wage Protection System](#), which revokes the previous measure issued in 2023 and introduces several key updates to the WPS. There are also relevant provisions in the new [Labour Law of Oman \(2023\)](#), including that employers must transfer wages to worker's accounts "at one of the local banks or financial institutions licensed by the Central Bank of Oman" (Art 87).

6.4.1.2 Key objectives

The stated objectives of the WPS are to protect the rights of workers, and in doing so enhance the reputation of the Sultanate of Oman with international organizations and with countries of origin. Another key objective of the WPS is to improve the stability of relationships between employers and workers by enabling quicker resolution of wage disputes before they escalate into labour stoppages or strikes ([Oman Government Portal, 2023](#); Interview with MoL, 2024). During 2022, of the 24,000 worker complaints received by the MoL, more than 13,000 related to wages ([Times of Oman, 2023](#)).

6.4.2 Coverage

The WPS will eventually apply to all workers in the private sector, whether foreign or national (Interview with MoL, November 2023). It has been rolled out in phases, based on the size of a company's workforce ([Circular, No. 7/2023 on Implementation of the WPS for Private Sector Establishments](#)):

- Enterprises with 50 or more employees had to implement the WPS for at least 50 per cent of their workforce by November 9, 2023, and for 100 per cent of their workforce by January 9, 2024.
- Enterprises with fewer than 50 employees had to implement the WPS for at least 50 per cent of their workforce by January 9, 2024 and for 100 per cent of their workforce by March 9, 2024.

6.4.2.1 Key exclusions

Workers who are not “commercially registered”, including domestic workers, can be enrolled in the WPS on a voluntary basis. The MoL is currently assessing the feasibility of including domestic workers on a mandatory basis but reports several obstacles to doing so including the prevalence of cash payments, and difficulties in reaching employers who lack digital literacy or live in rural areas (Interview with MoL, November 2023).

Article 5 of [Ministerial Decision 729/2024](#) exempts employers from transferring the worker's wages through the WPS in the following cases:

1. There is a labour dispute between the worker and the employer resulting in the worker being absent from work for a period exceeding 30 days.
2. A worker is suspended from work for a reason not attributable to the employer for a period exceeding 30 days.
3. 30 days have passed since an “absconding” charged was filed against the worker.
4. A new worker employed for less than 30 days.
5. A worker on unpaid leave.

The Decision also provides for the establishment of a committee within the MoL to consider requests for exemptions not covered by the above provision (Art 6).

6.4.2.2 Coverage in practice

Given that roll out of the system only commenced in November 2023, data on coverage in practice is not yet fully available.

The WPS has been compulsory for enterprises with 50 or more employees since January 2024. As at February 2024, there was only one eligible enterprise which had not yet enrolled and the MoL was actively following up to secure their participation (Interview with MoL, February 2024). Data on enrolment of small enterprises is not yet available as the system only became mandatory for enterprises with less than 50 employees in March 2024.

6.4.3 Process for registering and paying wages through the WPS

6.4.3.1 Registration

Employers register for the WPS directly with one of 25 authorized banks – usually this needs to be done in person, at one of the bank's branches. The WPS enrolment form is a one-time registration form which contains basic information about the business, including records of their commercial registration. Upon receipt of the enrolment forms, the authorized bank can then register the employer in the WPS system (Interview with MoL, November 2023).

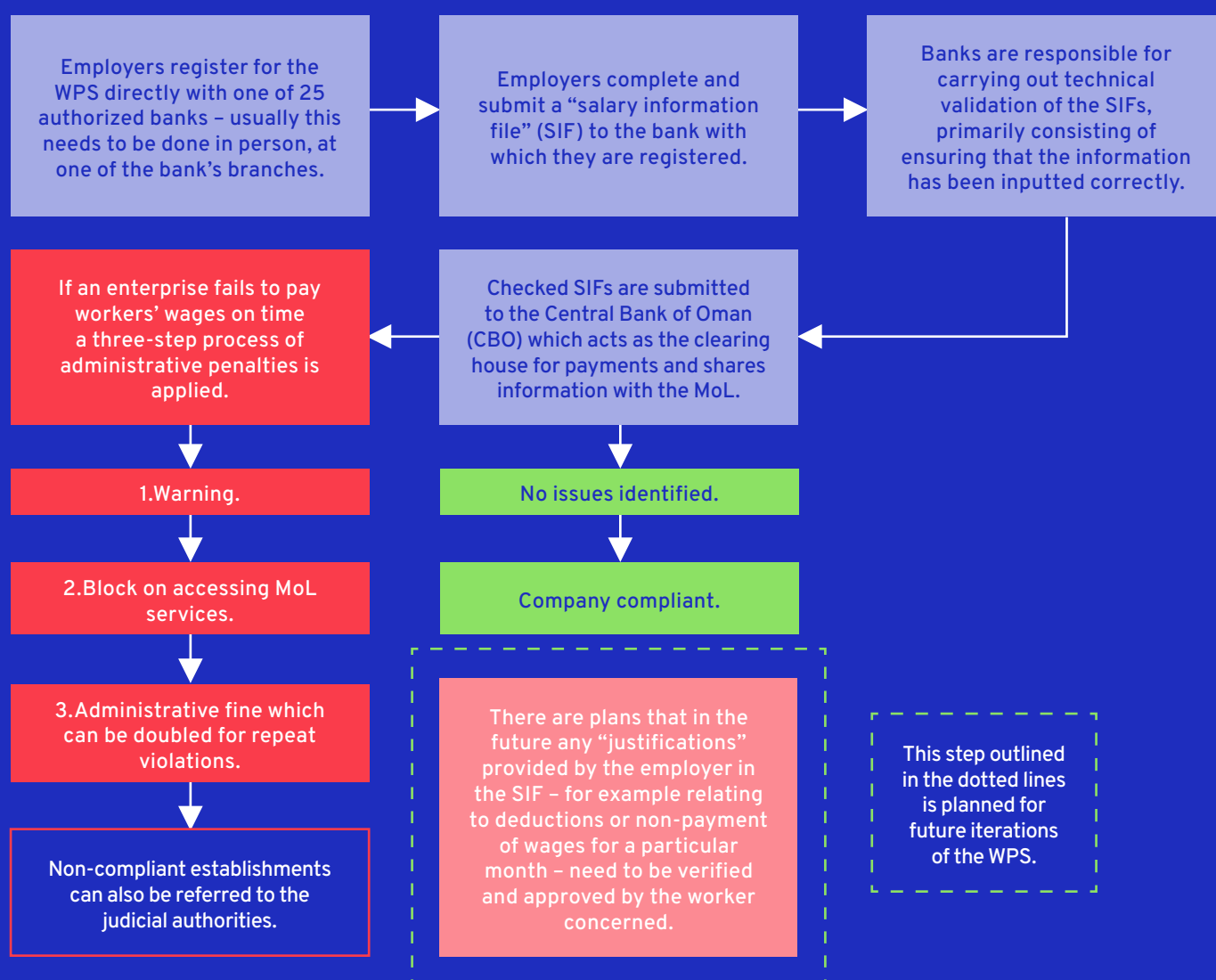
6.4.3.2 Completion of “salary information file”

Following their registration in the WPS system, employers complete and submit a “salary information file” (SIF) to the bank with which they are registered, on a monthly basis. The format and content of the SIF is standardized across all of the participating banks (Interview with MoL, November 2023). Each row in the SIF represents an individual employee, and contains basic information relating to the worker’s identity and bank account details, as well as the applicable salary payment period. In relation to each worker’s salary for that payment period, the following fields are included (MoL, Oman, 2023):

- Basic wage (mandatory)
- “Extra hours” – number of overtime hours worked during the payment period
- “Extra income” – including overtime, as well as housing and transportation allowances
- Deductions – for example, loan payments or unpaid leave
- Social security deductions (only applicable to Omani and GCC nationals)

There is also a “notes / comments” field in which employers are required to provide justifications for any deductions from workers’ wages, or for the non-payment of a worker’s wage for a particular month (Oman WPS FAQ, 2023).

► Figure 7. Oman WPS process



6.4.3.3 Verification and validation

Authorized banks are responsible for carrying out technical validation of the SIFs, primarily consisting of ensuring that the information has been entered correctly (Interview with MoL, November 2023). This is generally done automatically, rather than through manual checking (Interview with MoL, February 2024).

According to the MoL, any “justifications” provided by the employer in the SIF – for example relating to deductions or non-payment of wages for a particular month – need to be verified and approved by the worker concerned (Interview with MoL, November 2023). However, this system is not yet operational as the online portal through which workers will be able to access relevant data relating to their payments under the WPS is reportedly still under development (Interview with MoL, November 2023). In the interim, the MoL is in the process of developing a system through which workers will receive SMS notification of salary deductions and will be able to reply via SMS to approve or contest the salary deduction (Interview with MoL, February 2024).

6.4.3.4 Submission to Central Bank of Oman

Once the SIFs have been processed by the authorized bank, they are submitted to the Central Bank of Oman (CBO) which acts as the clearing house for payments. The CBO saves the information on an interface which is also accessible by the MoL.

6.4.4 Identifying wage violations

6.4.4.1 Non-payment or delayed payment of wages

If an enterprise fails to pay workers’ wages within three days, a three-step process of administrative penalties is applied, as set out in [Ministerial Decision No. 729/2024](#). This includes:

1. Warning
2. Block on accessing administrative services (including the issuance of new work permits), as well as blocks on accessing government programmes which provide subsidies and financial incentives to enterprises for hiring new workers and training services for employees.
3. Administrative fine of 50 Omani riyals (USD\$130) per worker, which can be doubled for repeat violations.

There is no specific timeframe attached to the three steps. In general, the MoL seeks to resolve issues with companies amicably. As of February 2024, no companies have been issued with administrative penalties (Interview with MoL, February 2024). The MoL can also refer the non-compliant establishment to the judicial authorities. Given that the system was only being rolled out from November 2023, no referrals of non-compliant enterprises have so far taken place (Interview with MoL, November 2023).

6.4.4.2 Discrepancies between the wage paid and the contracted wage

The WPS is programmed to identify any discrepancies between the wage registered in the employment contract, and the wage paid to the worker’s account. In order to protect the confidentiality of wage data, the interface does not display workers’ salaries, but rather shows the percentage of correspondence between the wage recorded in the employment contract and the wage actually paid ([Oman WPS FAQ, 2023](#)).

In support of this, since July 2023, it has been compulsory for the employment contracts of all foreign nationals to be electronically registered with the MoL. [Ministerial Decision No. 729/2024](#) requires employers to ensure that electronically registered contracts are kept up to date, including with respect to salary information.

6.4.5 Mechanisms to enforce wage protection

Given that the roll-out of the system only commenced in November 2023, the focus remains on working with enterprises to reach amicable solutions to wage protection issues. As such, no enforcement actions have taken place (Interview with MoL, February 2024). Workers are able to access compensation mechanisms for wage issues, but only through a separate complaint mechanism which is not integrated with the WPS (Interview with MoL, February 2024).



6.5 Qatar

6.5.1 Background

Qatar's WPS came into effect on 18 February 2015. The legal underpinnings of the WPS are [Law No. 1 of 2015](#), which amends the [Law \(No. 14\) of 2004 Promulgating the Labour Law](#) and [Ministerial Decision No. 4 of 2015 Issuing the Regulations for the Wage Protection System for Workers Subject to the Labour Law](#).

Law No. 1 specifies the relevant timeframe for wage payments and penalties for non-compliance while Ministerial Decision No. 4 specifies the implementation and enforcement responsibilities as well as penalties for non-compliance.

6.5.1.1 Governance of wage protection

The WPS is managed by the WPS Unit (WPSU) which is part of the Labour Inspection Department within the Ministry of Labour (MoL). The WPSU comprises four main sections.

- ▶ Checkers, whose primary remit is to respond to notifications of possible violations, and seek additional information from employers. There are approximately 25 checkers ([ILO 2019b](#)).
- ▶ Blockers, who are labour inspectors with the authority to impose sanctions. Their role is to impose "blocks" on employers, on the recommendation of checkers. Blockers also identify and impose blocks on non-compliant employers detected by means other than the WPS (albeit rarely). There are approximately 5 blockers.
- ▶ A team that prepares reports, such as for the Public Prosecutor's Office (PPO).
- ▶ A data (IT) reporting team that provides a monthly report for the MoL management on the number of blocks and the reasons behind them.

While the WPSU plays the central role in sustaining the WPS, other government units also fulfil key functions.

6.5.1.2 Overview of key institutions involved in the WPS:

Name of institution (or sub-department /function)	Summary of their role
Ministry of Labour	Government body that holds a range of labour-related competencies. Devises and implements labour policies. Hosts a range of working units that perform key WPS functions.
Labour Inspection Department	Labour inspectors are responsible for performing workplace visits in case the WPSU alerts them to a relevant case. Labour inspectors can also alert the WPSU to specifically assess the wage payment data of an employer in case they identify non-compliance risks during their labour inspection visits.
Wage Protection System Unit (WPSU)	<p>Part of the Labour Inspection Department within the MoL. The WPSU comprises four main sections.</p> <ul style="list-style-type: none"> ► Checkers, whose primary remit is to respond to notifications of possible violations that arise in the WPS, and seek additional information from employers. ► Blockers, who are labour inspectors with the authority to impose sanctions. Their role is to impose “blocks” on employers, on the recommendation of checkers. Blockers also identify and impose blocks on non-compliant employers detected by means other than the WPS (albeit rarely). ► A team that prepares reports, such as for the Public Prosecutor’s Office (PPO). ► A data (IT) reporting team that provides a monthly report for the MoL management on the number of blocks and the reasons behind them.
Labour Disputes Department	The primary mechanism for the MoL to receive wage-related complaints by workers, also collaborates with the WPSU. The WPSU provides the Labour Disputes Department with wage payment data which is useful to settle wage disputes.
Qatar Central Bank (QCB)	Establishes and manages the WPS, connects and coordinates with the relevant entities in terms of the MoL and the different banks involved. The QCB conveys information to participating banks on what the WPS should look like. Participating banks share SIFs with the QCB before they are sent to the WPSU.
Banks and payroll companies	Employers’ banks transmit SIFs to the QCB and WPSU. Every participating bank has a wage protection department which is responsible for obtaining the necessary SIF information from the companies/employers. They inform companies/employers what information needs to be sent to them. They are also responsible for technical checks on SIFs to ensure that they are in accordance with the agreed-upon SIF format.
Public Prosecutor’s Office (PPO)	Can receive referred cases by the WPSU. Decides which of the wage violation cases brought to its attention should proceed to the Criminal Court.

6.5.1.3 Key objectives

The WPS in Qatar serves as a supervisory mechanism for wage payments in Qatar. It is an electronic process to ensure companies covered by the Labour Law comply with wage payment requirements (Qatar Focal Point 2023).

The WPS was established to provide protections to workers, particularly low-paid migrant workers, for whom wages are a primary concern and where numerous wage protection issues have been well documented. Therefore, the objectives of the WPS are to (ILO 2019b):

- Protect workers from manipulation of their financial entitlements
- Enable the MoL to continuously review and compare the data of employees with the data in its possession to ensure compliance with the provisions of the Labour Law
- Minimize legal disputes between parties with regard to payment of wages, while increasing efficiency in dealing with such disputes
- Assist the judiciary in issuing judgments and settling disputes concerning employees' entitlements
- Promote the principle of human rights in the State of Qatar, and
- Enhance security and stability by creating a safe working environment (as the system spares workers and employers the need to keep cash at the workplace, it precludes an obvious risk of loss or theft).

6.5.2 Coverage

The WPS covers all foreign and national workers ([Government Communications Office 2023](#)) subject to the Labour Law in Qatar, which includes companies of all sizes ([ILO 2019b](#)). In return this also means that, in general, workers who are not covered by the Labour Law are also excluded from the WPS, and these are elaborated in Article 3 of the Law No. (14) of 2004.

According to the MoL, there were 76,000 companies registered in the WPS in July 2024.

6.5.2.1 Key exclusions

The groups not covered by the Labour Law and hence out of scope of the WPS are the following:

- Employees and workers in the ministries and other governmental entities
- Workers in the oil and oil derivatives sector
- Officers and members of the armed forces, police force, members of other military authorities, and maritime workers
- Employees under the Qatar Financial Centre (QFC) employer umbrella
- Casual workers
- Those in domestic employment such as drivers, cooks, gardeners
- Members of the employer's family and dependents of the employer who are part of the same household
- Workers employed in agriculture and shepherding⁸

Regarding domestic workers, though outside the scope of Qatar's Labour Law, employers of domestic workers may include these workers within the WPS voluntarily. However, there are currently no plans to make their inclusion mandatory as domestic workers can still be paid in cash, subject to the evidence requirements stipulated in [Law No. \(15\) of 2017 on Domestic Work](#) (Qatar Focal Point 2023). There are multiple reasons why it is challenging to immediately make a WPS mandatory for domestic workers.

- Firstly, the law on domestic work does not provide the level of detail related to wages and wage payments necessary for a WPS to operate in the same way that it does in the private sector. Though there are legal requirements for workers to have contracts that specify a basic rate of pay and payment date, there is a lack of clarity on overtime, overtime rates and deductions.

⁸ Excluding persons working for agricultural institutions that manufacture and market their products or those who permanently operate or repair the necessary mechanical equipment for agriculture.

- There are also practical challenges. Most employers of domestic workers are private citizens who do not have experience of formally running a business and implementing a payroll. As the WPS in Qatar is quite detailed, it would require expertise that many individual employers of domestic workers do not have. This suggests a simpler version would be required.

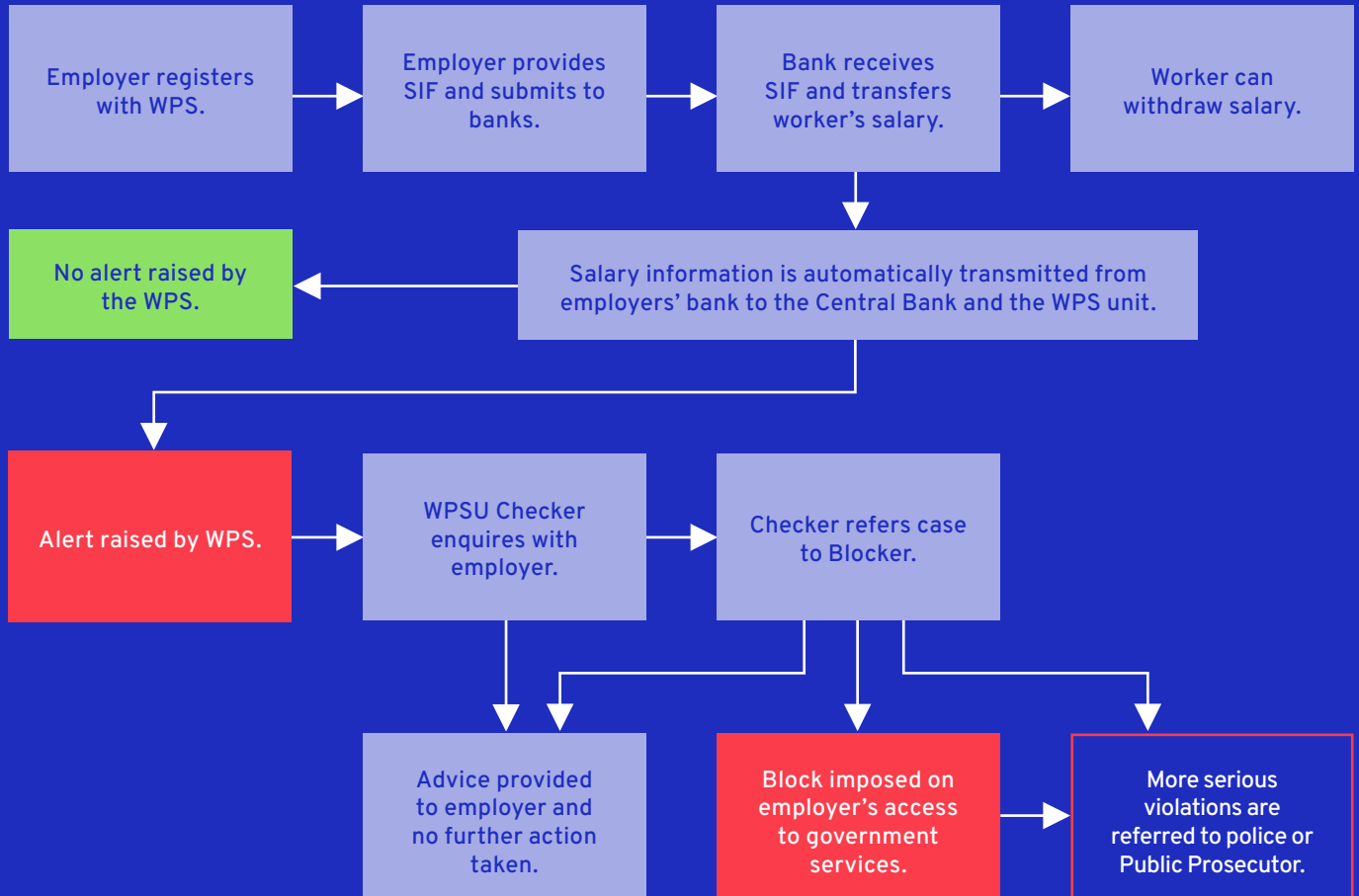
In addition, there is a cultural challenge. Domestic work is within private households, and a WPS that tracks working hours, wage payments, etc. could be perceived as an overreach by the state into the lives of private households.

6.5.3 Wage payments

6.5.3.1 Registration

An employer needs to register with the WPS by setting up an account with an approved bank. Employers also need to open bank accounts for their employees in case employees do yet not have an account themselves (ILO 2019b). Those lower-wage migrant workers employed in Qatar, usually being provided with accommodation or allowances, are unlikely to have set up their own accounts. Though, in theory, it is possible for employees to set up their own accounts.

► Figure 8. Qatar WPS process⁹



⁹ As illustrated in the 2019 ILO report on the WPS in Qatar (ILO 2019b).

6.5.3.2 Completion of “salary information file”

Following their registration in the WPS system, employers complete and submit a “salary information file” (SIF) to the bank with which they are registered in relation to all salaries and wages due to their employees (ILO 2019b). The SIF must be submitted on a monthly basis for workers on annual or monthly wages, or at least every two weeks for all other workers (ILO 2019b). The SIF contains basic information on each individual employee relating to the worker’s identity and bank account details, alongside the following information relating to their wage payment (ILO 2019b):

- Employee information (Registration serial number, Personal number, Visa number, Name)
- Bank details of employee (Bank code, account number or IBAN)
- Salary for specific period (biweekly or monthly)
- Number of working days
- Net remuneration in Qatari Riyals (includes adjustments for additional payments as well as deductions)
- Basic remuneration (average amount paid to the worker in accordance with the applicable timeframe)
- Number of normal working hours
- Number of overtime hours (hours worked outside of regular working hours)
- Additional income (includes extra payments for working overtime, as well as any other allowances and benefits)
- Amount of deductions (e.g. repayment of loans, penalties for disciplinary offences such as being late for work)
- Any amounts related to settlement and payment of overdue salaries
- Notes (can include explanations for deductions or other justifications)

Since 2019, employers can also now submit information on additional allowances related to food and accommodation given this is a requirement related to payment of the national minimum wage. Though this is not yet mandatory, it reportedly will be in due course (Qatar Focal Point 2023).

6.5.4 Identifying wage violations

6.5.4.1 Types of wage violation WPS can identify

The ILO (2019b) study found that the WPSU is able to use data submitted in SIFs to identify a range of potential wage violations. The below are a list of data that automatically trigger an alert in the WPS:

1. Where there is a discrepancy between the number of employees registered by an employer and the number of employees paid in a payroll.
2. Non-payment of wages by an employer within 7 days of the due date.
3. Low-wage payment – Checkers are alerted if a worker’s net wage is below the national minimum wage, if the wage paid is below the agreed net or gross wage for a worker (Qatar Focal Point 2023).
4. Deductions of more than 35 per cent – This appears to be an update from the 50 per cent in 2019 (Qatar Focal Point 2023).
5. Unpaid overtime – If overtime hours are registered in the SIF but no equivalent payment is made.
6. Excessive working hours – Examines whether normal and overtime hours have been breached (Qatar Focal Point 2023).

7. Payment below the minimum wage rate, including related allowances of food and accommodation if employers provide this in cash rather than in-kind (Qatar Focal Point 2024).¹⁰

6.5.4.2 WPS process

Step 1: The process for identifying wage violations starts with employers submitting SIFs to their bank, who then process the SIF and share the information with the WPSU. The bank checks to make sure that data has been correctly entered (i.e. employee number is correct) and then pays the workers (Qatar Focal Point 2023). Where there is a difference, payment is denied.

In order to facilitate companies' - particularly smaller ones - compliance with the WPS, the MoL placed responsibility on the Central Bank to devise a SIF and to build employer capacity on how to fill it in and upload it properly. Every commercial bank now has a WPS unit to support employers when they submit their SIFs (Qatar Focal Point 2024).

However, it is important to note that the information provided through the SIF does not allow banks to verify if payments align with the contractual obligations of employers, as banks do not have access to contract information (ILO 2019b). Therefore, the checks against contractual information must be performed by the WPSU.

Step 2: Once the WPSU receives the information from the bank, the WPS electronically checks whether there is a potential wage violation against defined criteria – see above (Qatar Focal Point 2023).

Step 3: If any of these criteria are met, then an alert is raised and the issue is reviewed by one of the 20-30 staff that make up the WPS audit team – the checkers. The alert for delayed or non-payment of wages would be raised within 7 days of the wages' due date. The checkers undertake the following steps:

- Review a pre-existing justification / explanation in the comments box of the SIF.
- In the absence of this, the assigned checker will contact the employer via SMS to ask for an explanation of what has happened, or asks them to pay accordingly.¹¹ For example, if no information is received from the bank, this flags as a potential non-payment of wages, but is sometimes a result of a lag in processing information by a bank. These checks are performed remotely and not on-site (Qatar Focal Point 2023). The WPSU does not expect a response to this message from the company/employer, only that they pay the wages (this will show up in the WPS) (Qatar Focal Point 2024).

Step 4: If an issue still remains outstanding or there is no response after the eighth day from the due date, the case is forwarded to a blocker. At this point the WPSU will block the company/employer automatically. The employer can see that they have been blocked via an SMS shared with them before the 8th day or another one sent up to 30 days after the wage payment date. The block is not always automatically removed if the employer pays the wages. The employer will need to follow up with the WPSU by going online and make a request to be unblocked. Even if the employer requests this unblocking, the WPSU has the discretion based on the company's wage payment history to unblock or to keep the block for a while, with a view to discouraging "habitual offenders" (Qatar Focal Point 2024).

A third SMS is sent just before or on the 30th day or one or two days afterwards (this depends on the official in the WPSU). This SMS informs the employer that they are receiving the notice of a violation – non-payment of salary, which is in violation of the law – and informs the employer what will happen next i.e., that s/he will be referred to the judicial system (Qatar Focal Point 2024).

¹⁰ Compliance with provision of food and accommodation allowances in-kind is followed up by the labour inspection unit which can check WPS data to see if it is aligned with what workers are being provided.

¹¹ The SMS states that the WPS did not show the transfer of SIFs for the given month and that this is a violation of the Labour Law. It asks the company/employer to visit a weblink where they can see that the payment has not been made. The SMS also adds that if the payment has been already made to please ignore the message.

6.5.4.3 Prioritization of cases

Each alert received by the WPSU is ranked according to risk. High-risk cases which trigger an automatic block would include non-payment of large numbers of workers proportionate to the workforce size (ILO 2019b). For payment of wages below the minimum wage, no grace period is given to employers to resolve this issue. In all these cases an employer will immediately be contacted by the WPSU and will be required to correct the issue (Qatar Focal Point 2023).

For other lower-risk cases, there are reportedly no set timelines for the WPSU team members or inspectors to follow up on WPS violations, as each case is different, and reasons for non-payment can vary. Therefore, the way to proceed in each case is up to the respective inspector's discretion. Nevertheless, a resolution on proposed next steps for detected WPS violations by checkers rarely takes more than three days to resolve (Qatar Focal Point 2023). This three-day timeline is also referred to in the ILO 2019b report. Where a problem is identified, a notice is issued (ILO 2023).

6.5.5 Mechanisms to enforce wage protection

6.5.5.1 Blocking

As mentioned above, in the event that a company violates wage payment laws, the WPSU has the power to block companies from receiving any further services from the MoL – and some services from the Ministry of Interior or other government agencies. Blocking the MoL's services means that a company will not be able to receive new work permits, and then would not be allowed to renew existing work permits. However, the workers of the blocked company can still continue to work in Qatar by moving to compliant companies. This block can reportedly be extended to other companies owned by an employer / sponsor (ILO 2019b).

However, it does not mean that the business loses its license to operate (Qatar Focal Point 2023). In practice, blocking companies can act as an effective deterrent for companies that are operational with plans to expand and bid for new projects, but for those that are insolvent / struggling, such blocks are unlikely to resolve wage violations. Based on available data, in 2023 there has been a clear increase in the blocks sent to employers, see below (ILO 2023).

► Figure 9. Qatar WPS blocks and violation notices

Number of Blocks	WPS Reports	Period
17,793	4,595	01/01/2023 – 31/12/2023
12,031	4,503	01/01/2024 – 31/07/2024

6.5.5.2 Financial penalties

The head of the WPSU has the power to authorize the issuance of financial penalties (up to 10,000 QAR, USD\$2,747) to companies that fail to pay wages in line with requirements (ILO 2019b, Qatar Focal Point 2023). Further action on financial penalties would be determined by a judge who would receive the case from the officer in the WPSU (Qatar Focal Point 2023). There are reports that there is a legislative amendment being considered to automatically issue fines in the case of non-payment of wages (ILO 2023), rather than waiting on court judgements which can take a long time.

6.5.5.3 WPSU collaboration with other enforcement agencies

The WPSU considers that one of its roles is to support other government agencies and functions in wage protection activities in Qatar (Qatar Focal Point 2023). For example, when inspectors undertake follow-up inspections, when judges hear a case, or when complaints are raised to the Labour Disputes Department, these stakeholders are able to access WPS data to help them with their work.

To escalate the case for further action, the WPSU can send it to the Public Prosecutor's Office (PPO). To do this, the case must go via the local police station, which reportedly reviews, verifies and then submits the case to the PPO. The PPO decides which of the wage violation cases brought to its attention (either by the WPSU directly or by the police) should proceed to the Criminal Court. The Criminal Court can impose fines on employers for late payment of wages, but this must be determined by a judge, and is the outcome of a lengthy procedure. When it has referred a case to the police, the WPSU may opt on an ad hoc basis to actively monitor subsequent progress, but there is no systematic follow-up mechanism that generates relevant file updates for the WPSU (ILO 2019b).

6.5.6 Compensation mechanisms

The processes above related to enforcing wage payments focus primarily on sanctioning non-compliant employers. The outcomes of the above processes do not, however, lead to impacted workers being compensated.

For this to happen, workers must file a complaint with the MoL's Labour Disputes Department, from where cases go to a conciliation, and if that fails to a Workers' Dispute Settlement Committee (DSC). According to data from the ILO (2023), complaints related to wages and end-of-service benefits continued to be the primary issues raised to the MoL in 2023. Given the significance of the issue, there are positive reports that the process of raising complaints to the MoL is straightforward and that judges often rule in favour of workers in wage-related cases.

As described above, the officials receiving a complaint at the Labour Disputes Department or adjudicating on a case within the Workers' DSCs can systematically review the WPS data to establish the basic documented facts of the case. However, there are differences between the handling of wage abuse cases flagged up by the WPSU, and those derived from workers' complaints. If a grievance lodged directly by a worker cannot be resolved amicably, it passes to the DSC, which currently wields only limited powers of enforcement (ILO 2019b). This is in part due to the fact that workers and employers can appeal a decision by the Committee – at an Appeals Court – a process that can take six months to resolve (ILO 2019b). Once the Appeals Court approves, the case goes to an Enforcement Court (Interview with ILO 2023).

► Figure 10: Process of escalating complaints related to wage payments



Where an employer continues to fail to pay, there is the Workers' Support and Insurance Fund (WSIF), the sole purpose of which is to pay the unpaid wages. It is reported to continue disbursing large amounts to cover workers' wages (ILO 2023). According to the ILO (2023), as of August 2023, the amount paid out by the WSIF has increased substantially from previous years to over QAR 2.7 billion (USD\$741 million). Around half of this amount has been disbursed from the Fund to more than 142,000 workers.

6.6 United Arab Emirates

6.6.1 Background

The United Arab Emirates WPS is managed and implemented by the Central Bank of the United Arab Emirates (CBUAE). The primary role of the CBUAE is to act as a clearing house - securing employers' funds and issuing payment authorization to workers' banks (or agents if workers do not have a bank account). The CBUAE is also responsible for providing WPS data feeds to the relevant authorities with responsibility for detecting violations and carrying out enforcement (CBUAE, 2023). In "mainland" United Arab Emirates (i.e. outside of free zones), this responsible authority is the Ministry of Human Resources and Emiratisation (MoHRE) and the implementation of the WPS is underpinned by [Ministerial Resolution No. \(598\) of 2022 regarding the Wages Protection System](#). For participating free zones, the responsible authority is the relevant free zone authority, and the WPS is implemented according to their own internal regulations and procedures.

6.6.1.1 Overview of key institutions involved in the WPS:

Name of institution (or sub-department /function)	Summary of their role
Central Bank of the United Arab Emirates (CBUAE)	Federal public institution responsible for the licensing, governing and supervision of financial institutions and for maintaining monetary and financial stability. Acts as a clearing house for the WPS - securing employers' funds and issuing payment authorizations to workers' banks. Sets out requirements for payment service providers (including banks and agents) to be approved to participate in and be given access to the WPS.
Ministry of Human Resources and Emiratisation (MoHRE)	Responsible for proposing federal laws that regulate labour affairs and supervise their implementation. Automatically assesses wage violations based on data shared by the CBUAE. Leads the WPS enforcement process and engages with non-compliant employers, including employers of domestic workers.
Banks	Carry out basic checks, including that the total in SIFs tallies with the debit authorization.
Payroll companies or payment agents	There are currently more than 90 approved WPS agents in the United Arab Emirates, including fintech companies and exchange houses, which can submit a salary information file (SIF) on behalf of the employer to the bank.

6.6.1.2 Key objectives

According to the MoHRE, the key objective of the WPS is to facilitate a "proactive" approach to identifying wage violations, thereby increasing protection for workers and reducing the likelihood of labour disputes (Interview with MoHRE, November 2023).

6.6.2 Coverage

The WPS covers private sector workers, including United Arab Emirates nationals and foreign workers (Interview with MoHRE, November 2023).

6.6.2.1 Key exclusions

[Ministerial Resolution No. \(598\) of 2022 regarding the Wages Protection System](#) sets out a small number of establishments which are excluded from mandatory coverage under the WPS (Art 5). These include:

- Fishing boats owned by nationals
- Public taxis owned by nationals
- Banks
- Religious institutions

The majority of domestic workers in the United Arab Emirates are also excluded from mandatory coverage, though [Ministerial Resolution No. \(675\) of 2022 on the Coverage of Certain Domestic Work Professions Under the Wages Protection System](#) sets out WPS requirements in relation to domestic workers. According to this Resolution, from April 2023, five domestic worker occupations (Personal tutor; Private agricultural engineer; Private messenger; Personal trainer, and Home care provider) are covered by the WPS on a mandatory basis.

For the remaining 14 recognized domestic worker categories (Nanny/babysitter, Housekeeper, Housemaid, Sailor, Cook, Security guard, Personal driver, Household shepherd, Household horse groomer, Physical labour worker, Household falcon trainer, Farmer, Gardener and Tamer), registration with the WPS has been possible since January 2023 on a voluntary basis ([Resolution No. \(675\) of 2022](#), Art 2). While voluntary registration of domestic workers is actively encouraged by MoHRE as a way to streamline payments and reduce the potential for wage disputes (Interview with MoHRE, November 2023), it is reported that in practice voluntary registration of these categories of domestic workers remains very low (Interview with Edenred, November 2023).

6.6.2.2 Free zones

There are 46 free zones currently operational in the United Arab Emirates. Free zones operate outside the jurisdiction of the MoHRE, and labour issues are governed by regulations set out by each free zone authority. Free zone authorities can choose to opt in to the WPS system through an agreement with CBUAE. As of February 2024, there are four free zones - Jebel Ali Free Zone (JAFZ), Dubai Multi Commodities Center (DMCC), TECOM (media city) and KEZAD – that operate a mandatory WPS for all workers. Overall, it has been estimated that the low uptake by free zones results in the exclusion of one million workers from WPS coverage (Interview with Edenred, November 2023).

In the case of free zones, while the CBUAE retains responsibility for processing payments, it is the free zone authority itself which has responsibility for identifying violations and enforcement. This is set out in more detail in the “Identifying Wage Violations and Enforcement – free zones” section below.

Some free zones also operate alternative systems to monitor payment of workers’ wages. For example, the Dubai Airport Free Zone (DAFZ) operates a centralized “Employee Payroll System” whereby employers are required to log salary payments via the DAFZ online portal, which can be viewed by the DAFZ authority. If an employee does not receive their full salary, the DAFZ authority can contact the employer to request an explanation, or to require the immediate payment of outstanding salaries ([Anders Legal, 2023](#)).

6.6.3 Process overview – registration and wage payments

6.6.3.1 Registration

[Administrative Decision No. \(23\) of 2022 concerning the Wages Protection System](#) sets out the procedure for employers to register with the WPS. In particular, employers must fulfil the following requirements:

1. Employers must either have a bank account with one of the banks operating in the country, or, if they do not have a bank account, create an account with an agent approved and authorized by the CBUAE.
2. Employers must conclude a “WPS Agreement” with the bank or agent for the purpose of providing WPS services for its employees.¹²
3. Employers must guarantee that all employees have a bank account operating in the country. If an employee does not have a bank account, the employer must open an account for the employee with one of the authorized agents.

This Decision also sets out a general requirement that employers are obliged to bear all costs and expenses arising from the WPS system, including all commissions and service agent fees, and must not pass any of these costs on to workers, either directly or indirectly. While the CBUAE does not itself charge any fees for using the WPS, employers may be required to pay fees and commissions to their banks or agents (including agents who hold workers' accounts). These fees are not fixed and are negotiated directly between the employer and the service provider.

The [CBUAE rulebook](#) sets out requirements for payment service providers (including banks and agents) to be approved to participate in and be given access to the WPS, including that they must demonstrate stringent security measures (Art 19, 2). Once approved to access the WPS, payment service providers (agents) are required to fulfil certain obligations, including organizing marketing campaigns targeting the unbanked and underbanked to raise awareness of the WPS (Art 19, 5, 1), and conducting awareness-raising workshops with employers on how to complete a SIF file, and regulations and penalties relating to the WPS (Art 19, 5, 2).

6.6.3.2 Completion of a “Salary Information File”

To pay wages via the WPS, employers must prepare a “Salary Information File” (SIF), either using a dedicated payroll software or Excel. Some employers outsource payroll, including preparation of SIFs, to external payroll providers.

SIFs use a standardized format, and must include the following information relating to each worker:¹³

- Employee’s 14-digit labour card number
- Employee’s bank (or agency) routing code
- Employee’s bank (or agency) account number
- Start date of salary period
- End date of salary period
- Days in salary period
- Fixed salary amount*
- Variable salary amount*
- Number of leave days

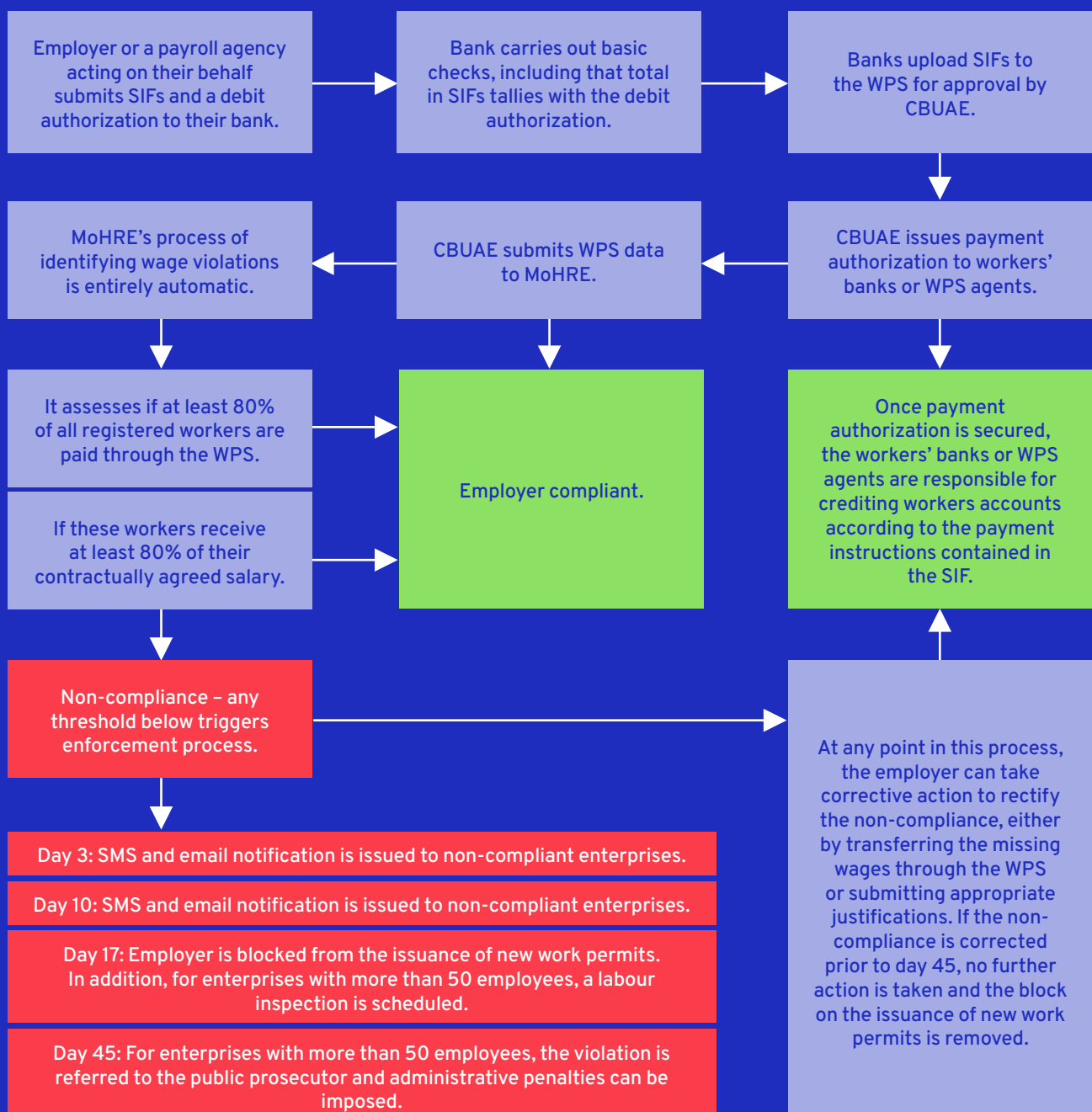
¹² An example of a [registration form for a WPS agreement](#) is available from the Dubai Islamic Bank.

¹³ An example of a [customer instruction form](#) for generating a SIF is available from the Dubai Islamic Bank.

**Distinguishing between “fixed” and “variable” income is not strictly required for the proper completion of the SIF (Habib Bank, 2023). If the company does not have the capability to differentiate between the fixed salary and the variable salary, it is permitted to include a single total value in either of the fields (CBUAE, 2018).*

It is reported that smaller enterprises and employers of domestic workers may also use a digital money transfer platform (Aani) to transfer wages. If the payment is tagged as a “salary”, it is automatically routed through the WPS system. It uses the same information fields as a SIF, but provides “autofill” options which make the system more straightforward to use (Interview with MoHRE, February 2024).

► Figure 11. United Arab Emirates WPS process



SIFs may also include an “Employee Variable Pay” section, to provide further breakdown of variable payments. However, completing this section is not compulsory for processing WPS payments (Interview with MoHRE, November 2023). The section contains separate categories for:

- Housing Allowance
- Conveyance Allowance (transport allowance)
- Medical Allowance
- Overtime Allowance
- Leave Encashment
- Annual Passage Allowance
- All Other Allowances

Once the SIF file has been generated, the employer (or a payroll agency acting on their behalf) submits the files to the employer’s bank, along with a debit authorization corresponding to the total wages to be paid.¹⁴

The employer’s bank, upon receipt of the SIFs, is required to carry out a validation. This includes checking for any file naming or formatting issues, as well as financial issues such as insufficient funds in the account, and procedural issues such as the lack of a proper signature in the debit authorization. After the validation is complete, the bank will then secure the funds by debiting the employer’s account and crediting the funds to the CBUAE. Once the funds are secured, the bank uploads the SIFs to the WPS system for approval by the CBUAE (Interview with MoHRE, November 2023).

The key role of the CBUAE is to act as a clearing house, to validate the transaction by ensuring that funds are sufficient to honour the contractual obligations, and to check that the account numbers indicated in the SIFs correspond to the named workers. This is an automatic process. Once complete, the CBUAE issues payment authorizations to the workers’ banks (if they have bank accounts in the United Arab Emirates) or their authorized WPS agents.

Once payment authorization is secured, the workers’ banks or WPS agents are responsible for crediting workers’ accounts according to the payment instructions contained in the SIF.

End-of-service payments

Many workers in the United Arab Emirates are entitled to “end-of-service” payments following the conclusion of their employment. It is not mandatory for employers to process one off end-of-service payments via the WPS, but this can be done on a voluntary basis. It is estimated that only around 30 per cent of blue-collar workers in the United Arab Emirates receive their end-of-service payment via the WPS (Interview with Edenred, November 2023).

¹⁴ An example of a [debit authorization form](#) for the WPS is available from the Dubai Islamic Bank.

6.6.4 Identifying wage violations and enforcement - MoHRE

The CBUAE is also responsible for sharing a WPS “data feed” with the relevant authorities – MoHRE in the case of enterprises in “mainland” United Arab Emirates, and the relevant free zone authorities in the case of enterprises in free zones. This section sets out how MoHRE uses the WPS data feed supplied by the CBUAE to identify wage violations and carry out enforcement.

MoHRE’s process of identifying wage violations is entirely automatic and consists of cross-checking whether WPS payments have been made for all workers registered at an enterprise, and whether the WPS payment corresponds to the wage specified in the worker’s registered employment contract (Interview with MoHRE, November 2023). According to [Ministerial Resolution No. \(598\) of 2022 regarding the Wages Protection System](#) (Art 3), an enterprise is considered compliant with WPS if two basic thresholds are both met:

- At least 80 per cent of all registered workers are paid through the WPS.
- These workers receive at least 80 per cent of their contractually agreed salary.

Accordingly, if an enterprise consistently pays 81 per cent of registered workers through the WPS, and consistently pays workers 81 per cent of their contractually agreed salary, the employer would be considered compliant with the WPS. According to the MoHRE, these thresholds are designed to offer a “buffer” for employers, and to account for the fact that in a given month a proportion of workers will not be eligible for a salary (for example, because they have taken unpaid leave, or left their employment without permission, and a proportion will have had legitimate deductions from their salary (Interview with MoHRE, November 2023).

Role of WPS system in relation to “individual” salary complaints

If there is an issue relating to an individual worker’s wage, it would not be automatically detected by the WPS unless it caused the enterprise to fall below one of the 80 per cent thresholds. In these cases, wage issues would only be identified if workers lodge a complaint with the MOHRE. MOHRE operates a confidential “[My Salary Complaint](#)” service, which allows workers to log a confidential complaint relating to their wage. If the complaint is assessed to have valid grounds, it will be referred to the MOHRE Labour Inspectorate ([MoHRE, 2022](#)). The labour inspectorate can access the WPS data portal as part of their assessment and investigation process (Interview with MoHRE, November 2023).

If the issue is due to an employer’s misunderstanding of the law, the inspector will explain the law and order a correction, generally within a grace period of 7-14 days (depending on the enterprise and severity of violation). If the issue is still not resolved, migrant workers are able to transfer their work permit to other enterprises, without notice. Moreover, in such cases the worker can receive compensation through insurance.

At the same time, these fixed thresholds can pose challenges to smaller companies, as the non-payment of a single worker in an enterprise with four or less employees would automatically trigger a finding of non-compliance (Interview with Edenred, November 2023). Penalties for such non-compliance are set out below.

The [Ministerial Resolution No. \(675\) of 2022 on the Coverage of Certain Domestic Work Professions Under the Wages Protection System](#) sets out slightly different thresholds in relation to domestic workers. According to this, employers must pay at least 80 per cent of their registered domestic workers (in the 5 occupations covered on a mandatory basis) and must pay at least 75 per cent of the registered wage of each domestic worker processed through the system in order to be considered compliant with WPS requirements (Art 3). If any deductions are made from the domestic worker's salary, employers must provide evidence to justify the deduction upon request (Art 3).

6.6.4.1 Exclusions and justifications

Permitted justifications for non-payment of salary through the WPS are set out in [Ministerial Resolution No. \(598\)](#) (Art 6) and include situations in which employees have been reported as “unpermitted absenting”, workers who have taken unpaid leave, and workers with complaints which have been reported to the judiciary.

Some of these exclusions are applied automatically. For example, the MoHRE's WPS records are electronically linked with records of the United Arab Emirates Identity, Immigration and Passports Authority, in order to automatically exclude workers outside the United Arab Emirates, workers who have been reported as “absconded” and workers with a labour lawsuit filed ([PwC, 2019](#)). Therefore, the non-payment of these workers would not count towards the 80 per cent compliance thresholds.

For other types of exclusions, employers have to manually submit information. Administrative Decision No. 23 of 2022 concerning the Wage Protection System sets out specific procedures by which employers can apply for the exclusion of employees from the WPS on the basis of leave without pay or incarceration. Each procedure requires downloading the relevant form, filling it in and then submitting it on the MoHRE website. It is reported that these processes are not intuitive to use, and that (in particular small) employers often struggle to record justifications for exclusions correctly (Interview with Edenred, November 2023).

In relation to wage deductions, [Federal Decree-Law No. 33 of 2021 concerning Regulation of Labor Relations](#) sets out circumstances in which wage deductions are permitted, including in relation to the repayment of loans and compensation for damage caused by the worker. Under no circumstance can deductions from a wage amount to more than 50 per cent of the total wage due (Art 25;2).

There is no specific field to include information on deductions in the SIF. In addition, there do not appear to be any specific regulations relating to providing justifications for deductions.

6.6.4.2 Escalation and enforcement procedures

Whenever an enterprise is identified as non-compliant with the WPS (i.e. they have not reached the 80 per cent thresholds, and do not have approved justifications or exclusions in place), a fixed escalation procedure is automatically triggered. [Ministerial Resolution No. \(598\) of 2022 regarding the Wages Protection System](#) (Art 2) sets out the following actions to be undertaken by MoHRE (from the day on which the salary was due):

- Day 3: SMS and email notification is issued to non-compliant enterprises.
- Day 10: SMS and email notification is issued to non-compliant enterprises.
- Day 17: Employer is blocked from the issuance of new work permits. In addition, for enterprises with more than 50 employees, a labour inspection is scheduled. The labour inspectorate will conduct an inspection and issue warnings as necessary.
- Day 45: For enterprises with more than 50 employees, the violation is referred to the public prosecutor and administrative penalties can be imposed.

At any point in this process, the employer can take corrective action to rectify the non-compliance, either by transferring the missing wages through the WPS or submitting appropriate justifications. If the non-compliance is corrected prior to day 45, no further action is taken and the block on the issuance of new work permits is removed.

[Cabinet Resolution No. \(21\) of 2020 concerning Service Fees and Administrative Fines in the MoHRE](#) sets out administrative fines which can be imposed in relation to the WPS. These include:

- AED 5,000 (USD\$1,361) per worker (up to a maximum of AED 50,000 (USD\$13,613) in the case of multiple workers) for entering incorrect data into the WPS with the intention of evading or circumventing requirements.
- AED 1,000 (USD\$272) per worker (up to a maximum of AED 20,000 (USD\$5,445) in the case of multiple workers) for failure to pay workers via the WPS in accordance with the time periods established by ministerial decisions.

It has been estimated that during each wage cycle, around 2-3 per cent of companies receive a block from the issuance of new work permits. Typically, this results from administrative challenges, for example filling in the SIF incorrectly or failing to properly log justifications and exclusions. It is reportedly uncommon for violations to reach the stage of referrals to the public prosecutor (Interview with Edenred, November 2023). The block on work permits is considered to offer a very effective deterrent and financial penalties are not generally imposed (Interview with MoHRE, November 2023).

6.6.4.3 Escalation and enforcement provisions relating to domestic workers

Alternative escalation and enforcement provisions apply to employers of domestic workers. [Ministerial Resolution No. \(675\) of 2022 on the Coverage of Certain Domestic Work Professions Under the Wages Protection System](#) sets out escalation procedures which will be followed by MoHRE (from the day on which the salary was due):

- Day 2: SMS and email notification is issued to non-compliant employers, urging them to pay wages through the WPS.
- Day 8: SMS and email notification is issued to non-compliant employers, urging them to pay wages through the WPS.
- Month 2: Employers will be suspended from the issuance of new work permits.

While no specific timeframe is set out, the Resolution also envisages administrative penalties for employers who fail to comply with the WPS. [Cabinet Resolution No. \(106\) of 2022 concerning the Executive Regulations of Federal-Decree Law No. \(9\) of 2022 on Domestic Workers](#) sets out the applicable penalties:

- AED 100 (USD\$27) per domestic worker for failure to register a domestic worker (belonging to one of the five categories covered on a mandatory basis by the WPS).
- AED 500 (USD\$136) – AED 5,000 (USD\$1,361) for the non-payment of the agreed wage.

6.6.5 Identifying wage violations and enforcement – free zones

The CBUAE shares data generated in the WPS system with the relevant authorities – MoHRE in the case of enterprises in “mainland” United Arab Emirates, and the relevant free zone authority in the case of enterprises in free zones. This section summarizes the processes followed by JAFZ and DMCC.

6.6.5.1 JAFZ

JAFZ introduced a WPS in 2012. The JAFZ authority uses the same compliance threshold as the MoHRE, namely enterprises must pay at least 80 per cent of the total salaries of eligible employees and each employee must receive at least 80 per cent of the salary agreed in the employment contract. Employers can also register justifications by creating a “Service Request Number” via the Dubai Trade Portal and presenting permitted reasons for non-payment of wages or salary deductions, supported by adequate evidence. These are reviewed by the JAFZ authority ([Anders Legal, 2023](#)).

Nineteen days after the salary due date, if an enterprise has still not reached the “80 per cent” thresholds for the payment of wages, and has not submitted justifications for this which have been reviewed and approved by the JAFZ authority, fines and penalties may be imposed. For example, the enterprise may be blocked from renewing or issuing work permits and may receive a financial penalty ([Anders Legal, 2023](#)).

6.6.5.2 DMCC

DMCC introduced the WPS in February 2023 and all companies are obliged to pay their employees via the CBAUAE WPS. It includes specific requirements, including that the salary must be paid in United Arab Emirates Dirham (AED), and that employers must not pass fees that banks or exchange offices charge for WPS transfers to workers ([DMCC, 2023](#)). To date, the DMCC is still not imposing any sanctions in case of non-compliance with the WPS. From January 2024, non-compliant companies will be restricted from accessing the DMCC online portal (including for issuing and renewing work permits), and fines may be imposed ([Anders Legal, 2023](#)). It is not yet clear whether DMCC will use “thresholds” for determining compliance.

6.6.6 Compensation mechanisms

[Ministerial Resolution No. \(318\) of 2022 concerning Bank Guarantees and Employees Insurance Protection Scheme](#) requires that all enterprises under the jurisdiction of the MoHRE must provide either an approved insurance policy, or a bank guarantee of not less than AED 3,000 (USD\$816) for each employee (Art 1). The vast majority of enterprises use an approved insurance policy (Interview with MoHRE, February 2024). The MoHRE may utilize the insurance coverage or deduct amounts from the bank guarantee in a number of circumstances, including in relation to the non-payment of wages. The non-payment of wages would need to be either “acknowledged” by the employer, or the finding of a court judgement (Art 2). There is no specific connection with the WPS and non-compliance with the WPS would not automatically trigger the payment.

Under this scheme, approved insurance policies are valid for a fixed period of 30 months. The cost of the premium is per worker, with four price levels based on the employee’s skill level, as well as whether the enterprise is compliant with the WPS ([United Arab Emirates Government Portal, 2024](#)):

- AED 137.5 (USD\$37) for skilled workers
- AED 180 (USD\$49) for low-skilled workers
- AED 105 (USD\$28) for domestic workers
- AED 250 (USD\$68) for high-risk enterprises which are non-compliant with the WPS (regardless of worker skill level)

In the case of failure to pay a worker’s wages, the insurance policy provides a maximum insurance coverage of AED 20,000 (USD\$5,445) per worker. The coverage is not designed to discharge employers from their responsibilities – the employer is required to repay the insurance companies for all payments to workers. If the employer fails to make the repayment, the employer will be suspended from the issuance of new work permits and will be required to provide a AED 3,000 (USD\$816) bank guarantee for the renewal of existing work permits ([United Arab Emirates Government Portal, 2024](#)).

► 7. Sources

7.1 Laws and Regulations

- Bahrain Labour Law for the private sector, 2012: <https://lmra.gov.bh/files/cms/shared/file/labour%20law%202012.pdf>
- Bahrain Ministry of Labour and Social Development. Resolution No. (68) of 2019 on the Wages Protection System: <https://www.lmra.gov.bh/en/legal/show/85#:~:text=Every%20employer%20shall%20commit%20to,entities%20to%20verify%20the%20payment>
- Kuwait Private Sector Labour Law (PSLL): [Law No. 6/2010 concerning Labour in the Private Sector](#)
- [Kuwait Law No. 68 of 2015 on Domestic Workers](#)
- Oman Royal Decree Promulgating the Labour Law 2023: [Oman Royal Decree Promulgating the Labour Law \(2023\)](#)
- Oman Circular No. 7/2023 on Implementation of the Wages Protection System in Private Sector Establishments: [Communication by Ministry of Labour](#)
- Oman Ministry of Labour. Ministerial Resolution No. 729/2024 regarding the Wage Protection System
- Qatar Labour Law No. (14) of 2004: [Law No. \(14\) of 2004 Promulgating the Labour Law](#)
- Qatar Law No. 1 of 2015 on amending certain provisions of the Labour Law promulgated by Law No. 14 of 2004: [Law No. 1 of 2015](#)
- Qatar Ministerial Decision No. (4) of 2015 on the Regulation of the Wage Protection System for Workers Subject to the Labour Law: [Ministerial Decision No. 4 of 2015](#)
- Saudi Arabia Labour Law 2005: <https://www.hrsd.gov.sa/sites/default/files/2017-05/LABOR%20LAW.pdf>
- United Arab Emirates Administrative Decision No. (23) of 2022 concerning the Wages Protection System: [Administrative Decision No. \(23\) of 2022 concerning the Wages Protection System](#)
- United Arab Emirates Cabinet Resolution No. (1) of 2022 on the Implementation of Federal Decree-Law No. (33) of 2021 regarding the Regulation of Labour Relations: [Cabinet Resolution No. 1 2022 on the Implementation of Federal Decree-Law No. \(33\) of 2021 regarding the Regulation of Labour Relations](#)
- United Arab Emirates Cabinet Resolution No. (21) of 2020 concerning Service Fees and Administrative Fines in the MoHRE: [Cabinet Resolution No. \(21\) of 2020 concerning Service Fees and Administrative Fines in the MoHRE](#)
- United Arab Emirates Ministerial Resolution No. (675) of 2022 on the Coverage of Certain Domestic Work Professions Under the Wages Protection System: [Ministerial Resolution No. \(675\) of 2022 on the Coverage of Certain Domestic Work Professions Under the Wages Protection System](#)
- United Arab Emirates [Cabinet Resolution No. \(106\) of 2022 concerning the Executive Regulations of Federal-Decree Law No. \(9\) of 2022 on Domestic Workers](#)
- United Arab Emirates [Federal Decree-Law No. \(33\) of 2021 concerning Regulation of Labor Relations](#)
- United Arab Emirates [Ministerial Resolution No. \(598\) of 2022 regarding the Wages Protection System](#)
- United Arab Emirates CBUAE rulebook: [Central Bank of the United Arab Emirates Retail Payment Services and Card Schemes Regulation \(2021\) – Central Bank Rulebook](#)
- United Arab Emirates Ministerial Resolution No. (318) of 2022 concerning Bank Guarantees and Employees Protection Insurance Scheme: [Ministerial Resolution No. \(318\) of 2022](#)

7.2 Online sources

- Anders Legal, 2023: The Wages Protection System in the United Arab Emirates: [Circular_Wages-Protection-System-WPS-in-the-UAE_12.04.2023_ANDERS-LEGAL-CONSULTANCY_Dubai.pdf](#)
- CBUAE, 2018: Companies Responsibility Guide
- CBUAE, 2023: United Arab Emirates Wages Protection System (UAEWPS): [CBUAE | UAEWPS \(centralbank.ae\)](#)
- DMCC, 2023: Application Guideline: Electronic Salary Transfer Registration System: [Electronic_Salary_Transfer_Registration_Guidelines_WPS-V3.pdf \(dmcc.ae\)](#)
- Edenred 2022: [What is WPS Payroll in the UAE? | Edenred UAE](#)
- Government of Qatar Communications Office Labour Reform. 2023: https://www.gco.gov.qa/en/focus/labour-reform/?doing_wp_cron=1697709650.418831100006103515625
- Gulf News 2023: [Registering UAE domestic workers in WPS: Which categories are mandatory, which are voluntary? | Living-ask-us – Gulf News](#)

- Habib Bank, 2023: Wage Protection System – FAQ: https://www.habibbank.com/uae/downloads/HBZwps_faqs.pdf
- HLB HAMT 2023, Wage Protection System in United Arab Emirates: <https://hlbhamt.com/wages-protection-system-in-united-arab-emirates/>
- ILO, 2018: Exploratory study of good policies in the protection of construction workers in the Middle East, <https://www.ilo.org/publications/exploratory-study-good-policies-protection-construction-workers-middle-east>
- ILO 2019b: Assessment of the wage protection system in Qatar: <https://www.ilo.org/publications/progress-report-technical-cooperation-programme-between-government-qatar>
- ILO, 2019a: Kuwait. Regulatory Framework Governing Migrant Workers: https://www.ilo.org/wcmsp5/groups/public/-arabstates/-ro-beirut/documents/legaldocument/wcms_728263.pdf
- ILO, 2021: Making decent work a reality for domestic workers in the Middle East: <https://www.ilo.org/publications/making-decent-work-reality-domestic-workers-middle-east-progress-and>
- ILO, 2023: Progress report on the technical cooperation programme between the Government of Qatar and the ILO: <https://www.ilo.org/publications/progress-report-technical-cooperation-programme-between-government-qatar>
- Jureidini, Ray, 2017: Wage Protection Systems and Programmes in the GCC, Gulf Labour Markets and Migration, GLMM - RR - No. 01/2017: [GLMM_EN_2017_RR01.pdf](https://www.glc.net/RR01.pdf) (grc.net)
- LMRA, 2021: <https://blog.lmra.gov.bh/en/2021/12/08/lmra-ceo-100-of-the-targeted-establishments-in-the-first-phase-have-joined-the-wage-protection-system-87-in-the-second-phase-to-date-with-a-compliance-rate-of-more-than-80/>
- LMRA, 2023a: General Questions about Wages Protection System (WPS): <https://lmra.gov.bh/en/faq/category/8>
- LMRA, 2023b: [List of the Service Providers Contributing to the Wages Protection System \(lmra.gov.bh\)](https://lmra.gov.bh/en/faq/category/8)
- MHRSD 2022, Wage Protection: <https://www.hrsd.gov.sa/en/knowledge-centre/initiatives/national-transformation-initiatives-bank/108808>
- Mint HR 2023: Learn about the Wages Protection System in Kuwait: <https://minthr.com/ar/blog/%D8%AA%D8%B9%D8%B1%D9%81-%D8%B9%D9%84%D9%89-%D9%86%D8%B8%D8%A7%D9%85-%D8%AD%D9%85%D8%A7%D9%8A%D8%A9-%D8%A7%D9%84%D8%A3%D8%AC%D9%88%D8%B1-%D9%81%D9%8A-%D8%A7%D9%84%D9%83%D9%88%D9%8A%D8%AA/>
- MoHRE, 2022, My Salary Complaint - Private Sector Employees: <https://www.mohre.gov.ae/en/our-services/my-salary-complaint-private-sector-employees-2022.aspx>
- Mudad FAQ on WPS: <https://mudad.com.sa/landing-page/faq?tab=WPS>
- Mudad User Manual: <https://mudad.com.sa/landing-page/compliance>
- Musaned FAQ: <https://beta.musaned.com.sa/en/faq>
- Musaned User Manual
- Oman Government Portal, 2023, Wage Protection System (WPS): [https://apps.oman.om/en/home-top-level/whole-of-government/central-initiative/wages-protection-system-\(wps\)](https://apps.oman.om/en/home-top-level/whole-of-government/central-initiative/wages-protection-system-(wps))
- Oman Ministry of Labour, 2023, WPS – the Specifications of a Salary Information File (SIF).
- Oman WPS FAQ, 2023: [وزارة العمل - سلطنة عمان - الأسئلة الأكثر شيوعاً](https://mol.gov.om) (mol.gov.om)
- Price Waterhouse Cooper (PwC), 2019: GCC: Wages protection system (WPS) - an update (pwc.com)
- Qiwa 2024: [How to create an Employment Contract?](https://qiwa.sa) (qiwa.sa)
- Times of Oman, 2023: [Wages Protection System launched by Ministry of Labour](https://timesofoman.com) | Times of Oman - Times of Oman
- United Arab Emirates 2024: [Insurance against defaulting employers](https://www.uae.gov.ae) | The Official Portal of the UAE Government
- United Arab Emirates WPS 2023: [How salaries should be paid?](https://www.uae.gov.ae) | The Official Portal of the United Arab Emirates Government

► 8. Annex: summary tables focussing on scope and coverage of WPSs

8.1 Coverage of the WPS

	Bahrain	Kuwait	Oman	Qatar	Saudi Arabia	United Arab Emirates
Private sector workers (under scope of main labour law).	Yes. without exception.	Yes. without exception.	Yes, although being rolled out in phases. All private sector workers will be covered by March 2024	Yes. without exception.	Yes, except workers in their probation period (1 month for Saudi nationals and 3 months for foreign nationals)	Yes, with some limited exceptions, including banks and religious institutions
Domestic workers	Voluntary opt-in	Not covered	Voluntary opt-in	Voluntary opt-in	Compulsory for all domestic workers employed under new contracts to separately operated WPS	Compulsory for 5 categories of domestic workers; optional for 14 other categories
Public sector workers	Not covered	Not covered	Not covered	Not covered	Not covered	Not covered
Workers in free zones	No explicit requirements.	No explicit requirements.	No explicit requirements.	No explicit requirements.	No explicit requirements.	Free zone authorities can choose to opt in. 4 out of 46 have done so.

8.2 Issues covered by the WPS

Checks carried out	Bahrain	Kuwait	Oman	Qatar	Saudi Arabia	United Arab Emirates
Total or partial non-payment of basic wage	Yes	Yes	Yes	Yes	Yes	Yes
Wage delays	Yes – checks completed to see whether workers paid in each month.	Yes – within 7 days of due date.	Yes – within 3 days of due date.	Yes - by an employer within 7 days of due date.	Yes - within 10 days of due date.	Yes – within 3 days of due date.
Payment below national minimum wage	<i>N/A – no national minimum wage.</i>	No evidence of routine checks.	No evidence of routine checks.	Yes	<i>N/A – no national minimum wage.</i>	<i>N/A – no national minimum wage.</i>
Payment of wages below contractually agreed amount	No evidence of routine checks.	Yes - automatic checks to ensure salary is at least 75% of contractually agreed amount and reasons for any wage deduction.	Yes – automatic checks for discrepancies with registered employment contract.	Yes – automatic checks to ensure net and gross salary not below that agreed to in contract.	Yes – automatic checks to ensure salary is not more than 50% lower than the amount registered in the GOSI social insurance database.	Yes – automatic checks to ensure payment is at least 80% of contractually agreed amount.
Non-payment or under-payment of end of service gratuity	No evidence of routine checks.	No evidence of routine checks.	No evidence of routine checks.	No evidence of routine checks.	No evidence of routine checks.	Not mandatory, but possible on voluntary basis.
Unlawful deductions	No evidence of routine checks.	Automatic checks of whether there are deductions of more than 10-25% of the total received salary.	Automatic checks of whether there are deductions of more than 35% of the total received salary.	Automatic checks of whether there are deductions of more than 35% of the total received salary.	Automatic checks of whether there are deductions of more than 50% of the total received salary.	Automatic checks of deductions exceeding 20%, considering non-compliant establishments as failing to pay wages.
Non-payment or under-payment of overtime	No evidence of routine checks.	No evidence of routine checks.	No evidence of routine checks.	Yes - if overtime hours are registered in the SIF but no corresponding payment is made.	No evidence of routine checks.	No evidence of routine checks.

International Labour Organization

Regional Office for Arab States
Aresco Centre - Justinien Street – Kantari
Beirut – Lebanon

T: +961-1-752400

E: beirut@ilo.org

[f](#) [@](#) [X](#) [in](#) [@iloarabstates](#)

ilo.org/arabstates

