



Guide to

# Entrepreneurship Leave for Self-Employment in Federal Government

May 2023



# Guide to Entrepreneurship Leave for Self-Employment in Federal Government

Prepared in accordance with Cabinet Resolution No. 730/ for the year 2022, on the conditions and regulations for granting UAE nationals employed in the federal government the option to take an entrepreneurship leave for self-employment

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# Introduction:

Building upon the pioneering role played by the United Arab Emirates Government and its vision to support its citizens in all fields, the Cabinet issued Resolution No. 730/ of 2022 on the conditions and regulations for granting government employees the option of Entrepreneurship Leave for self-employment. Additionally, the Cabinet's Resolution No. 12 of 2023 on the Entrepreneurship Leave for self-employment for federal government employees was enacted. This introduced a specific type of leave with defined regulations, allowing government employees who wish to participate in the private sector to establish, manage, or monitor their own enterprises within such vital sector. This plays a significant role in job creation and serves as a key driver of future economic development, including production, operation, income generation, innovation, technological advancement, and other related aspects.

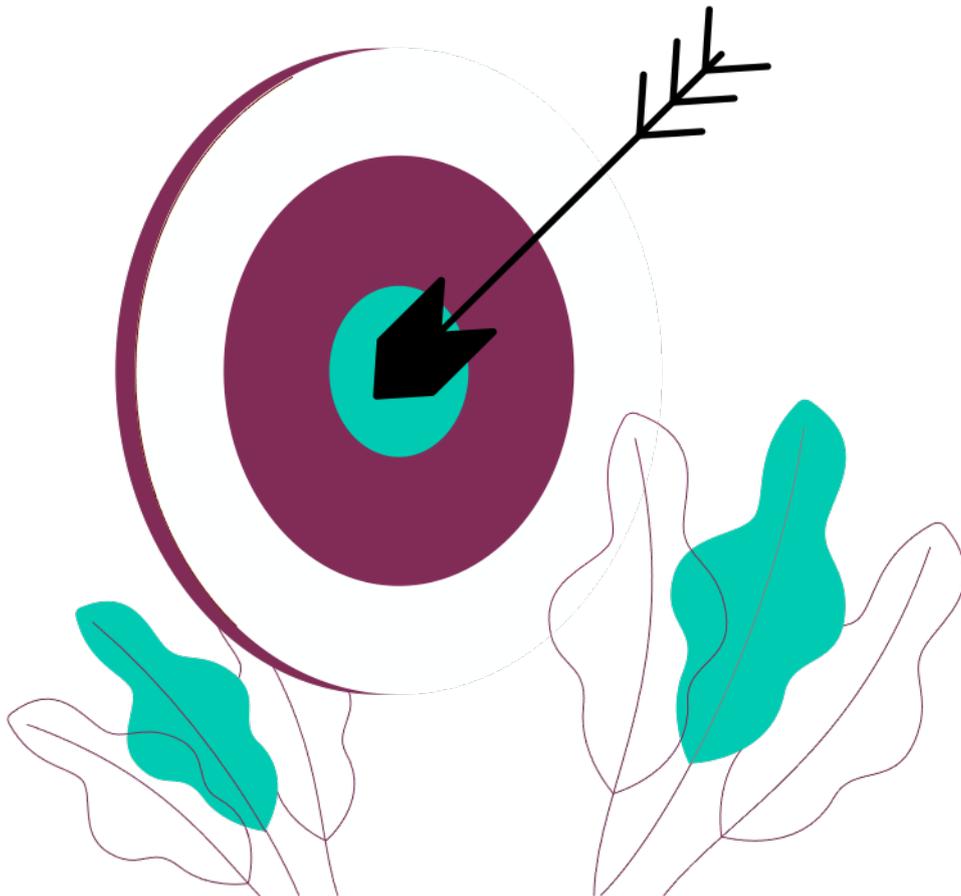
Based on the aforementioned, and in compliance with the provisions of the mentioned Resolution, FAHR provides the federal entities and their employees with a simplified guide that contributes to clarifying all the regulations, conditions, and procedures that assist and support the entities when considering a leave request submitted by any of their employees for self-employment. This is done through simplified procedures that aim to achieve the intended goal of issuing the aforementioned Resolution.

## The Employee's Journey to Obtain the Entrepreneurship Leave for Self-Employment

The purpose of the leave request should be the employee's wish to:

- **Establish** a business enterprise in the private sector.
- Or manage **an existing enterprise**.
- Or be a **partner** with others to establish a business enterprise.

The employee should have obtained **the necessary licenses** for initiating his business enterprise from the relevant authorities in the country or **actively started to take the procedures required** to establish such enterprise and obtain the required licenses.



## The Most Important Requirements

### That must be met by the Employee Requesting the Leave

The requirements that must be met by the employee interested in obtaining the entrepreneurship leave for self-employment are as follows:

- Have a performance evaluation rating of **not less than 2** or its equivalent in their current workplace.
- Have a total service duration in the federal or local entity of **not less than 5 years**.
- Have **completed national service** or provide evidence of their status regarding national service.

## Duration of Entrepreneurship Leave for Self-Employment

### That can be currently given to the employee

One year.

## Financial Allowances / Benefits

### That the employee can benefit from during the period of Entrepreneurship Leave for self-employment

The employee obtaining the approval for being granted this leave is entitled to receive **50%** of their monthly total only salary during the entire period of such leave, **excluding allowances and benefits associated with the job**. These do not fall within the financial benefits granted to the employee, such as **technical allowances, work nature allowances, phone allowances, or any similar allowances**.

## General Criteria

That must be met by the enterprises, according to which the employee is granted the entrepreneurship leave for self-employment:

### If it is an existing enterprise

- The employee should **have obtained the necessary licenses** from the relevant authorities in the country.
- The employee should have a key role in the management or supervision of the enterprise.
- The employee should provide an overview of the existing project and the current **business plan**.

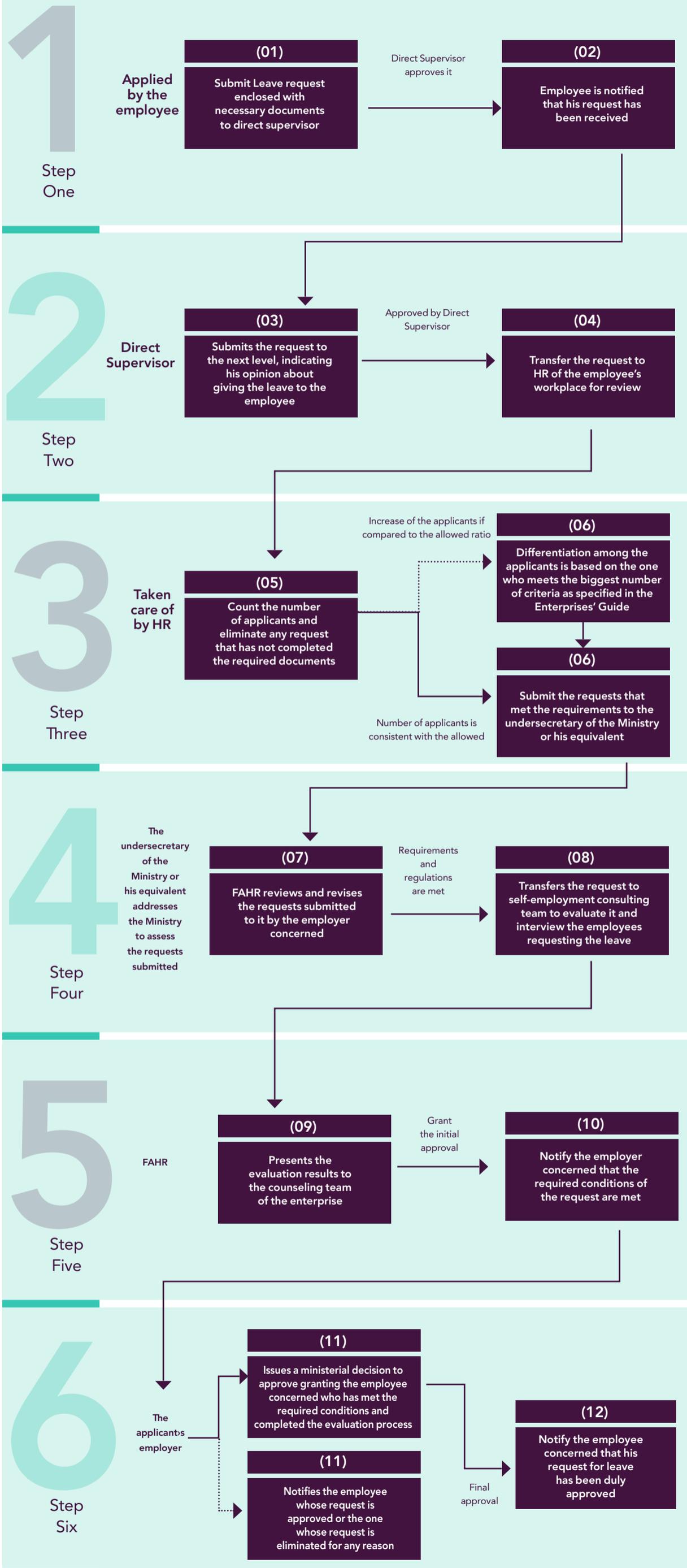
### If it is under construction

- There should be steps to obtain the **necessary permits** from the relevant authorities to initiate the enterprise.
- The **proposed business plan**, along with evidence of the enterprise registration with the relevant entities should be submitted.

### If the enterprise is a branch for an existing company or an establishment, but it is headquartered abroad

- The employee should provide evidence that the head company has obtained the **necessary approvals** and demonstrate that they are an authorized representative or have a role in management and supervision at the branch.
- The enterprise should **comply with the laws and regulations adopted in the country** and not have any violations related to the environment or labor.
- The enterprise should also **adhere to the government's directives regarding localization, training, skill development**, and provide certification from the Ministry of Human Resources and Emiratization to confirm compliance.

## Procedures for applying an Entrepreneurship Leave for self-employment



All requests that meet the criteria and standards set by the Federal Entity for Federal Authority for Government Human Resources (FAHR) are submitted, and the evaluation process is completed to grant a preliminary approval according to the procedures outlined in the Procedures Manual.

## Duties and Responsibilities

### For:

#### Federal Entity

1. **Reviewing the documents, licenses, and information attached** to the leave request, as well as verifying the employee's compliance with the required conditions, and issuing a response within 5 business days.
2. Ensuring that granting leave to the employee **does not conflict with the entity's interests**, especially if the employee occupies a critical position with it.
3. Adhering to the **UAE national employees' ratio table in place** based on the size of the federal entity, as follows:

The maximum limit for the number of employees that are allowed to be granted an entrepreneurship leave by the federal entities in the first year of implementation				
The federal entities whose total UAE national employees is	The federal entities whose total UAE national employees is	The federal entities whose total UAE national employees is	The federal entities whose total UAE national employees is	The federal entities whose total UAE national employees is
from 10 to 100	from 101 to 500	from 501 to 2000	from 2001 to 5000	over than 5000
2	3	4	5	10

4. **Approve the list of employees** who have met the required conditions either through the ministry's undersecretary or those of similar standing for granting or denying the leave.

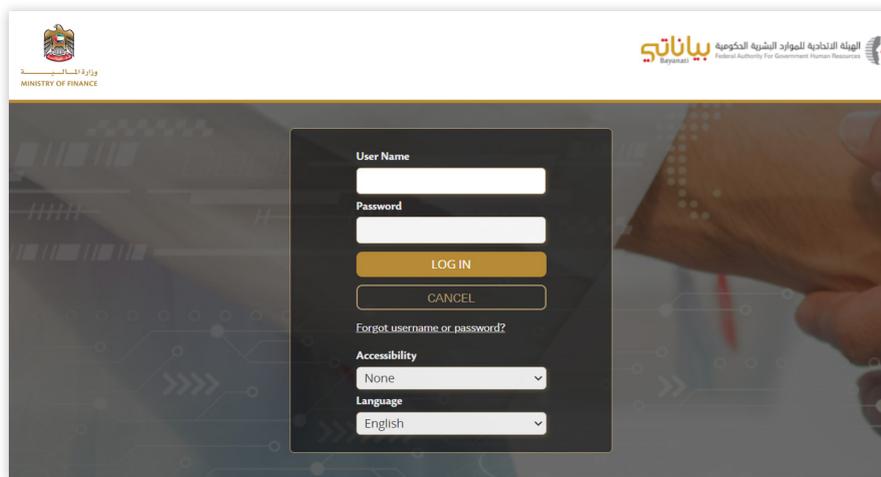
(For further details regarding the regulations and conditions for granting the leave, please refer to Cabinet Resolution No. 12 of 2023 on the Entrepreneurship Leave for Self-Employment in Federal Government)

## The Employee

1. The employee who wishes to obtain an Entrepreneurship Leave for Self-Employment and possesses the necessary documents, permits, and required information regarding the enterprise they intend to establish, manage, or supervise, and have fulfilled all the specified conditions mentioned in the guidelines, such as length of service and performance level, etc., should submit a request to their immediate supervisor, accompanied by all the required information. This should be done through the approved electronic or digital procedures of the workplace, specifying the proposed start date of the leave. The time period between submitting the request for leave and the proposed start date should not be less than three months.
2. The employee is also required to attend the interview that will be conducted during the evaluation stage of the applications at the federal government level. The coordination for this will be handled by the Federal Authority for Government Human Resources.
3. Additionally, the employee should provide the employer with any information related to the enterprise as requested.

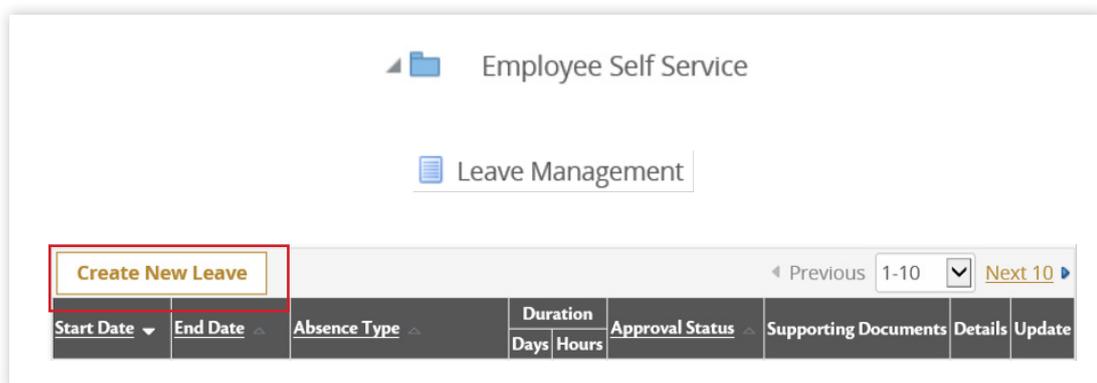
## Starting the procedures for applying for the Entrepreneurship Leave for self-employment as follows:

### 01 Login to the Bayanati System:



- From within the federal entity's network: [/https://prd.federalerp.gov.ae](https://prd.federalerp.gov.ae)
- From outside the federal entity's system: [/https://www.federalerp.gov.ae](https://www.federalerp.gov.ae)

### 02 Move to: Employee's Self-Service – Leave – Leave Request



Start Date	End Date	Absence Type	Duration		Approval Status	Supporting Documents	Details	Update
			Days	Hours				

**03** Enter the details of the Entrepreneurship Leave for Self-Employment as follows:

- **Leave Type:** Entrepreneurship Leave for Self-Employment
- **Duration (from - to):** The duration should be one year.
- **I undertake not to use the available channels at the workplace to promote my enterprise:** Select “Yes” must be chosen.
- **I acknowledge that I read the terms and conditions, including the salary modifications:** Choose “Yes” after reading such terms and conditions.

**04** After entering all the relevant leave information, click on “Next” and add the necessary documents and attachments, such as the commercial registration and other supporting documents. Then, click on “Submit” to proceed for review by those concerned.

## 05 Acknowledgment that the terms and conditions have been read and agreeing to their impact on salaries

The employee is responsible for ensuring that he or she has read the terms and conditions and understood their impact on salaries. This should be confirmed during the submission process of the request for the Entrepreneurship Leave for self-employment, as follows:

1. Reading the terms and conditions and their impact on salaries from the submission screen of the leave request. Clicking on “Read the terms and conditions and their impact on salaries” where the system will display the terms and conditions for the employee to read and review.
2. Press the button “Click here to acknowledge the terms and conditions and their impact on salaries”.
3. The system will display a screen containing the terms and conditions.
4. The employee should read the complete terms and conditions.
5. Afterward, the option to select “I acknowledge that I read the terms and conditions, including salaries’ adjustments” will be available for the employee to choose “Yes”.

\* Indicates required field

Leave Status Confirmed

\* Leave Type Entrepreneurship Leave

Absence Reason

Duration

\* Start Date (22-Jan-2023)

\* End Date

TIP Start Date is required.

Days

Total Calculate Duration

\* I acknowledge not to use the entity channels to promote my project

\* I agree to the terms, conditions, and salary change

اضغط هنا للشروط والأحكام والتعليق على الطلب

أقر بأن جميع البيانات في هذا الطلب والمستندات المرتبطة صحيحة وعلى مسؤوليتي وأتسي أطلقت على الشروط والأحكام العامة لهذه الإجازة وعلى التوجيهات والإجراءات المرتبطة في باقي الجهات الاتحادية في شأن منح الموظفين النوعية إجازة التفرغ للعمل الحر الصاصر من الهيئة الاتحادية للتوارد البشرية الحكومية.

الشروط والأحكام العامة لإجازة التفرغ الوظيفي للعمل الحر:

- \* أن يكون العرض من طلب الإجازة و رعية الموظف في تأسيس مشروع اقتصادي في القطاع الخاص أو إدارة مشروع قائم .
- \* أن يكون الموظف حاصلًا على الترخيص اللازم للمشروع الاقتصادي من الجهات المختصة في الدولة أو تابه مستندات تثبت أنه قد بشر أو قيد المشروع في الإجراءات اللازمة للحصول على الترخيص المطلوبة أو يثبت أن لديه مشروع سابق يرغب في إدارته بنفسه.
- \* أن يكون الموظف حاصلًا على تكبير أداء بمستوى لا يقل عن 2 أو ما يعثله في جهة عمله.
- \* ألا تقل مجموع مدة خدمة الموظف في الجهة الاتحادية أو في جهة محلية عن خمس سنوات

**06** To confirm understanding of the terms, conditions, and their impact on salaries after reading them, the employee must confirm that as follows:

\* Indicates required field

Leave Status Confirmed

\* Leave Type Entrepreneurship Leave

Absence Reason

Duration

\* Start Date (22-Jan-2023)

\* End Date

TIP Start Date is required.

Days

Total Calculate Duration

\* I acknowledge not to use the entity channels to promote my project

\* I agree to the terms, conditions, and salary change Yes

استلم هذا للشروط والأحكام والتأكد على الربح

Sun	Mon	Tue	Wed	Thu	Fri	Sat
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	1	2	3	4

## List of Partners

From the entities that could support the employee to establish and manage his private business enterprise:



Employees may directly communicate with the “Initiative Partners” for obtaining the necessary support in establishing and managing projects, based on the agreed-upon memoranda of understanding. This support can be obtained through the following means:

- Support for obtaining licenses.
- Development of economic feasibility studies.
- Free training programs and awareness programs.
- Mentoring programs.
- Funding for small and medium-sized enterprises (subject to the terms and conditions set by each entity).

(Please visit the official website of each entity to access the updated details)

