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UAE EMIRATIZATION KEY CHANGES UPDATE NOTE – 2026

The UAE's Emiratization framework is facing new changes as we move into 2026. The current quota system remains in place but has been expanded to increase the number of UAE nationals entering skilled positions in the private sector. The latest measures show a wider policy push focused not only on hiring but also on retention, pay, family support, and compliance.

In addition to federal changes, a Dubai-specific development is the issuance of Dubai Law No. 5 of 2026, regulating the outsourcing of government services in Dubai. The new law applies to contractors engaged in government services on behalf of Dubai Government entities and introduces a significantly stricter Emiratization requirement for those outsourcing arrangements, but should be treated as a Dubai Government outsourcing requirement rather than a general obligation applying to all private-sector employers in Dubai. Under the new law, the contractor must employ at least one UAE national for each non-national employee. Salaries and incentive mechanisms for UAE national employees must follow applicable legislation and the terms agreed in the outsourcing contract. Dubai government entities and contractors are required to align their operations with the new law within three years of the date the law takes effect.

The key federal policy change is the extension of the Nafis Programme to 2040, announced on 6 April 2026. The Nafis Programme is a UAE federal programme aimed at increasing the competitiveness of UAE national talent and supporting the recruitment and retention of UAE nationals in private-sector jobs. It operates through a package of financial and career-support measures, including salary support, child allowance, unemployment support, and on-the-job training.

For employers, the most immediate change is the increase in the minimum wage for UAE nationals in the private sector, which has been increased to AED 6,000 per month, which became effective 1 January 2026. Employers that hired UAE nationals before that date have until 30 June 2026 to align salaries.

From 1 July 2026, the Ministry of Human Resources & UAE nationalisation ("**MoHRE**") has stated that employees whose salaries remain below that threshold will not count towards Emiratization targets, and new work permits may be suspended for non-compliant establishments until salaries are brought into line.

Companies with 50 or more employees are required to achieve 2% annual growth in UAE national employees in skilled positions, and MoHRE is currently pushing for 1% growth by 30 June 2026 as the mid-year milestone, intending to reach a 10% UAE nationalisation rate by the end of 2026.

Emiratization obligations also include select companies with 20 to 49 employees in 14 specified sectors, including Finance, Real Estate, Education, and Healthcare, as identified by MoHRE. Due to this, since January 2024, Emiratization obligations have expanded to approximately 12,000 companies, and those companies were required to hire one UAE national in 2024, and another in 2025, and MoHRE's guidance states that they must also retain those already employed.

Employers need to consider these new changes within the framework and follow them closely to maintain compliance. If a company failed to meet the Emiratization requirements, it could face penalties of AED 108,000 per required UAE national it failed to hire for that target year. Failure to pay these fines can result in the suspension of work permit issuances and renewals. Furthermore, attempting to circumvent and falsify Emiratization quotas can lead to fines up to AED 1,000,000.

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CO-AUTHORS:

Patrick Khoury
Partner
Patrick.khoury@blkpartners.com

George Wadding
Legal Clerk
george.wadding@blkpartners.com

This article can also be accessed at: www.blkpartners.com