



# WPS IN DMCC

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## Inside You Will Find

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**Frequently Asked Questions**  
On Wage Protection System  
in DMCC.

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## About Wage Protection System (WPS)

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In accordance to the Executive Regulations of the Federal Decree No. 33 of 2021, Employers are required to pay salaries on the specified due date in the Employment Contract. Employers who fail wages to their employee within 15 days of the due date will be considerate late.

WPS monitors and keeps a record of salary payments to ensure on time payments across all private sector companies. Under this system salaries of employees will be transferred to their accounts in banks or financial institutions, which are authorised by Central Bank of the UAE to provide the service.



In this document, you will find FAQs pertaining to the WPS system and its implementation in Dubai .

This document answers questions as per information available in the public domain. For more detailed information for registered employers in the DMCC freezone, visit the member portal by clicking [here](#).

# WPS DETAILS

## 1 **What is WPS?**

The state-of-the-art electronic salary transfer system that wage payments in the private sector to guarantee timely and full payment of the agreed-upon wages.

## 2 **Why was it introduced?**

The objective of the WPS is to safeguard the private section and provide a secure, efficiency and robust mechanism to streamline the timely payment of wages to employees.

## 3 **Which entities have to comply with WPS?**

Any duly registered entity employing one or more employees must comply with the WPS system.

## 4 **What is the process ?**

Employers must register themselves with MOHRE and the respective freezones that have introduced WPS as well as authorised bank to process salaries. The key employer and employee identifier codes received on registration should be integrated into a SIF file and submitted to the bank for payment on the due date.

## 5 **Are there any other financial institutions involved?**

The registered company can engage with any WPS agent sanctioned by the Central Bank of the UAE, such as banks, exchange centres, or any other financial institution.

## 6 **When do Employees receive payments through WPS?**

WPS will dispatch the wage details to the Central Bank of the UAE electronically and cross referenced with the records of the labour ministry or freezone to ensure that the details received are corresponding and appropriate with those registered. Once the details are verified, the financial institution will receive notification to process payment. This is normally seamless and takes around 1 working day to credit the employee's account.

# WPS IN DMCC

## 7 **When is WPS effective in DMCC?**

DMCC has notified all its entities to complete registrations by 15th February 2023.

## 8 **What is the time given by DMC to comply to registered entities?**

WPS registered DMCC entities have until 30 June 2023 to align their payroll process and systems to comply.

# NONCOMPLIANCE TO WPS

## 9 **Is there a compliance threshold for employing entities?**

Salaries for any given month must be paid to atleast 90% of the employees by the 15th of the following month.

## 10 **What is the consequence of non-compliance?**

WPS expect strict adherence to the process and timelines. DMCC will send notification to entities to provide justification and supporting documentation for the months where the threshold is not met.

## 11 **What are the penalties applicable for non-compliance?**

The penalties may vary on a case by case basis. However, any failure to comply may result in business disruption, financial penalties or referred to the legal authorities for other punitive measures.

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