

RASMANDATE

A MONTHLY COMPILATION OF ARTICLES AND
LEGISLATIVE & REGULATORY UPDATES
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The rapid growth of digital marketplaces and online platforms has transformed how businesses and consumers interact. Whether facilitating professional services, freelance engagements, e-commerce transactions or industry-specific services, marketplace platforms have become a central feature of the digital economy.



Cover Story

**COMPLIANCE
CONSIDERATIONS
FOR MARKETPLACE
AND PLATFORM
BUSINESSES
IN THE UAE**

Many platform operators consider themselves purely technology businesses and therefore assume that their compliance obligations are limited. However, operating a marketplace in the UAE involves a range of legal and compliance considerations extending far beyond maintaining a website or mobile application.

Understanding the Platform's Role

One of the most important compliance considerations for marketplace businesses is clearly defining the platform's role within the transaction ecosystem. A platform that connects users and facilitates communication may be subject to a different regulatory treatment than a platform that actively participates in transactions, controls payments or verifies service completion.

As marketplaces evolve, there is often a tendency to introduce additional features designed to improve user experience. However, these features may increase regulatory exposure if they result in the platform performing activities that are typically reserved for licensed or regulated entities.

Platform operators should therefore ensure that their terms, operational procedures, and technology architecture accurately reflect their intended role and business model.

User Onboarding and Verification

Marketplace businesses should implement reasonable measures to verify the identity of users, service providers, vendors, and business partners using their platforms. The level of verification should be proportionate to the nature of the services offered and the risks associated with the platform.

An effective onboarding framework may include identity verification procedures, business verification for corporate users, collection of supporting documentation, and screening against sanctions and watchlists where appropriate.



Third-Party Risk Management

Many marketplaces rely on external service providers, including payment processors, escrow providers, software vendors, identity verification providers, and communication platforms.

The platform should have a comprehensive third-party risk management framework, which includes due diligence prior to onboarding service providers, assessment of regulatory status and licensing, review of cybersecurity and data protection controls, contractual allocation of responsibilities, ongoing performance and compliance monitoring, and incident reporting and escalation procedures.

Businesses should remember that outsourcing a function does not necessarily eliminate accountability for associated risks.

Dispute Management

Disputes are an inevitable aspect of any marketplace business. Whether relating to service quality, project completion, payment issues, or contractual misunderstandings, disputes can quickly escalate if not managed effectively. Based on the activity, the specified role, and the licensed function of the marketplace, as well as the extent to which the platform wishes to assume responsibility, a dispute management framework should be implemented, including proper complaint submission procedures, clear escalation processes, and referral mechanisms to independent dispute resolution processes where appropriate.

Essential Compliance Documentation

Every marketplace business should maintain legal and compliance documents appropriate to its operations. These may include:

- User Terms and Conditions
- Service Provider Terms
- Complaint Handling Procedures
- Privacy Policy
- Data Retention Policies
- Risk Disclosure Statements

How Rasma Legal Can Help

At Rasma Legal, we support marketplace and platform businesses throughout their lifecycle, from company incorporation and licensing to legal structuring, regulatory assessments, compliance framework development, contractual documentation, and ongoing legal support. Our team helps businesses navigate regulatory requirements, manage compliance risks, and establish operational frameworks that support sustainable growth while maintaining compliance with applicable laws and regulations.



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THOUGHT LEADERSHIP

UAE Introduces Major Changes to the Wage Protection System: What Employers Need to Know

The UAE Ministry of Human Resources and Emiratization (MOHRE) has issued Ministerial Resolution No. 0340 of 2026 Concerning the Wage Protection System (WPS), introducing significant changes to wage payment compliance requirements for private sector employers. The Resolution came into effect on 1 June 2026, replacing Ministerial Resolution No. 598 of 2022.

The new framework aims to strengthen wage protection mechanisms, establish a unified wage payment schedule across the private sector, and introduce a more structured enforcement regime against non-compliant employers.

A Unified Wage Payment Date

One of the most notable developments is the introduction of a single wage due date for all private sector establishments. Under the new Resolution, wages for the preceding month must be paid by the first day of each Gregorian month, and any payment made after that date will be considered delayed. Employers must continue processing salary payments through the WPS or any alternative payment systems approved by MOHRE.

New Compliance Thresholds

The Resolution introduces a practical compliance benchmark for employers. An establishment will generally be considered compliant if it transfers at least 85% of the total wages due to its workforce by the due date. Similarly, an employee will not be considered unpaid where they have received at least 85% of their entitled wage, provided that any difference results from lawful deductions or withholdings permitted under UAE labour legislation. While these thresholds assist in determining WPS compliance, they do not affect an employee's right to claim any outstanding amounts that remain due.

Escalating Consequences for Delayed Payments

The Resolution establishes a clear timeline of enforcement measures for employers who fail to pay wages on time. MOHRE will begin monitoring non-compliant establishments immediately after the due date and will issue alerts from the second day following non-payment. By the fifth day, work permit issuance may be suspended. Continued non-compliance can result in administrative fines, reclassification of the establishment, suspension of additional work permits, automatic labor dispute registration, precautionary attachment procedures, travel bans on responsible persons, and referrals to the Public Prosecution in certain circumstances. The severity of the measures increases depending on the duration of the delay, the number of affected employees, and whether the violation is repeated.

Expanded Exemptions

The Resolution also clarifies several categories of workers and entities that may be excluded from WPS requirements, including certain workers involved in wage-related court disputes, employees on approved unpaid leave, workers subject to valid absconding reports, specific foreign workers paid outside the UAE, seafarers, and workers holding mission permits of up to three months. Certain entities, including banks, financial institutions and places of worship, are also excluded.

Key Takeaways for Employers

Private sector employers should review their payroll processes immediately to ensure salaries are processed before the first day of each month and that supporting payment records are properly maintained. Businesses should also assess any operational risks associated with delayed payments, given the increasingly stringent enforcement measures and potential regulatory consequences.

The Resolution reflects the UAE's continued commitment to employee protection, labour market stability, and enhanced compliance standards. Employers that proactively review their payroll and HR compliance procedures will be best positioned to mitigate regulatory risks under the new WPS regime.

How Rasma Legal Can Help

At Rasma Legal, we regularly advise employers and businesses on UAE employment law compliance, workforce management, internal policies, employment disputes, and regulatory obligations. If you have questions about the new WPS requirements or any other employment-related matter, our team is available to assist.



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TEAM SPOTLIGHT



We are proud to share that Mazen Rasamny, Managing Partner at Rasma Legal, has been recognized a **Top Performing CEO** in MENA by Unlock Blockchain.

We are grateful for the trust of our clients, partners, and team members whose continued support contributes to milestones such as this.

At Rasma Legal, we remain committed to supporting innovation and helping businesses navigate the evolving regulatory landscape within virtual assets, fintech, and emerging technologies.

We would like to thank Unlock Blockchain for this recognition and congratulate all the leaders recognized this year.

Thank you as well to everyone who supported and voted!



Driving Change Through Innovative Expertise

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Rasma Legal is a multi-service law firm catering to the innovation economy. The firm is headquartered in the United Arab Emirates (UAE) and has branches in Saudi Arabia (KSA) and Lebanon. Led by the expertise and leadership of Mazen Rasamny, Rasma Legal stands as a beacon of legal excellence, equipped to guide clients through their diverse legal undertakings. Having an extensive legal background spanning over 23+ years, Mazen Rasamny brings a wealth of knowledge and experience to the table.

The firm is focused on innovation and growth and has been instrumental in providing comprehensive legal services to entrepreneurs and start-ups in areas such as M&A, Corporate and Commercial laws, Debt & Equity Capital Markets, Banking & Finance (including Project Finance), Corporate & Financial Restructuring, Energy, Infrastructure, and Project Development.

The firm has also been recognized by several leading legal publications such as Asian Legal Business, IFLR1000, The Legal 500, Legal Era, The Law and more.

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