PROTALENT ADVISORY

Emiratisation Guide for UAE SMEs

Targets, penalties and NAFIS support: what mainland employers need to know in 2026

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Key Takeaways

- **50 or more employees:** raise the Emirati share of skilled roles by 2 percentage points a year, reaching **10% by 31 December 2026**.
- **20 to 49 employees in the 14 designated sectors:** employ at least **two UAE nationals** (one from 2024, a second from 2025).
- **Penalty (50+):** AED 9,000 per month, or **AED 108,000 a year**, for each unfilled position in 2026.
- **Penalty (20 to 49):** a contribution of AED 108,000 per missing hire for the 2025 target, collected January 2026.
- **Minimum Emirati salary: AED 6,000 a month**. Emiratis paid less do not count toward your quota.
- **NAFIS:** salary support paid to the Emirati employee, with the amount depending on qualification, plus pension and family benefits.

Why Emiratisation Matters Now

Emiratisation, the UAE's drive to increase Emirati participation in the private sector, has moved from policy ambition to hard compliance obligation. Cabinet decisions and MoHRE resolutions now set binding quotas, rising financial contributions and compliance checkpoints twice a year. Qualifying businesses need to plan their workforce deliberately.

For SMEs already managing Corporate Tax and data protection duties, this is one more regulatory layer. It is also an opportunity. Employers who integrate Emirati talent well can access NAFIS support, strengthen their position in government procurement and build deeper roots in the local market.

Who Must Comply

The rules apply to mainland private-sector companies registered with the Ministry of Human Resources and Emiratisation (MoHRE). There are two tiers, set by headcount.

Tier 1: 50 or more employees

These companies must lift the Emirati share of their skilled workforce by 2 percentage points every year, in two 1-point steps at the 30 June and 31 December checkpoints, to reach 10% by the end of 2026.

> **Emiratisation % = (Emirati employees in skilled roles ÷ total skilled workforce) × 100**

A skilled role is one that MoHRE classifies in its qualifying occupational levels. The employee must also be registered with MoHRE, paid through the Wage Protection System (WPS) and earn at least the Emirati minimum salary. How a job is classified can change whether it counts, so check your role classifications early.

Tier 2: 20 to 49 employees

Companies in this bracket that operate in one of 14 designated economic sectors, defined by MoHRE using the ISIC activity classification, had to employ at least one UAE national by the end of 2024 and a total of two by the end of 2025. The target is a fixed headcount, not a percentage. Confirm whether your licensed activity falls within the 14 sectors on the MoHRE website.

Free zones

Companies operating only in free zones are generally outside the MoHRE quota system, although individual free zone authorities may set their own nationalisation policies. Businesses with both mainland and free zone operations should confirm their position directly with MoHRE.

Penalties for Non-Compliance

For Tier 1, the monthly contribution per unfilled position started at AED 6,000 in 2023 and rises by AED 1,000 every year.

Year	Monthly per unfilled position	Annual per position
2023	AED 6,000	AED 72,000
2024	AED 7,000	AED 84,000
2025	AED 8,000	AED 96,000
2026	AED 9,000	AED 108,000

Example: A company with 100 skilled employees needs 10 Emiratis to meet the 10% target. If it has 5, it is 5 positions short and faces AED 45,000 a month, or **AED 540,000 a year**.

Tier 2: Companies that missed the 2024 hire paid AED 96,000 per missing hire (collected January 2025). Companies that missed the 2025 target paid AED 108,000 per missing hire (collected January 2026).

Other consequences

- Restrictions on new work permits
- Downgrade of the company's MoHRE classification
- Reduced access to government contracts and procurement
- Reputational damage in a compliance-conscious market

Minimum Salary for Emiratis: AED 6,000

Private-sector Emiratis must now earn at least **AED 6,000 a month**. The new minimum applies from **1 January 2026** to new work permits, renewals and amendments, and existing Emirati employees must be brought up to it by **30 June 2026**. The previous skilled-role threshold was AED 4,000.

An Emirati employee paid below the minimum is excluded from your quota count. You would pay the salary and still receive no compliance credit. Review your pay structures and update contracts and WPS records so they match.

NAFIS: Support That Reduces the Cost

NAFIS, the UAE's programme for Emiratis in the private sector, has been extended to 2040. It lowers the real cost of hiring Emiratis, although most of the support is paid to the employee rather than to the employer.

- **Salary support:** a monthly top-up paid directly to the Emirati employee, with the maximum depending on qualification (bachelor's degree, diploma or secondary education). Eligibility now requires a salary of at least AED 6,000, and the 2026 update lowered the maximum levels and the salary ceiling. Check the current figures for each qualification on nafis.gov.ae before budgeting.
- **Child allowance:** AED 600 per month per eligible child for Emirati employees earning at least AED 6,000.
- **Pension support:** the pension arrangements were restructured in 2026. Confirm what share your company must now fund.
- **New schemes:** support of up to AED 3,000 a month for children of Emirati mothers and for working wives of Emirati citizens, subject to criteria.
- **Training and recruitment:** development subsidies and a platform to find registered Emirati candidates.

How to access it: register your company on the NAFIS portal (nafis.gov.ae) and make sure your Emirati employees meet the eligibility criteria, including salary threshold and full-time private-sector employment.

Compliance Checkpoints

Progress is assessed at two checkpoints each year, **30 June** and **31 December**. For 2026 the Tier 1 targets are 9% at 30 June and 10% at 31 December. You must keep your ratio up continuously, so last-minute hiring is not a safe strategy. You need a workforce plan you can sustain all year.

Monitoring and "Fake Emiratisation"

MoHRE now cross-checks WPS salary data, work permits and attendance, and the authorities use automated checks to flag suspicious patterns, including:

- Emiratis registered at several companies at once
- Employees with no genuine work activity or WPS salary payments
- Emiratis hired shortly before a checkpoint and terminated afterwards
- Pay structures designed only to scrape past the threshold

Companies found faking Emiratisation face fines, work permit restrictions and possible referral for prosecution. Under a 2025 Cabinet decision, fines of AED 20,000 to AED 100,000 per case have been reported. Compliance has to be genuine.

Six Steps to a Compliant Workforce Strategy

1. **Audit your position.** Calculate your current Emiratisation percentage with the MoHRE formula and measure the gap to your target.
2. **Engage with NAFIS early.** Register, learn which support applies to your sector and roles, and build it into your hiring budget.
3. **Invest in retention.** Turnover among Emirati hires is a common pitfall. Offer structured onboarding, mentoring and clear career paths.
4. **Update compensation.** Make sure every Emirati employee meets the AED 6,000 minimum and check internal pay equity.
5. **Document everything.** Keep contracts, WPS records, NAFIS registrations and training spend on file for audits and disputes.
6. **Connect it to wider compliance.** Align Emiratisation with your Corporate Tax planning, employee data handling and, where relevant, your ICV scoring.

How ProTalent Advisory Can Help

Our HR and compliance advisory team supports you at every stage: gap analysis and NAFIS registration, recruitment strategy, compensation benchmarking and ongoing compliance monitoring. We help you turn Emiratisation from a regulatory burden into a competitive advantage.

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Disclaimer: This guide provides general information on Emiratisation compliance as of October 2026. Requirements and NAFIS support levels change often and vary by company size, sector and MoHRE classification. Please confirm current figures with MoHRE and NAFIS and seek qualified advice for entity-specific planning.
Sources: Ministry of Human Resources and Emiratisation (MoHRE); NAFIS (nafis.gov.ae) and the Emirati Talent Competitiveness Council; UAE Cabinet decisions on Emiratisation.

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