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Client Update

New Framework for Internal Work Regulations

September 2026

The Minister of Labor Decree No. 162/2026

Minister of Labor Decree No. 162/2026, dated 13 August 2026 and published on 30 August 2026, replaces the former Decree No. 185/2003 governing internal work regulations. The new decree is already in force.

The most significant shift is structural. Where the old decree provided a model template for employers to adopt, the new decree establishes a binding regulatory framework. Employers with 10 or more workers must now prepare internal regulations that comply with detailed substantive and procedural requirements under Labor Law No. 14/2025.

The new decree introduces wide-ranging changes across nearly every aspect of internal work regulations. Below are the most significant ones.

I. Expanded Mandatory Content

The old decree covered a limited set of general topics (hiring documents, transfers, probation, working hours, leave, wages, and worker duties). The new decree mandates 15 specific topics, including several that were previously unaddressed: job postings and selection, training and skills development, performance evaluation, promotions, wage protection, work patterns and digital transformation, occupational safety with disability accommodations, and detailed termination grounds.

II. Sanctions Schedule and Framework

The old decree included a detailed model sanctions table with 59 enumerated violations and graduated penalties across four repetitions, attached as a formal appendix. Sanctions represented the maximum and could be reduced.

The new decree takes a different approach: it requires employers to define their own violations and corresponding disciplinary sanctions within the statutory framework. Sanctions are maximum limits and may be reduced, but must follow a graduated scale starting from a warning up to dismissal. Wage deductions are capped at five days' basic wage per violation and five days' basic wage in any one month.

III. Forced Labor, Harassment, and Workplace Violence Protections

The old decree did not address forced labor, harassment, or workplace violence. The new decree introduces two distinct obligations:

- **Forced labor**: Internal regulations must include operational prohibitions against confiscating identity documents or passports, restricting freedom of movement, forcing excessive working hours, and making unlawful wage deductions.

- **Harassment and bullying**: Regulations must include measures to prevent and address all forms of bullying, violence, and harassment. They must identify prohibited acts and applicable sanctions, establish complaint and investigation procedures, and provide protections for the workplace and the public. Sanctions must be aggravated where the offender holds supervisory authority over the victim.

IV. Internal Dispute Resolution and Complaints

Under the old decree, worker complaints were simply raised to the section head. The new decree significantly expands this area:

- Regulations must provide amicable settlement mechanisms for individual and collective disputes, including internal reporting and resolution procedures before resorting to the courts.
- Internal communication channels must be established between management and workers.
- Dedicated mechanisms must be in place for receiving and examining complaints and grievances, particularly those of women and persons with disabilities, with defined timelines and procedures for challenging internal decisions.

V. Termination of Employment

The old decree addressed only retirement age. The new decree requires employers to enumerate 10 distinct grounds for termination (including expiry, completion, notice, mutual agreement, death or disability, constructive resignation, resignation, court-ordered dismissal, retirement, and criminal conviction), with separate procedural rules for each.

Notably:

- Employers may not conflate different resignation types, resignation with the notice period, or termination with disciplinary dismissal.
- A notice period may not be imposed for resignation — it may only be agreed for termination by mutual agreement, settlement, or consensual rescission.
- Dismissal may not be based on trade-union activity unless the employer proves the dismissal was unrelated to such activity.

VI. Employee Benefits & Job-classification Requirements

Under the old decree, internal regulations were simply stated to be complementary to the employment contract. The new decree changes this: the regulations must incorporate all existing employee benefits, whether arising from internal decisions, approved bylaws, employment contracts, or established practice.

Additionally, the old decree had no job-classification or job-description requirements. The new decree requires the regulations to define job levels, competencies, and authorities, with written delegations of authority. A formal job-classification system must be established covering job titles, duties, responsibilities, requirements, and grade levels.

VII. New Filing Procedure with Defined Timelines

Under the old decree, employers had to post their regulations and obtain labor-directorate certification, with no specified documentation requirements or timelines. The new decree introduces a structured procedure:

- The employer must submit to the Labor Directorate three signed and sealed copies, proof of authority with national ID, the commercial register, tax card, insurance number, and a copy of any existing regulations.

- The Directorate must forward the draft to the competent union within 3 working days; the union has 15 days to respond.

- The Directorate reviews the draft against the Labor Law, its implementing decisions, and union comments. If the draft contains unlawful provisions or reduces existing benefits, the Directorate must issue written, reasoned objections, which the employer must address within 5 working days.

- If the Directorate neither approves nor objects within 30 days, the regulations become effective automatically the following day.

VIII. Recommended Actions

Employers should review their existing internal regulations against the requirements of the new decree and begin the process of updating and resubmitting them to the Labor Directorate. Given the defined timelines and the breadth of newly mandated topics, early action is advisable.

For more information, please contact **Dr. Ashraf Abou Elkheir**, Founder and Managing Partner, and **Omar ElKhawas**, Counsel at the Corporate, Commercial and Employment team.