

A guide to Wages Protection System (WPS)

Implemented by
UAE Central Bank & Ministry of Labour



Note:

This is a document prepared by Emirates NBD for guidance to our Corporate Customers who transfer their staff salaries through any of our group companies. The details provided are based on information received from UAE Central Bank and may change or vary from time to time.

For any Process Related Queries, please email us at: WPS@emiratesnbd.com

Dear Customer,

In order to protect and safeguard the interests of workers employed in the UAE and to regulate the process for payment of salaries the UAE Central Bank (CB) and Ministry of Labour (MOL) have introduced Wages Protection System (WPS), to ensure all worker salaries are paid through regulated channels.

The WPS is aimed to facilitate the exchange of wages related data through a secured network, bringing together companies, their bankers, agents and employees.

Salaries through WPS are currently mandated by the UAE government only for those companies which are registered with Ministry of Labour (MOL), i.e, if your employees have Labour Cards. If your company does not fall under this category, then there is no change in the existing process of salary payments to your employees.

Emirates NBD has geared itself to support this important initiative of MOL and Central Bank and will be supporting all our valued customers in ensuring smooth processing of their employees salaries.

With effect from **1st December, 2009**, Emirates NBD will be processing salary files for customers received through:

1. smartBUSINESS, our online banking channel for Corporates (www.smartbusiness.ae) or
2. Offline mode – using **Non Re-Writable CD**.

The key benefits of uploading Salary files through smartBUSINESS are

- The process is safe, secure and easy to implement
- Offers online validation of the WPS file format and
- Online updation of processing status on salaries.

The attached **annexures** can be referred to understand more about WPS and its functionality:

Annexure 1: Process for Salary Payments>Returns/Refunds/ through WPS.

Annexure 2: Checklist for an employer to participate in the WPS.

Annexure 3: Frequently Asked Questions (FAQs).

Annexure 4: File format of Salary Files.

Annexure 5: File format of Refund requests.

Annexure 6: List of Valid Variable Salary items.

Annexure 7: List of Valid Refund Request codes.

Annexure 8: Important Notes regarding NBDirect (Salary Pre-pay Card)

Yours sincerely,

Emirates NBD Bank PJSC

Process for Salary Payments>Returns/Refunds/ through WPS.

Annexure 1

- 1.1 Employers and Employees should be registered with MOL. Each employee should be recorded under one employer only.
- 1.2 All employees must be paid in the National currency (Arab Emirate Dirham) only.
- 1.3 The employer generates a salary file containing wage information for the employees in the mandated format (as per Annexure 4) which should be validated by the company by running through the utility tool given by the Central Bank (to be downloaded via link given on MOL website) to ensure that there are no formatting errors before forwarding it to the bank for onward delivery to WPS along with the debit authority duly signed by authorized signatory for the total wages to be paid.
- 1.4 The salary file can be uploaded through smartBUSINESS – online banking channel, for more information contact the Cash Management Services on 04-2012492/81/82/83.
- 1.5 For offline processing, clients are required to send to the bank a Non Re-Writable CD, accompanied with signed hardcopy listing and debit instructions authorizing the bank to pay the salaries by debiting the corporate account.
- 1.6 The letter should specify the account number to be debited and the list of cards / accounts to be credited along with the salary/load amount for each account/card. The total salary/load value should be equal to the amount being authorized for debit. The letter should be signed by an authorized individual(s) from the Company.
- 1.7 NBD Online customers will have to send salaries through Non Re-writable CD, as salaries sent online cannot be routed through WPS. Kindly contact the Cash Management Services on 04-2012492/81/82/83 for any further assistance.
- 1.8 These instructions have to be forwarded to the attention of - The Payroll Processing Department in the bank located on the 2nd floor of our EBI branch building in Barsha, behind the Mall of the Emirates.
- 1.9 On receipt of the salary file, the bank will validate that the totals indicated in the file confirm to the debit authority from the employer. The bank will secure the funds by a debit to the employer's account.
- 1.10 Once the funds have been secured, the bank will transfer the salary file to the WPS using prescribed means.
- 1.11 Central bank, on receipt of the salary file will validate the file for its content and provide an acknowledgement to the bank indicating acceptance or rejection of the salary file for further processing.
- 1.12 If the salary file is rejected by Central bank, the same will be intimated to the customer with reasons provided by Central bank for necessary rectification(s) and resubmission of the file.
- 1.13 On receipt of disbursement confirmation from Central Bank on accepted files, the bank will proceed to credit the Employee's Accounts/NBDirect Card accounts as per the amount specified. A confirmation will then be provided to Central Bank once the funds have been credited to the respective accounts/card accounts.
- 1.14 A turn around time of 3 working days is being estimated from the time the request received and subject to successful verification of instructions & validation of the file provided by the Company.
- 1.15 In case of any type of discrepancies, Company will be notified via respective Relationship Managers and asked to rectify the details as required.

Benefits of using “smartBUSINESS” our Corporate Online Channel

smartBUSINESS is an award winning online banking channel for business and corporate customers that allows you to initiate a variety of transactions such as Telegraphic transfers, Account transfers, Utility Payment (DEWA, Etisalat, Salik, DU), Manager Cheques, E-wallet, Letter of Credits and Guarantees.

Key features of “Salary-WPS” on smartBUSINESS

- Supports WPS file upload format as advised by Central Bank. Enclosed is the File format in Annexure 4 for your ready reference
- Offers online validation of the WPS file format; eg: mandatory field values are present, field length validation, etc.
- Real-time tracking of Batch & Transaction status
- Supports Refunds request

Salary – WPS process for existing smartBUSINESS subscribers

- No additional documentation is required to subscribe for Salary – WPS product on smartBUSINESS
- By default a new product “Salary - WPS” will be enabled for all existing subscribers who are using smartBUSINESS for salaries
- The Salary –WPS product will be updated under your existing user groups, Users, Payment Rule setups on smartBUSINESS

To avail Salary – WPS online, kindly apply for smartBUSINESS subscription. Please visit our website at www.smartbusiness.ae and refer to “How to Apply” or alternatively contact our Cash Management Services Team on 04-2012492/81/82/83 for assistance.

Returns

Incase the Beneficiary Bank returns the employees salary due to reasons like Account closed, invalid account number, etc the bank shall credit back the employers account for the related entries.

Refunds

- Employers can generate the request for refund by providing all details in the mandated format (Annexure 5) for onward submission to Central Bank.
- Central Bank, on receipt of the refund request, will validate the file for its content and provide an acknowledgement to the bank indicating acceptance or rejection of the request for further processing.
- If the refund request file is rejected, the same will be intimated to the customer, with appropriate reason, for necessary rectification(s) and resubmission of the file.
- Central bank will forward the accepted refund request to individual banks that can either accept or reject the refund request.
- The company account will be credited for the refunds accepted by the banks.

Checklist for an employer to participate in the WPS

Annexure 2

- ✓ Identify and record your ESTABLISHMENT ID as provided for your organization by the MOL. ESTABLISHMENT ID is a number and in the WPS this is always referenced as a 13 digit number. If your establishment id is "445776" then in the WPS this is always referenced as "0000000445776".
- ✓ Contact MOL and obtain the latest list of employees along with the PERSON ID for each of your employees. The PERSON ID is the 14 digit number that appears in the labour card.
- ✓ Following information for each employee needs to be obtained:
 - Routing Code - This is a 9 digit number which uniquely identifies the BANK-BRANCH where the employees account is held. Routing Code for accounts held with Emirates NBD group are as follows:
 - Emirates NBD 302620122
 - Emirates Islamic Bank 703420114
 - Account Number - This is the account number (or Salary Prepay Card Number) of the employee as held in the books of the agent bank.
- ✓ Salaries can be processed either electronically using smartBUSINESS in WPS or by sending **Non Re-Writable CD** along with debit instructions to the bank.
- ✓ It is recommended that sufficient balance is maintained in the account to cover the salary payment amount.
- ✓ It is important to note that the bank may not be able to forward the information provided by you to the WPS for one or more reasons listed below but not limited to:
 - Information related issues such as file naming issues, file format issues, etc
 - Financial issues such as insufficient funds to cover the information provided, etc
 - Procedural issues such as lack of a debit authority, invalid or absence of proper signatures in the debit authority

Frequently Asked Questions (FAQs)

Annexure 3

1. What is the Wages Protection System (WPS)?

WPS is an exchange salary transfer system that allows institutions to pay workers' wages via banks, bureaux de change and financial institutions approved and authorized to provide the service. The system developed by the Central Bank of the UAE, allows the Ministry of Labour to create a database that records wage payments in the private sector to guarantee the timely and full payment of agreed upon wages. WPS covers all institutions registered with the Ministry across all sectors and industries and will benefit different categories of labour. For more information on WPS, please email at wps@mol.gov.ae or visit MOL's website: <http://www.mol.gov.ae/wpsGuidelineEng.aspx>. The MOL website provides a detailed breakdown of the new policy including deadlines, scope, penalties and others. Companies are advised to review and understand the policy on their own.

2. When does WPS take effect?

Deadlines for institutions to start transferring workers' wages via WPS:

Number of workers	Period Granted	Deadline
100 and above	3 months (starting Sep 1)	30 Nov, 2009
15 to 99	6 months (starting Sep 1)	28 Feb, 2010
Less than 15	9 months (starting Sep 1)	31 May, 2010

3. Who is covered by WPS?

All companies who are registered with the MOL or whose employees obtain employment visas through the MOL are covered. Free Zone companies and government entities may not be covered but these companies should contact directly with MOL for a confirmation.

4. Whose salary/wage must be paid out using WPS?

All your employees, irrespective of the nationality, MUST be paid salary/wages using the WPS.

5. Can salaries be paid in foreign currency?

No, Salaries/wages MUST only be paid in the National currency of the UAE and such monies must only be paid out within the geographical boundaries of the UAE. The employees after receiving such salaries can remit the desired funds outside using regulated channels.

6. With regards to the "Fixed/Variable Income Components", is there any calculation that WPS system is expected to carry out, totaling the fixed & variable income components and deducting days on leave?

The split is to facilitate the companies to provide proper information and for MOL to monitor and validate. If the company does not have the capability to split the total wage/salary for the month into the specified components then they can indicate one total value in either fixed/variable income field. If and when investigated by the MOL then the burden of proof is with the company to provide the break down of the salary paid.

7. What constitutes variable salary?

Description of variable salary is given in Annexure 6

8. Is it necessary to process all the staff benefits other than salary through WPS, or only monthly wages, as in contract will be part of the WPS?

Monthly wages as per the Labour Contract is sufficient to be processed through WPS. However if others are also done through WPS you have record and so will MOL when they receive the information from Central Bank.

9. As a group can the organization send a single file for payment or separate files will be required for our each company like XX, YY, XIA or SDS?

It has to be separate files only. WPS does not permit mixing of salary payment of employees of one employer with another. The file will be rejected by Central Bank, if employees of different employers are mixed up in one file.

10. How many wages file can be sent in a month for a single company?

No restriction on the number of files that can be sent.

11. Which MOL number (on Visa or personal ID) is to be given as information in the file? Also let us know which number is to be given for UAE nationals who are the member of Pension Scheme?

The PERSONAL ID (The 14 digit number on the face of the Labour Card) is to be used. Any other number will fail validation. For UAE nationals also it will be the same and if at present they don't carry a Labour Card then they will need to obtain one from MOL.

12. How will the company validate the salary file before sending it to the Bank?

The Wages Protection System Company Validation Utility (WPSCVU), which will be available on the MOL website, can be used by companies to verify the formats of the salary files that needs to be provided to the banks for onward delivery to the WPS

File Format - Salary Information File (SIF)

Annexure 4

SIF = EDR+SCR

Employee Detail Record (EDR)					
ID	Field Label	Max Size	Type	Use	Mandated contents/Remarks
1	Record Type	3	A	M	Must be EDR
2	Employee Unique ID	14	AN	M	Unique Identifier as provided by MOL. Also referred to as the Person ID. This field will have to be padded with leading zeros if the length is less than the maximum specified length of 14.
3	Agent ID	9	N	M	The 9 digit head office routing code as assigned to the AGENT by CBUAE. Validated against the master database held in WPS
4	Employee Account with Agent	16	AN	M	The employer must provide the account number/card number (for NBDirect customers) of the employee as provided by the agent. The field will only be validated for existence of some data. It is the responsibility of the agent to provide the correct account number/card number of each and every employee to the employer.
5	Pay Start Date	10	D	M	Must be of the forma YYYY-MM-DD
6	Pay End Date	10	D	M	Must be of the form YYYY-MM-DD
7	Days in Period	4	N	M	Must be the number of calendar days for which the salary is being paid.
8	Income Fixed Component	15	N	M	Valid amount (e.g., 2345.87 / 23.00 / 22). If no contribution from this component then send 0.00
9	Income Variable Component	15	N	M	Valid amount (e.g., 2345.87 / 23.00 / 22). If no contribution from this component then send 0.00
10	Days on leave for period	4	N	M	This shall be the number of days that the employee has availed of leave without pay in the pay period. If no leave has been availed off then indicate with zero "0"
Salary Control Record (SCR)					
ID	Field Label	Max Size	Type	Use	Mandated contents / Remarks
1	Record Type	3	A	M	Must be SCR

2	Employer Unique Id	13	N	M	The 13 digit unique id for the employer as assigned by MOL. This field will have to be padded with leading zeros if the length is less than the maximum specified length of 13. Validated against the master database held in WPS
3	Bank Code of the employer	9	N	M	The 9 digit routing code as assigned to the BANK by CBUAE. Validated against the master database held in WPS
4	File Creation Date	10	D	M	Must be of the form YYYY-MM-DD Shall be validated to be a date that is less than or equal to that of the processing date on WPS
5	File Creation Time	4	N	M	Must be of the form HHMM
6	Salary Month	6	N	M	Must be of the form MMYYYY. Shall be validated to be a month + year that is either equal to or 1 more than the that of the processing month + year on WPS
7	EDR Count	10	N	M	Must be the number of EDR records in the file.
8	Total Salary	15	N	M	Valid amount (e.g., 2345.87 / 23.00 / 22). Will be validated to be equal to the sum of all the fixed and variable components indicated in all the EDR records in the file.
9	Payment Currency	3	A	M	Currency is always assumed to be AED
10	Employer Reference	35	AN	O	Documentary Field

Abbreviations used in the above format are as follows:

- M – Mandatory
- O – Optional
- A – Alphabetic
- AN – Alpha-numeric
- N - Numeric
- D – Date format
- SIF – Salary Information File
- EDR – Employee Detail Record
- SCR – Salary Control Record

Notes:

- Duplicate file names are not allowed
- All file contents will be ASCII
- Record formats will be “Comma Separated Values” (CSV)
- Each record must be terminated by a CR/LF
- Files that do not comply with the formatting standards will be rejected in its entirety
- Naming convention of the file should be as follows:

Prefix	EEEEEEEEEEEEYYMMDDHHMMSS
	EEEEEEEEEEEE : Employer Unique ID
	YYMMDD : File Creation Date
	HHMMSS : File Creation Time
Extension	.SIF

File Format – Refund Detail Request

Annexure 5

RFR = FDR+FCR

<i>Refund Details Record (FDR)</i>					
ID	Field Label	Max Size	Type	Use	Mandated contents / Remarks
1	Record Type	3	A	M	Must be FDR
2	SIF File Name	50	AN	M	The original SIF file name in which the salary information was provided for the specific employee. Separate FDR must be used for each SIF + Employee combination.
3	ACK File Name	50	AN	M	The ACK file name for the SIF file indicated in FDR-02 for this record.
4	Agents Routing Code	9	N	M	The 9 digit routing code as assigned to the AGENT by CBUAE
5	Employee Unique ID	14	AN	M	Unique Identifier as provided by MOL. Also referred to as the Person ID. This field will have to be padded with leading zeros if the length is less than the maximum specified length of 14. Validated against the master database held in WPS
6	Refund Amount requested	15	N	M	Valid amount (e.g., 2345.87 / 23.00 / 22). Shall be equal to or less than the sum of EDR-08 & EDR-09
7	Refund Request Code	3	N	M	A valid refund request code as per Annexure 7
8	Employee Account with Agent	16	AN	M	The employer must provide the account number of the employee as provided by the agent. The field will only be validated for existence of some data. It is the responsibility of the agent to provide the correct account number of each and every employee to the employer.
9	Future Use	1	A	M	Leave blank. A space has to be sent in as the data.
10	Future Use	5	A	M	Must be "EWPMS"
<i>reFund Control Record (FCR)</i>					
ID	Field Label	Max Size	Type	Use	Mandated contents / Remarks
1	Record Type	3	A	M	Must be FCR

2	Employer Unique ID	13	N	M	The 13 digit unique id for the employer as assigned by MOL. This field will have to be padded with leading zeros if the length is less than the maximum specified length of 13. Validated against the master database held in WPS
3	Employer Reference	35	AN	O	Documentary Field
4	Bank Code of the Employer	9	N	M	The 9 digit routing code as assigned to the BANK by CBUAE. Validated against the master database held in WPS
5	Account Number of Employer with Bank	20	AN	M	Account number where the monies will need to be credited if the refund request is accepted by the agent. This account number will be used as one of the narratives in the accounting entry that will be posted.
6	Total Refund Claimed	15	N	M	Valid amount (e.g., 2345.87 / 23.00 / 22).
7	FDR Count	10	N	M	The total number of FDR in this file.
8	Future Use	1	A	M	Leave blank. A space has to be sent in as the data.
9	Future Use	1	A	M	Leave blank. A space has to be sent in as the data.
10	Future Use	5	A	M	Must be "EWPMS"

Abbreviations used in the above format are as follows:

- M – Mandatory
- O – Optional
- A – Alphabetic
- AN – Alpha-numeric
- N - Numeric
- D – Date format
- RFR – Refund Detail Request
- FDR – Refund Detail Record
- FCR – Refund Control Record

Notes:

- Duplicate file names are not allowed
- All file contents will be ASCII
- Record formats will be “Comma Separated Values” (CSV)
- Each record must be terminated by a CR/LF
- Files that do not comply with the formatting standards will be rejected in its entirety
- Naming convention of the file should be as follows:

Prefix	EEEEEEEEEEEEYYMMDDHHMMSS
	EEEEEEEEEEEE : Employer Unique ID
	YYMMDD : File Creation Date
	HHMMSS : File Creation Time
Extension	.RFR

Valid Variable Salaries

Annexure 6

Description	Rent Allowance
Additional hours Allowance	Retainer Payment
Allowance for Management Duties	Retroactive Acting Pay-Hourly
At Risk Pay	Safety Footwear Allowance
Child Allowance	Salary Relativity Adjustments
Clothing Allowance	Severance Allowance
Commuting Allowance	Severance Pay
Adjustment Overtime Pay	Specialists Allowance
Dangerous Goods Handling Allowance	Transportation Subsidy
Dirty Work Allowance/Working Conditions Allowance	Vacation Pay
Environment Allowance	Vacation Travel Assistance
Expense Allowance	Work Beyond Mandate
Extra Duty Allowance	
Financial Incentives Plan	
Height Pay Allowance	
Holiday Pay Allowance	
Housing Differential Assistance	
Interim Salary Adjustment	
Late Hour Premium	
Laundry Allowance	
Living Cost Differential	
Lump Sum Payment - EX recruitment	
Market Allowance	
Medicare Remunerations	
Part-time Casual Payment	
Pay in Lieu of Statutory Holidays	
Pay Supplement	
Performance Award	
Performance Pay - Individual	

Valid Refund Request codes

Annexure 7

Refund Request Code	Description
001	Errors in computation of fixed wages
002	Errors in Computation of variable wages
003	Errors in computation of wages
004	Same data sent through multiple banks
005	Same data sent through another bank

Important Notes regarding NBDirect (Salary PrePay Card)

Annexure 8

NBDirect (Salary PrePay Card) is a unique product that will enable your company to directly deposit employee salaries onto a PIN protected Card without having to open an individual bank account. The product is fully WPS compliant and gives your employees all the security and convenience of a Visa Debit Card, a safer alternative for managing their finances, convenience of being able to withdraw instant cash from anywhere, anytime and the ability to make purchases at all major outlets.

For details about how you can get these cards issued to your employees please email us at salaryprepay@emiratesnbd.com

If your company already has NBDirect Salary Cards issued to your employees, please note the following:

- The monthly Salary Files for NBDirect should follow the WPS file formats from 1st December, 2009 onwards.
- As part of a cleanup exercise and to collect relevant information which will be required to process salaries through WPS, we shall be sending you a separate communication to help us update records at our end. List of all active NBDirect Cards as of 30th September, 2009 for your employees would be provided. We would require you to provide us the latest updated details of your employees in order to fully comply with the WPS system. Your assistance to provide these details at the earliest would be highly appreciated.

Also note our 24 hrs customer care helpline number for NBDirect is being changed to 6000 54 0007 from 7th November, 2009 onwards. Please communicate this new number to all your employees”