



ORDR-1697091024-1861



Claim No: SCT 400/2024

THE DUBAI INTERNATIONAL FINANCIAL CENTRE COURTS

**In the name of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Ruler
of Dubai**

IN THE SMALL CLAIMS TRIBUNAL

BEFORE SCT JUDGE MAITHA ALSHEHHI

BETWEEN

IULIA VALIULLINA

Claimant

and

HAIR CREATORS SALON LTD

Defendant

Hearing:	17 October 2024
Further submissions:	18 and 22 October 2024
Judgment:	29 October 2024

ORDER WITH REASONS OF SCT JUDGE MAITHA ALSHEHHI

UPON the claim having been filed on 9 September 2024 (the “Claim”)

AND UPON the Defendant’s Acknowledgment of Service form dated 17 September 2024 setting out its intention to contest the jurisdiction of the DIFC Courts (the “Defendant’s Jurisdictional Challenge”)

AND UPON the Defendant's further submissions dated 15 October 2024

AND UPON a hearing held before SCT Judge Maitha AlShehhi on 17 October 2024 with the Claimant and the Defendant's representative in attendance (the "Hearing")

AND UPON reviewing the documents and evidence filed and recorded on the Court file

IT IS HEREBY ORDERED THAT:

1. The Defendant's Jurisdictional Challenge shall be dismissed and the DIFC Courts have jurisdiction to hear and determine this Claim.
2. The Defendant shall proceed to cancel the Claimant's employment visa.
3. Each party shall bear its own costs.



A handwritten signature in black ink, appearing to be 'Delvin Sumo'.

Issued by:
Delvin Sumo
SCT Judge and Assistant Registrar
Date of issue: 29 October 2024
At: 2pm

SCHEDULE OF REASONS

Parties

1. The Claimant is Iuliia Valiullina (the “Claimant”), an individual filing a claim regarding her employment at the Defendant’s company.
2. The Defendant is Hair Creators Salon Ltd. (the “Defendant”), a company registered in the DIFC, Dubai, UAE.

Background

3. The Claimant and the Defendant entered into an employment agreement on 22 September 2021 (the “Employment Agreement”).
4. The Claimant submitted her resignation on 13 June 2024 and filed a Claim with the DIFC Courts seeking AED 30,000 for her outstanding salary payments of 3 months, and the cancellation of her employment visa.
5. The Claimant withdrew her monetary claims at the Hearing and confirmed that she is only seeking to cancel her employment visa.
6. The Claimant asserts that she submitted her resignation by way of email, read below, and was advised to stop working and not serve her notice period:

----- Пересылаемое сообщение -----
От: Julia Valiullina <valiullina1309@mail.ru>
Кому: Info@haircreators.net
Дата: четверг, 13 июня 2024г. в 21:03 +04:00
Тема: Resignation notice

Dear Hair Creators management, this is my official notice of two weeks, as I am resigning from your company and I would love to let you know that I would like to leave the salon within two weeks of time. Here is my official notice of resignation effective 28 of Jun 2024.

Thank you

7. The Defendant initially filled the Jurisdictional Challenge to object that the Claim be heard in the Small Claims Tribunal (“SCT”) and to request the Court to assign the Defendant’s

counterclaim to the Court of First Instance (“CFI”) on the basis that it exceeds the SCT’s threshold of AED 500,000.

8. However, the Defendant confirmed at the Hearing that it proceeded to file its counterclaim as a new claim in the CFI under case no. CFI-066-2024 instead of filing it in the SCT Claim.
9. The Defendant asserts that the Claimant was employed by her husband, who used to own the Defendant company. During her tenure with the company, she was an on and off shareholder of the company. The Defendant further asserts that the Claimant allegedly breached her fiduciary duties as an employee in accordance with Article 58 of the DIFC Law No. 4 of 2021 (Employment Law Amendment Law) (the “DIFC Employment Law”) as well as Article 7 of the Employment Agreement on the basis that the Claimant set up a new competitive business in the same area.
10. The Defendant further advances that the Claimant’s husband accepted her resignation and not the new management and the cancellation should be dealt with alongside the CFI claim.
11. The Defendant submits that Miss Kleshta Eshja bought the company from the Claimant’s husband and got full control over it from 26 June 2024, \after the Claimant’s resignation, and does not have full access to the company’s records and database as per the Sales and Purchase Agreement. Therefore, the Defendant states that they are unaware of the extent of the Claimant’s involvement in the company when she was a shareholder and is reluctant to cancel the employment visa due to the penalties imposed.
12. The Defendant takes the view that the Claimant’s employment visa cannot be cancelled as she used to be one of the shareholders of the company alongside her husband, and due to the fact that the DIFC Authority issued a preliminary note of fine on 15 April 2024 intending to levy a fine of USD 19,000 (the “Preliminary Note”) (i.e. before selling the company to the new owner Miss Kleshta Eshja) and a final decision issued on 10 July 2024 (the “Decision Notice”) imposing the penalty. As such, the Defendant submits that their account is blocked and for this reason, the visa cannot be cancelled without paying the penalties which the Defendant submits should be borne by the Claimant and her husband.

13. Therefore, the Defendant's stance appears to be to consolidate the SCT claim and the CFI claim on the basis that that it relates to each other as opposed to contesting the jurisdiction of the DIFC Courts or the SCT.

Findings

14. As there is no longer dispute to the jurisdiction of the DIFC Courts, I shall dismiss the Defendant's Jurisdictional Challenge and order that the DIFC Courts have jurisdiction to hear and determine the Claim.
15. As the Defendant failed to submit an official application seeking to consolidate the SCT Claim and CFI Claim, as such, I shall dismiss this.
16. The Claim at hand pertains to an employment dispute and the employment relationship have ended by virtue of the Claimant's resignation on 13 June 2024, therefore, the applicable law in this juncture is the DIFC Employment Law.
17. Article 57(3) of the DIFC Employment Law reads as follows:
- "If an Employee is sponsored for UAE residence visa purposes by their Employer, the Employer and the Employee must cooperate to ensure the cancellation of the Employee's UAE residency visa as soon as reasonably practicable following the Termination Date and by no later than thirty (30) days following the Termination Date."
18. The Defendant provided the Court with a copy the Preliminary Note and Decision Notice imposing the penalty due to failure to pay monthly contributions to the DEWS scheme. Having reviewed those, although it confirms the Defendant's argument that a penalty was imposed but makes no reference to a block on the system which prevents them from cancelling the visa.
19. I extract the following provisions from the Decision Notice:
- "6. Should you pay this fine as specified above prior to 5pm on July 25, 2024, then no proceedings will be commenced by the DIFC Authority against you in respect of the contraventions the subject of this Decision Notice. However, should you continue to be in contravention of the Legislation, the DIFC Authority may take action in respect of any obligation binding upon you to do or refrain from doing any act or thing:

7. Should you fail to pay the full amount of the fine by the date specified in this Decision Notice, the DIFC Authority may apply to the Court for payment of so much of the fine as remains unpaid, together with costs.”

20. Regardless, the fact is that there is no employment relationship anymore, the Claimant cannot remain on the Defendant’s employment visa as it contravenes with Article 57(3) of the DIFC Employment Law and the rule cannot be deviated from.
21. The Claim at hand pertains to an employment dispute that have ended by way of resignation and the employment relationship have ended, therefore, as more than 30 days have lapsed (4 months in this case) and the Defendant failed to cancel the visa, I hereby order that the Defendant cancel the Claimant’s employment visa.
22. Furthermore, the dispute between the parties in relation to and arising out of the Sales and Purchase Agreement (including whose responsibility to pay the DEWS penalties) is to be dealt with in case no. CFI-066-2024 and not in the SCT because it was not filed as a counterclaim in the SCT claim.
23. Each party shall bear its own costs.