

The main contractor remains liable to the employer. The contractor may subcontract all or part of the work unless the law, the contract, the nature of the work or the contractor's personal skill rules it out, and the contractor stays liable to the employer. [1] The subcontractor has no direct claim against the employer unless the main contractor assigned the right. [1] Exceptional general circumstances may open a request to rebalance the obligation. [1] In the UAE the subcontracting rule in the Civil Transactions Law in force is under review. No article number is stated. [2]

🔗 **Civil Transactions Law:** <https://laws.boe.gov.sa/BoeLaws/Laws/LawDetails/655fdb42-8c96-422b-b8c4-b04f0095c94c/1>

🔗 **UAE Civil Transactions Law:** <https://uaelegislation.gov.ae/en/legislations/4011>

Subcontract agreement

Between a main contractor and a subcontractor in the GCC. Replace every [bracketed phrase] and delete what does not apply. This is a starting point. Have it reviewed by a lawyer licensed in the relevant jurisdiction before you use it.

Clause (1): Parties and main contract

Made on [date] between [main contractor], CR [●] (the "Main Contractor"), and [subcontractor], CR [●] (the "Subcontractor"). The main contract between the Main Contractor and [employer / owner] dated [●] for [works description] (the "Main Contract").

Clause (2): Subcontract scope

The Subcontractor performs [subcontracted part] to specification [●] and programme [●]. It complies with the Main Contract terms expressly flowed down in Schedule (1), only to the extent they may be disclosed.

Clause (3): Price and payment

The Subcontractor's fee is [●] [inclusive / exclusive] of VAT. Payment: [●] on [milestone / monthly invoice]. No tax rate is hard-coded in this file.

Clause (4): Time and delivery

Work starts on [date] and ends on [date], or on [substantial completion / sectional handover]. Subcontractor delay is dealt with in clause (8).

Clause (5): Warranty and defects

The Subcontractor warrants the works for [●] from acceptance. It remedies a defect within [●] days of notice.

Clause (6): Further subcontracting

The Subcontractor does not subcontract any part without the Main Contractor's written consent. The Subcontractor remains liable for anyone it appoints.

Clause (7): Liability to the employer

The Subcontractor acknowledges that it has no direct claim against the employer unless the Main Contractor expressly assigned the right. The Subcontractor indemnifies the Main Contractor for loss caused by the Subcontractor's breach towards the employer, capped at [●].

Clause (8): Delay and liquidated damages

On delay the Subcontractor pays [●] per [day / week], unless the delay is caused by the Main Contractor or force majeure. See [penalty clause](#) before fixing a sum.

Clause (9): Force majeure and hardship

Force majeure follows [force majeure](#). If exceptional general circumstances arise, either party may request rebalancing under the law in force. See [hardship](#).

Clause (10): Termination

Ends on [●] days' written notice, or immediately on a material breach not cured within [●] days, or if the Main Contract ends or is cancelled.

Clause (11): Law and dispute

Governed by the laws of [●] and the courts of [●], or [arbitration](#) in [●].

Clause (12): Signatures

Signed: Main Contractor [●], Subcontractor [●].

Saudi Arabia notes

Civil Transactions Law. [1]

Topic	Text
Subcontracting	The contractor may subcontract all or part of the work unless the law, the contract, the nature of the work or the contractor's personal skill rules it out, and the contractor stays liable to the employer (Article 473). [1]
Subcontractor's claim	The subcontractor has no direct claim against the employer unless the main contractor assigned the right (Article 474). [1]
Exceptional circumstances	Exceptional general circumstances may open a request to rebalance (Article 471). [1]

United Arab Emirates notes

Federal Decree-Law No. 25 of 2025, in force 1 June 2026. [2]

Topic	Text
Subcontracting	Under review. No article number in this file. [2]

Bahrain, Qatar, Kuwait and Oman

- Bahrain: under review. No article number for subcontracting on this page.
- Qatar: under review. No article number.
- Kuwait: under review. No article number.
- Oman: under review. No article number for subcontracting in this round.

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Sources

[1] Bureau of Experts, Civil Transactions Law (Royal Decree No. M/191 of 29/11/1444H)
<https://laws.boe.gov.sa/BoeLaws/Laws/LawDetails/655fdb42-8c96-422b-b8c4-b04f0095c94c/1>

[2] UAE Legislation, Federal Decree-Law No. 25 of 2025 (Civil Transactions Law)
<https://uaelegislation.gov.ae/en/legislations/4011>