



KNOW YOUR RIGHTS: UPDATES TO THE UAE CONSUMER PROTECTION LAW

Cabinet Decision No. 66 of 2023, addressing the Executive Regulation of Federal Law No. 15 of 2020 on Consumer Protection, officially took effect on October 14, 2023 (Executive Regulation). The Ministry of Economy is responsible for regulating commodities and services within the country. To safeguard consumers from fraud and harm, it has introduced standards for labeling, advertising, and sale of products and services. Additionally, it also implemented regulations aimed at mitigating potential risks associated with product or service usage. For these regulations to be impactful, it is crucial that both suppliers and consumers across the nation actively adhere to and implement them. Presented below are the key aspects of the Executive Regulations that have recently come into effect.

Advertising Prices

The supplier is required to advertise prices of commodities and services clearly and legibly. This can be done by writing the price on the commodity, fixing the advertisement on a label, or clearly displaying service prices at the place of service. The supplier must also explicitly state whether debit cards are accepted and disclose any applicable discounts. Additionally, when credit cards are used, the supplier cannot add further amounts to the value of the commodity or service.

Used or Renovated Commodities

If a supplier is offering used, renovated, or defective commodities that pose no harm to the health or safety of the consumer, they must clearly and visibly advertise the condition of the commodity both on the item itself and at the location of their business activities. The description of the commodity's condition should also be included in the concluded contract or the issued invoice, and the information provided should not create a false or misleading impression for consumers.

Misleading Advertisement

The regulation prohibits deceptive descriptions, advertisements, or offerings of commodities or services that may create a false impression. Misleading claims include false information about the nature, composition, quantity, appearance, source, manufacturing process, expiration date, terms of use, origin, terms of contracting, after-sale service, warranty, price, payment methods, awards, certifications, trademarks, and expected results of use. The aim is to prevent any information that could directly or indirectly mislead consumers.

Warranty Implementation

The supplier must provide a warranty for services, aligning with the service nature or agreed period. If the supplier fails, the consumer can choose a) full refund if the service isn't provided, b) partial refund based on usage or deficient service part, or c) correct re-provision as per the contract. The supplier must also inform the consumer about service risks, precautions, protection methods, and harm rectification based on the nature of the service.

With the aim to reinforce the consumer protection regime in the UAE, the Executive Regulations have illustrated types of conditions which if included in contracts, terms and conditions (T&Cs), invoices, or other supplier issued documents. These conditions include, among others:

- Granting the supplier the authority to interpret or modify certain clauses or unilaterally terminate the contract without consulting the customer.
- Preventing a customer from seeking compensation in the event of a supplier's breach of obligations.
- Restricting the use of the clause 'Goods sold are neither returnable nor substitutable,' unless:
 - the customer is aware of the defect and accepts the product on an 'as-is' basis as indicated in the purchase invoice;
 - the nature or properties of the product prevent its replacement or return, making it impossible to restore the product to its condition at the time of purchase; or
 - the product is perishable.
- Mandating a customer to engage exclusively with specific finance or insurance companies.

E-commerce

The supplier must adhere to specific guidelines to ensure transparency, consumer information, and conformity with legal standards in the e-commerce sector. It is also necessary for suppliers to provide documentary proof of commodity conformity with relevant laws and affix the conformity mark on the website. Lastly, suppliers need to take responsibility for any faults in commodities offered by third parties through their e-platform.

Fines and Penalties

The Ministry holds the authority to impose administrative sanctions on a supplier for violations of Federal Law No. 15/2020 and the accompanying resolution with fines ranging from AED 50,000 to AED 1 million. The sanctions, as listed in the escalating order, include: (1) Notice, (2) Administrative fine (with a doubled penalty for repeated offenses), (3) Temporary administrative closing for a duration between 24 and 90 days, (4) Suspension of activity, wholly or partially, for a period ranging from 24 to 90 days, and (5) Revocation of license and removal from the commercial registry. The severity of sanctions may increase for repeated violations.



In conclusion, adherence to UAE's consumer protection laws is important for ensuring a fair and secure marketplace. These laws are crafted to safeguard consumers from fraudulent practices, ensure product safety, and guarantee transparent business transactions. The UAE government, through initiatives led by the Ministry of Economy, demonstrates a dedicated commitment to fortifying consumer rights. By setting stringent standards, regulating advertising, and prescribing clear guidelines for suppliers, the government strives to create an environment where consumers can make informed choices without the fear of exploitation. Strengthening consumer protection not only builds up individual rights but also contributes to the overall trust and integrity of companies offering goods and services, promoting a thriving and equitable economy for all.

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