



## THE NEW UAE E-COMMERCE LAW

### Introduction

The Ministry of Economy in the United Arab Emirates (UAE) has issued [Federal Decree-Law No. 14 of 2023](#) on Commerce through Modern Means of Technology (e-commerce). [Tradeling](#) predicts that the e-commerce market in the UAE will witness substantial growth, generating an estimated \$17.2 billion in revenue by 2027. The sector is expected to experience a consistent annual growth rate of 8.4% over the next four years. With this new legislation, the UAE aims to create a secure and transparent e-commerce ecosystem, strengthen consumer protection, and foster the growth of digital commerce within the country.

### Objectives

This Decree-Law aims to achieve several objectives related to digital transformation and modern technology-based trade. These objectives include aligning with the state's strategic directions for digital transformation, developing the legislative and regulatory environment for modern technology-based trade, and stimulating such trade for goods and services without differentiation from physical trade. Additionally, the decree-law seeks to organize the relationships between digital traders and consumers by protecting consumer interests, data, and intellectual property rights. It also aims to provide technical protection for safe digital purchases, secure digital payment methods, and meet any other goals required by the nature of the relationship between digital traders and consumers.

### Key Provisions of the Law

#### a. Seller's Requirements and Obligations

The new law clearly defines the eligibility criteria that traders must meet. This includes encompassing legal capacity, adherence to legal, regulatory, professional, and technical requirements, and securing necessary approvals and licenses. To guarantee a safe experience for consumers while browsing and making purchases of goods or services, traders are required to establish a secure environment that meets the electronic security, cybersecurity, and anti-hacking standards specified by the authority. Traders are authorized to sell only legally permitted goods or services. Alternatively, traders are prohibited from offering any items or services that require special approvals before obtaining the necessary authorizations from the competent authority. It is interesting to note that the new law extends beyond relevant commercial activities inside the State to also cover those received from outside the State.

#### b. Consumer Protection

Building on the updates to the Federal Law No. 15/2020 on Consumer Protection, the new law gives consumers more protection including allowing them to be able to submit complaints about purchased goods or involved parties and having the availability of uninterrupted communication channels for complaints. Additionally, traders must provide a mechanism for complaint follow-up and clear communication contact details must be established, regularly updated, and easily accessible through various means. Consumers are also afforded enhanced return and exchange rights.

#### c. Dispute Settlement

One significant aspect of the law is the flexibility in optional jurisdictions for resolving disputes, including arbitration. The Ministry or relevant Emirate authority may establish a committee or opt for arbitration as a method to settle disputes. It is also noted that a digital contract worth less than AED50,000 may not contain an arbitration clause.





# STROHAL LEGAL GROUP

## d. Digital Payment Portals

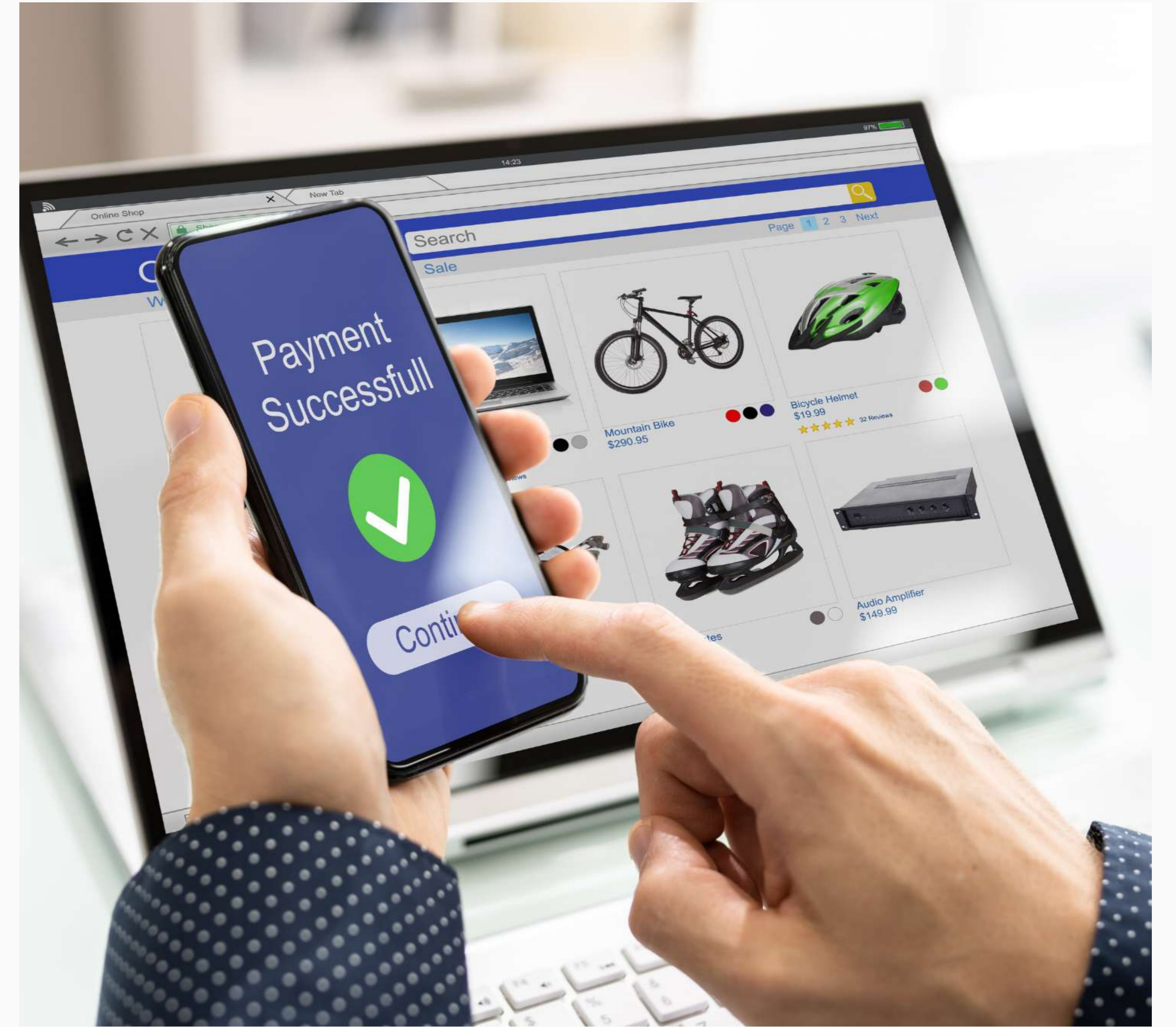
Consumers should not pay any extra charges for digital payments beyond those explicitly stated and disclosed by the digital trader in the digital contract or the terms and conditions.

## e. Return of Goods

Consumers have the right to return or request replacements for goods and services under various circumstances. These include instances where the purchase conflicts with state legislation, the received goods or services are defective, incomplete, damaged, or not as described by the digital trader, delayed receipt, and any violation of the specified conditions in the digital contract or terms and conditions.

## f. Insurance Coverage

Digital traders and entities involved in logistics and digital payments have the option to offer insurance coverage for obligations arising in e-commerce trade. This coverage extends to logistics, digital payment methods, electronic fraud, hacking, and other associated risks.



## Conclusion

Recognized for having one of the fastest-growing e-commerce markets in the region, this legislative development reflects the UAE's proactive response to the expanding e-commerce sector. The new legislation is expected to stimulate the growth of trade conducted through advanced technologies and the development of smart infrastructures in the country, benefiting both businesses and consumers. In light of these developments, it is advisable for businesses to seek guidance from legal professionals to ensure seamless compliance with the UAE's new e-commerce law and to be able to adapt to the new regulatory requirements.

### Disclaimer

Any information in this communication is not intended or written by us to be used, and cannot be used, for the purpose of (i) avoiding penalties that may be imposed by any governmental taxing authority or agency, or (ii) promoting, marketing or recommending to another party any matters addressed herein.

The opinions and analyses expressed herein are subject to change at any time. Any suggestions contained herein are general, and do not take into account an individual's or entity's specific circumstances. Any third party information contained herein is from sources believed to be reliable, but which we have not independently verified. Past performance is not indicative of future results.

No warranty or representation, express or implied, is made by Strohal Legal Consultants, nor do we accept any liability with respect to the information and data set forth herein. Distribution hereof does not constitute legal, tax, accounting, investment or other professional advice. Recipients should consult their professional advisors prior to acting on the information set forth herein.