



CABINET OF MINISTERS' RESOLUTION (12) OF 2007

In respect of

Executive Regulation to the Federal Law No. 24 of 2006

In respect of

PROTECTION OF CONSUMERS

The Cabinet of Ministers,

Having examined the Constitution, and

Federal Law no. (1) of 1972 in respect of the competencies of ministries and powers of ministers, as amended;

Federal Law no. (5) of 1975 in respect of the Commercial Registry;

Federal Law no. (1) of 1979 in respect of regulating industrial affairs, as amended;

Federal Law no. (4) of 1979 in respect of combating fraud and deceit in commercial transactions;

Federal Law no. (18) of 1981 in respect of regulating commercial agencies, as amended;



Federal Law no. (8) of 1984 in respect of commercial companies, as amended;

Federal Law no. (5) of 1985 in respect of the Civil Transactions Code as amended;

The Federal Penal Code no. (3) of 1987, as amended;

Federal Law no. (10) of 1992 in respect of evidence in civil and commercial transactions, as amended;

The Penal Procedures Code under Federal Law no. (35) of 1992, as amended;

Federal Law no. (37) of 1992 in respect of commercial transactions, as amended;

Federal Law no. (9) of 1993 in respect of control over trading and molding valuable stones and precious metals as amended;

Federal Law no. (18) of 1993 in respect of Code of Commercial Practice, as amended;

Federal Law no. (28) of 2001 in respect of the establishment of Emirates Authority for Standards & Specifications;



Federal Law no. (1) of 2003 in respect of establishment of the Federal Authority of Customs;

Federal Law no. (13) of 2004 in respect of control over import, export and transit of raw diamonds;

Federal Law no. (17) of 2004 in respect of combating commercial harbouring (manipulation);

Federal Law no. (1) of 2006 in respect of e-commerce and transactions;

Federal Law no. (2) of 2006 in respect of combating IT crimes;

Federal Law no. (24) of 2006 in respect of protection of consumers;

The Cabinet of Ministers' Resolution no. (207/16) of 2006 on approval of the Cabinet's draft resolution on the Executive Regulation to Federal Law no. (24) of 2006 in respect of protection of consumers; and

In the light of the proposal made by the Minister of Economy, as endorsed by the Cabinet of Ministers;



HEREBY RESOLVED:

DEFINITIONS

Article (1)

In implementation of the provisions hereof, the following words and expressions shall, unless otherwise required by the context, have the meanings shown opposite:

- The State** : The State of the United Arab Emirates
- The Ministry** : The Ministry of Economy
- The Minister** : The Minister of Economy
- The Committee** : The High Committee for Consumer Protection
- The Department** : The Department for Consumer Protection
- Competent Authority** : The local competent authority within the concerned Emirate to which the implementation of Law no. (24) of 2006 and the provisions hereof are entrusted.
- Approved Standard Specifications** : The specifications approved by the Emirates Authority for Standards & Specifications.
- Consumer** : Any natural or juridical person receiving any goods or



service, with or without consideration, to satisfy his personal need or the needs of others.

Provider : Any natural or juridical person providing a service or information, or manufacturing, distributing, trading, selling, supplying, or exporting any goods or involved in the production or the trading thereof.

Principal Provider : The producer or provider who supplies goods and services to the distributors, other than consumers.

Promoter : Any natural or juridical person promoting any goods or service, publicising the same through various advertising and publicity media.

Goods : Any industrial, agricultural, farm, or recycled product, including raw materials and components/ingredients of the product.

Service : Any work performed by any body to the consumer, whether or not with consideration.

Price : The sale price, rental value, or charge for usage of goods or service.

Re-call : The withdrawal of any goods, in case a defect is found



therein, by the provider or through the concerned body in the State or the country of origin, or in any other state.

Recalled Goods : The goods withdrawn within the State or the country of origin, or any other state.

Defect : Any fault in the designing, processing, or manufacturing of any goods, its non-suitability, deformation, or damage emerging before, during or as a result of use, or due to non-conformity or non-compliance sufficiently with the Approved Standard Specifications, the warranty, or specifications declared or to be declared by the provider; or any acknowledgement or advertisement relating to or posted on the goods.

Warranty : The written or implicit acknowledgement made by the provider, or their representatives, that the goods or service, subject of warranty, is free from defects, in conformity with the Approved Standard Specifications, together with their undertaking to repair any defect or fault affecting the goods or service within a specific period of time.

Durable Goods : The goods that can be used or utilised for many years.



Article (2)

The basis for identifying extraordinary pricing shall be as under:

1. Inflation rate within the State.
2. The price for the goods or service over the past periods.
3. The average prices within the State.
4. The average prices within the neighbouring states.
5. The price for the goods or service within the neighbouring states.
6. The average rate of increase in the price for the goods or service.
7. The foreign currency exchange rate at the time of importing the goods or raw materials.
8. Complaints filed by consumers with the Department.

Article (3)

The Department shall prepare studies and reports on extraordinary circumstances and crises within the market; identify the reasons for extraordinary increase of prices and shall present the same to the



Committee to present recommendations as to measures necessary to control such increase in prices.

The Department may refer to any natural or juridical persons of expertise in this domain.

Article (4)

In case of any extraordinary circumstances or crisis in the market that may require swift actions to control extraordinary increase in prices, the Minister may, under recommendations from the Committee, take the necessary steps to protect the consumers' interests and to avoid them any harm.

Article (5)

The following events shall, in particular, constitute a state of monopoly:

1. Sale of goods or services for prices below cost to create a state of monopoly in the market, which will cause damage to consumers.
2. Formation of alliances by more than one provider thus causing harm to the national economy or consumers' interests.



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3. Agreement, explicit or implicit, by and among providers to fix, reduce, or increase prices in a declared or clandestine manner causing harm to the national economy or consumers' interests.
 4. Agreement by and among competitors upon dividing the market amongst themselves on geographical or sales-volume basis.
 5. Purchase by the provider of competitive goods or services from the market with the intent to control prices.
 6. Refrain from, halting, or restricting production, supplies, or presentation of goods or services.
 7. Laying conditions by the provider upon a consumer to purchase an additional goods or service other than that in question.

Article (6)

Practices, agreements, or contracts - whether written or verbal, explicit or implicit - shall be prohibited in case the purpose of such practices, agreements or contracts, or the effect thereof, gives rise to any state of monopoly.



Article (7)

The Department shall take the necessary procedures and measures in accordance with the provisions of Law and this Regulation and the resolutions handed down in implementation thereof against any monopoly practices or dealings, which cause damage to the national economy or consumers.

CONSUMERS RIGHTS

Article (8)

The rights of consumers shall include the following:

- i. Right of protection against products, production operations, or services causing harm to health or safety.
- ii. Right to be provided with the facts that assist them in proper purchases and consumption.
- iii. Right to select from among a number of alternative goods and services at competitive prices and with quality control.
- iv. Right to have his opinion heard, his interests represented before official and non-official bodies, and his opinions considered in developing goods and services.



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- v. Right to satisfy his basic needs of basic goods and services, such as food, clothing, shelter, health care, and education.
 - vi. Right of compensation and fair settlement of his lawful claims, including compensation for inferior or unsatisfactory goods or services, or any practices harming consumers.
 - vii. Right to be educated and to acquire knowledge and skills necessary to careful selection of goods or services; to be aware of his basic rights and responsibilities and how to avail of the same through sustainable awareness programmes.
 - viii. Right of living in proper environment.

Article (9)

The Department shall entertain complaints from consumers, in coordination with the local authorities, and shall initiate review, investigation, and examination procedures, and hand down the proper decision in this respect in accordance with the provisions of Law and this Regulation.

Any party having interest may complain against the decision handed down by the Department before the Minister within fifteen days from the date of being notified of such decision. Such complaint shall be in writing and on the form prepared by the Department, in which the complainant's capacity and cause of objection, and it shall be signed



by the complainant or his legal representative. Complaint shall cause the decision to be suspended until the complaint is ruled upon, in approval or dismissal.

Any party having interest may further object the ruling handed down in the complaint before the competent court.

PROVIDERS OBLIGATIONS

Article (10)

A provider shall adopt the procedures stipulated for herein to recall goods from the local markets or consumers in the following events:

1. A defect is found by him in the goods.
2. Reports or studies prove the presence of a defect in the goods.
3. Complaints are received from consumers or the concerned bodies for the presence of a defect in the goods.
4. A memorandum is issued by the Ministry for the recall of the goods.
5. Recall procedures are initiated outside the State for the same goods.



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6. It is established that the goods is not in conformity with the Approved Standard Specifications.

Article (11)

The provider shall notify the Department in writing not later than fourteen (14) days of any recall of goods; provided that such notice shall include the following information:

- i. Name of goods and provider, and the country of origin.
 - ii. Coloured representation (photo) of the goods and the part defected therein.
 - iii. Detailed accurate description of the defect and the causes of which it appeared.
 - iv. Quantity sold and the quantity to be recalled.
 - v. Type and nature of probable damages upon consumers.
 - vi. Procedures adopted by the provider to recall the goods.
 - vii. Manner of announcing the recall, together with the duration and timings of such announcements.
 - viii. Procedures to be adopted by the provider in relation to the defective goods.
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- ix. The time span expected to remedy the defect, provided that the circumstances and interests of consumers are taken into consideration.

The Department shall open a 'recall file,' which shall include the information set out in this article. The Department may add any other information or procedures it may deem necessary to the recall of defective goods, according to the goods type and nature.

Article (12)

The provider shall, in case of recall of any goods, replace or repair the goods, refund its price, or replace or repair the defective part free of charge, regardless of the warranty period, according to the type and nature of the goods and the nature of the defect found therein.

Article (13)

The provider shall bear all the costs of transportation of the defective goods, dispatch of technicians to replace or repair the defective part and all the costs entailed in the recall of the goods.

Article (14)

The provider shall, within thirty days from the initiation of the recall process, provide the Department with a report for the goods repaired



or replaced, the defective parts repaired, or those for which the prices are refunded; provided that such report shall include the following:

- i. The quantity sold;
- ii. The quantity recalled;
- iii. Quantity of goods repaired, replaced, or whose prices are refunded;
- iv. The procedures to be adopted to avoid such defect, if possible.

Article (15)

The provider shall entertain complaints from consumers and settle the same. In case a fault is repeated on more than three occasions, he shall notify the principal provider of the same and forward a copy of such notice to the Ministry.

Article (16)

The Department shall, under a decision from the Minister and in coordination with the concerned bodies, take the procedures for recalling defective goods at the provider's expense in the following events:

1. Failure to take the recall procedures by the provider.



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2. Reluctance or delay by the provider in taking the recall procedures in the case where it is believed that the defective goods pose likely risk or harm to consumers.
 3. Difficulty in identifying or reaching the provider.

Article (17)

As an exception to the provisions of the above article, the Department shall take the recall procedures for defective goods in necessary cases where there exists threat to consumer; and the provider shall bear the cost of recall.

Article (18)

The Department shall, in coordination with the concerned bodies, follow up with the goods being recalled within the State or abroad; and shall regularly inform the Committee of the recall process taking place.

Article (19)

In case the Department receives any complaint or report for any defect in any goods, the Department shall investigate the same; and in case it is established that such defect is in existence, it shall notify the



provider that it is mandatory to recall the goods within the time limit laid down by the Department according to the nature of such goods.

Article (20)

The concerned bodies, consumers, and any party having interest may apply to the Department for the recall of any defective goods; provided that such application shall be accompanied by supporting evidence. The Department shall investigate the contents of the application and take necessary action in its respect.

Article (21)

The provider shall announce the recall of any defective goods as per the following conditions:

1. Advertise in two local daily newspapers at least twice, provided that one of them is issued in Arabic, not later than 24 hours from being notified of the recall; and also on the Ministry's website.
2. The advertisement shall not be less than 15 cm × 15 cm.
3. The advertisement must include the following information:



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- a. Name and address of the provider;
 - b. The trademark of the goods;
 - c. Name of goods and country of origin;
 - d. Description of defect;
 - e. The instructions consumers should follow to avoid any likely harm as a result of using the goods;
 - f. The instructions consumers should follow to have the goods repaired, replaced, or its price refunded;

And the Department may specify any other medium, duration, and timings.

Article (22)

In case the provider fails to recall the defective goods in accordance with this Regulation, while aware of the existence of a defect therein, this shall constitute a case of commercial fraud as per the provisions of the Federal Law no. (4) of 1979 referred to above; and the Department shall refer the matter to the Public Prosecution to institute criminal proceedings against the provider.



Article (23)

The provider shall (if necessarily required) recall the defective goods outside the State according to the procedures adopted in such countries; provided that the provider shall notify the Department in writing of the procedures of such recall.

Article (24)

Consumers shall have the right to select the manner of remedying any defective goods, either by way of replacement, repair, or refund of price; provided that the type and nature of defective goods together with the time to be taken in remedying the defect shall be taken into consideration. The consumer shall, according to the type and nature of defective goods together with the time to be taken in remedying the defect, be entitled to obtain a substitute goods to avail thereof free of charge until the remedy procedures are completed.

Article (25)

The provider shall, before carrying out any repair or modification works to the defective goods, notify consumers in writing and free of charge of the estimated cost of repair and the validity period for his offer.



The provider shall also, after completing the repair, specify in the invoice issued by him the parts replaced and their prices, whether such parts are new, used, or overhauled. The provider shall bear the cost of labour charges and provide a warranty to the replaced parts. Warranty for electric and electronic goods shall not be less than three months; and in durable goods not less than six months from the date of delivery after repair. In this case, the warranty shall not cover any improper use of the goods.

Article (26)

The provider offering used or overhauled goods or those suffering a certain defect not causing any harm to consumers health or safety shall declare the condition of such goods clearly thereon and at the place he is carrying on his activities; and he shall also indicate thereto in the contract entered into or the invoice issued by him.

Article (27)

No person shall be permitted to advertise in any medium any goods or service in such manner leading to deceiving or confusing consumers.



Article (28)

The provider shall, upon offering any goods for trading, observe to post on its cover or container a label in clear readable meaningful Arabic and in a noticeable manner, which label shall include:

- i. Type, nature and components/ingredients of the goods;
- ii. The name of the goods;
- iii. Date of production or packing;
- iv. Date of expiry;
- v. Net weight;
- vi. Country of origin (name of state without abbreviations, and must the name must be accompanied by the phrase 'made in' and no other state's flag, than that of the country of origin, shall be displayed).
- vii. Exporting country, if any;
- viii. Method of use, if possible;
- ix. Proper measuring or weighing unit.



And the provider shall enclose within the container a detailed statement in Arabic for the components, ingredients, specifications, usage directions, and risks involved.

The provider shall, not later than one year from the date of this Regulation, reconcile his status in harmony with this article for the goods already imported.

The Minister may recommend any additional information on the goods, where a resolution shall be passed by the Cabinet.

Article (29)

The provider shall, upon offering/displaying any goods or service, post the price thereon in the local currency and in a noticeable manner; or advertise the same in a prominent manner in the place where the goods or service is offered/displayed.

The provider shall reconcile his status in harmony with this article not later than two months from the date of this Regulation.

Article (30)

No provider shall be permitted to exercise any form of discrimination among consumers while selling any goods or service, whether in terms of price or quality.



Article (31)

Consumers shall have the right to obtain a date-bearing invoice, which shall include the following information:

1. Name and address of provider;
2. Description of goods;
3. Sale unit;
4. Quantity or number of units sold;
5. Price of goods in the local currency.

Article (32)

The service provider shall offer warranty for the service provided by him within a specific period corresponding to the nature of such service, otherwise be committed to refund the amount paid by the recipient, or provide another service in the proper manner.

Article (33)

The provider shall guarantee the quality of the goods or services, the availability of the specifications specified or the conditions imposed by the consumer in writing. He shall also guarantee the latent defects which may diminish the value of the goods or service, or render the same unusable for the purposes for which it is produced according to



its nature or the terms of the contract entered into by the provider and consumer.

Article (34)

The provider shall provide the after-sale services, including spare parts, maintenance for durable goods, for a period not less than five years, or according to the nature of goods.

Article (35)

Unless specifically stipulated for in this Regulation, the warranty period for services and various categories of goods provided to consumers shall be as per the terms and conditions of the contract entered into by them.

Article (36)

Save the provisions of Articles 28 & 29 in this Regulation, providers operating in the State at the time this Regulation comes into force shall, not later than six months from the date this Regulation comes into force, reconcile their respective status in harmony with this regulation and the provisions of the Federal Law no. (24) of 2006 as referred to hereinabove.



The Minister may, in case of any provider failing to reconcile and expiry of the time limit, suspend such provider's activities furthermore not more than one week and refer the matter to the competent court to take necessary action.

Article (37)

The Minister shall issue the resolutions necessary to the implementation of the provisions of this Regulation.

Article (38)

This Resolution shall be published in the Official Gazette and shall come into force from the date this Resolution is issued.

(Signed)

Mohammed bin Rashid Al Maktoum
Prime Minister

Issued by us on:

Date: Rabie I 10, 1428 AH

Corresponding to March 29, 2007 AD