

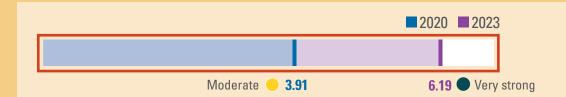


ARAB BUSINESS LEGISLATIVE FRAMEWORKS

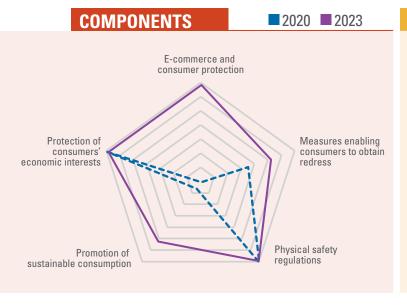




CONSUMER PROTECTION









In November 2020, The United Arab Emirates adopted a new Consumer Protection Law No. <u>15/2020</u>. This new law enhances the protection regime for consumers by imposing heftier penalties, securing private data and covering e-commerce activities.



Physical safety regulations

Article 24(1) guarantees the right of consumers to request compensation if they are personally or materially incurring damage due to the use of a product/service. Article 5 establishes the Supreme Committee for Consumer Protection, whose prerogatives include: studying reports regarding consumer protection and taking appropriate decisions, setting policies and strategies, and studying recommendations in relation to consumer protection and cooperating with relevant authorities regarding consumer protection.

Article 7 requires the supplier, when offering the commodity for sale, to place explanatory information on its cover, packaging, or in the place of its display, clearly and legibly, and to indicate how it is used, in accordance with the applicable legislation related to standards and metrology. The supplier is also required to clearly warn the consumer about any risks related to the use of the commodity.

The UAE had also ratified and issued the executive regulation for the Unified Law for Combating Commercial Fraud in the Gulf Cooperation Council (GCC) countries No. 20/2019. According to article 3 of the Unified Law, and articles 2, 5, and 6 of its Executive Regulation, the suppliers should notify competent authorities of any contaminated or spoiled goods upon discovery or knowledge of them. The supplier is also required to stop selling or dealing with contaminated commodities and must immediately initiate procedures for withdrawing the commodities and warning publicly against its use. Article 13 of the Unified Law states that the court should rule for the withdrawal of contaminated goods and publish its ruling in two daily newspapers at the expense of the supplier if no corrective measures were taken by the latter. UAE coordinates with other GCC countries under the umbrella of the Secretariat General of the Gulf Cooperation Council, which is represented by the GCC Standardization Organization.



Protection of consumers' economic interests

According to article 4, the rights of consumers are guaranteed including data privacy and security. Chapter 4 (articles 22 to 27) covers the aspects of consumer protection, such as the role of the Ministry of Economy, the possibility of asking for the assistance of experts, and the right to compensation. With this new regime, the Ministry has a role to monitor and control the increase in prices. Also, when complaints of consumers are proven to be valid, the Ministry

is required to take the appropriate measures by addressing or referring the complaints to the competent authorities.

The new law is applicable to all commodities and services inside the State, including the free zones, and the operations related thereto that are carried out by the provider, advertiser or commercial agent, including operations and activities through e-commerce.



Measures enabling consumers to obtain redress

Article 29 imposes sanctions which include heftier fines and/or imprisonment. Also, article 10 requires providers to

maintain and replace the product or refund the price.

As for article 22(5), it allows local consumer protection associations to initiate and present a complaint for consumer protection breaches to the Ministry. The law also guarantees the right of consumers to file a complaint for reimbursement in case products are damaged. Finally, according to article 24(2), the only exemption from redress is if the damage was a result of misuse or does not respect the mentioned instructions.



Promotion of sustainable consumption

The Ministry of Economy in the country issued a circular called Economy Policy: "which offers a significant contribution to the achievement of [Sustainable Development] Goal 12, which aims to promote environmental health, support the private sector in the adoption of clean production methods, reduce the strain on the environment, and achieve the UAE's vision to be a world leader in green development (...)".

Article 2(3) of the consumer protection law includes that the objectives of the law is to encourage practices of healthy consumption. And for that purpose, several administrative departments were established. Also, the country adopted several initiatives to promote sustainable consumption. For instance, the Ministry of Energy has deregulated fuel prices to support the national economy, lowered fuel consumption, protected the environment and preserved national resources.



E-commerce and consumer protection

Article 3 of the newly enacted law confirms that the provisions of the mentioned law apply to e-commerce activities.

According to article 4(5), providers must maintain the privacy of consumer information and data, and should not circulate or reveal related information/data for the purpose of trading and/or marketing.

Article 25 requires providers/suppliers doing online business to inform consumers and the Government of their names, legal status and certification, as well as complete information about the product or service.

RECOMMENDATIONS



To strengthen coordination and the establishment of agreements with regional and global consumer protection authorities to deter cross-border unfair practices that may be harmful to consumers.



>>> To clearly define unsafe products purchased on the Internet.



To strengthen coordination mechanisms between the national consumer protection authority and other administrative authorities such as the competition, public health, customs, trade, and environmental authorities.

