

**Cabinet Resolution No. (11) of 2020**  
**Concerning the Executive Regulation of Federal Law No. (19) of 2016**  
**On Combating Commercial Fraud**

**The Cabinet:**

- Upon reviewing the Constitution; and
- Federal Law No. (1) of 1972, Concerning the Competencies of Ministries and Powers of the Ministers, and the amendments thereof; and
- Federal Law No. (19) of 2016, On Combating the Commercial Fraud; and
- Upon the proposal of the Minister of Economy, and the approval of the Cabinet,

**Resolved:**

**Article (1)**

**Definitions**

The definitions stated in the aforementioned Federal Law No. (19) of 2016 shall apply to this Resolution. Otherwise, the following words and phrases shall have the meanings assigned to each of them, unless the context requires otherwise:

- Specifications** : Mandatory standard specifications approved by the Emirates Authority for Standardisation & Metrology in the State.
- Country of Origin** : The country where the goods are produced.
- Exporting Country** : The country from which the goods are directly imported.
- Law** : Federal Law No. (19) of 2016 On Combating the Commercial Fraud.

## Article (2)

### Competent Authority Examination Procedures of Adulterated and Spoiled Goods

The Competent Authority may, when necessary or in the event there are reasons to believe that there are goods in violation of the provisions of the Law, do the following:

1. Taking three samples of the goods, seized with the quantities and amount necessary for examination or testing, determining the extent of their conformity with the approved standard specifications, and guarding them in a manner that they cannot be opened; then handing over one of those samples to the merchant or his representative and the second one to the authority concerned with examination and testing; and the last one shall be maintained by the Competent Authority.
2. Recording the procedure referred to in Clause (1) of this Article through a report in the presence of the merchant or his representative. Said report shall indicate the quantity and data of the goods from which a sample has been taken, if possible, and specify the quantity of the sample taken and the data of the merchant. The Competent Authority may re-examine and re-test when necessary.
3. Sending the sample to the authority concerned with examination or testing according to the nature of the goods; provided that the examination and testing must be completed and the result must be approved within a period not exceeding (5) five working days as of the date of sampling for perishable goods, and (10) ten days for other goods; unless the nature of the goods requires a longer period of examination.
4. Informing the merchant or his representative of the examination and testing result within (3) three working days as of the date of its approval by any means of communication.
5. The samples of the goods that have been examined and tested shall be returned to the merchant upon his wish and whenever it is possible.
6. The goods from which the sample has been taken shall be kept under seizure during the examination and testing period.
7. If, after approving the result, it becomes evident that the goods are adulterated or spoiled, the merchant must return them to the country of origin or the exporting country within a

period not exceeding (45) forty-five days. Such period may be extended once based on a decision issued by the Competent Authority.

8. The goods seized shall be released within one working day as of the date of proving that they are not in violation of the Law.

### **Article (3)**

#### **Withdrawing Adulterated Goods from Markets**

Without prejudice to the legislation in force in the State, if the Sub-Committee finds that the merchant has goods inside the State, or that goods offered on the market, that constitute commercial fraud, it must notify the Ministry within (2) two working days of the same. The Minister may issue a resolution to withdraw the goods from the markets, and the Sub-Committees are obligated to implement such resolution and dispose of the goods in accordance with the provisions of this Resolution.

### **Article (4)**

#### **Competent Authority's Disposal of Adulterated or Spoiled Goods**

If the merchant refuses to return the adulterated or spoiled goods to the country of origin or the exporting country, in accordance with Clause (7) of Article (2) of this Resolution, the Competent Authority shall establish his refusal to do so, and it may dispose of those goods with any of the following actions under the supervision of the Sub-Committee:

1. Destroying it.
2. Returning it to the country of origin or the exporting country, according to the following conditions:
  - a. The presence of goods in places intended for import and export or re-export.
  - b. The merchant shall not initiate a return action within the specified grace period.
  - c. The goods shall not be fully damaged during its return.
3. Allowing its use for any other purpose for which it is fit, according to the following conditions:
  - a. The merchant shall not initiate to return the goods within the specified grace period.

- b. The goods shall not be fully damaged during its return or cause environmental or health damages upon the return thereof.
- c. The possibility of benefiting from the goods according to their nature in any way, provided that the Sub-Committee shall issue a report determining the manner of benefit.

In all events, the Competent Authority shall determine the expenses and fees incurred due to the disposal of the goods stated in this Article.

## **Article (5)**

### **Controls for Destroying Counterfeit Goods**

The Competent Authority that seizes the counterfeit goods shall establish the merchant's violation regarding importing these goods, and destroy them whatever their nature is; provided that their destruction shall not lead to environmental or health damages and that it shall be made under the supervision of the Sub-Committee, according to the following controls:

1. The presence of a judicial order or a resolution of the Sub-Committee to destroy.
2. The presence of a representative of the Sub-Committee.
3. Verifying the destruction in a manner preventing use or consumption.
4. Preparing a report of the destruction signed by the representative of the Sub-Committee, provided that it shall include the following:
  - a. The destruction time, place, and method.
  - b. A list of the number and types of destroyed goods.
  - c. The destruction cost.
  - d. A summary report of the destruction process.
5. If the Competent Authority hires a private company to carry out the destruction process, the goods in violation shall be delivered to the company by virtue of a delivery receipt provided that the following is established therein:
  - a. The destruction time and place.
  - b. A list of the number and types of destroyed goods.

- c. The destruction cost.
  - d. A summary report of the destruction process.
6. In all events, the Competent Authority shall determine the expenses and fees incurred in consideration of the destruction of the goods stated in this Article.

## **Article (6)**

### **Recycling Counterfeit Goods**

If the destruction stipulated in Article (5) of this Resolution is not possible, the Head of the Competent Authority that seizes the counterfeit goods may order, under the supervision of the Sub-Committee, to destroy these goods by recycling them whenever possible and achievable, at the merchant's expense.

## **Article (7)**

### **Obligating the Merchant to Pay the Expenses of Disposing of the Goods in Violation**

The merchant shall be notified of the value of the expenses and fees incurred by the Competent Authority in consideration of disposing of the violating goods that were seized, and he must pay it within (15) fifteen working days as of the date of notification. If he does not pay it within the specified time and does not provide an excuse accepted by the Competent Authority, then it may take the legal measures to claim the value of expenses and fees.

## **Article (8)**

### **Warnings**

If it is proven for the Competent Authority that there is a violation at one of the establishments, it must refer the violation to the Sub-Committee to perform the following:

1. A written warning to the establishment of the violation committed. The establishment must remove or withdraw the violation within (3) three working days as of the date of notification.

2. A final written warning to the establishment of its non-compliance with the previous warning, within (3) three working days as of non-compliance.

### **Article (9)**

#### **Conciliation Procedures before the Sub-Committee**

Those who are found to be in violation of the provisions of the Law or this Resolution, or any of the resolutions implementing the Law, may request conciliation before the Sub-Committees in accordance with the provisions of this Resolution.

### **Article (10)**

The Sub-Committee shall notify the establishment of the violation committed thereby through any means of communication. The violator may request conciliation before the Sub-Committee within (15) working days as of the date of notifying him. In the event of not requesting conciliation during this period, the violation shall be referred to the Public Prosecution.

### **Article (11)**

1. The Sub-Committee shall consider the request for conciliation within (5) five working days as of the date of its submission.
2. In the event of accepting the conciliation, the violator shall be notified of acceptance, and a date shall be specified in which the minutes of the conciliation shall be drawn up for the violation attributed thereto, including the conciliation amount and the time period in which it shall be paid.
3. If the conciliated violator does not pay the conciliation amount within the time specified in the minutes, the conciliation shall be deemed cancelled, and the violation shall be referred to the Public Prosecution.
4. The conciliation minutes and relevant documents shall be kept in a file with the Sub-Committee.

5. If the Sub-Committee rejects the conciliation request, the violator may file a grievance before the Supreme Committee within (15) fifteen working days as of the date of rejection, and the Supreme Committee must decide on the grievance within (15) fifteen working days as of the date of its submission.
6. The Sub-Committee shall refer the violations to the Public Prosecution if the rejection is decided according to the procedures followed within (5) five working days as of the date of rejection.

## **Article (12)**

### **Sub-Committees' Periodic Reports**

The Sub-Committees shall submit, at least every six months, periodic reports on the work assigned thereto in accordance with the Law and the resolutions implementing thereof to the Ministry using the forms approved thereby.

## **Article (13)**

### **Issuance of Implementing Resolutions**

The Minister shall issue the resolutions necessary to implement the provisions of this Resolution.

## **Article (14)**

### **Repealing the Violating Provision**

Any provision that violates or contradicts the provisions of this Resolution shall be repealed.

## **Article (15)**

### **Publication and Enforcement**

This Resolution shall be published in the Official Gazette; and shall enter into force as of the day following the date of its publication.

**Mohammed Bin Rashid Al Maktoum**

**Prime Minister**

**Issued by us:**

**On: 7/ Rajab/ 1441 H**

**Corresponding to: 2/ March/ 2020 AD**