

Cabinet Resolution No. (120) of 2022 on the Rules and Controls for Pricing Consumer Goods in the State

The Cabinet,

- Having reviewed the Constitution;
- Federal Law No. (1) of 1972 on the Competences of Ministries and the Powers of Ministers, as amended;
- Federal Law No. (4) of 2012 Regulating Competition;
- Federal Law No. (14) of 2016 on Administrative Violations and Penalties in the Federal Government;
- Federal Law No. (15) of 2020 on Consumer Protection;
- Cabinet Resolution No. (37) of 2014 on the Executive Regulations of Federal Law No. (4) of 2012 Regulating Competition; and
- Based on the Proposal of the Minister of Economy, and the Cabinet's approval thereof,

Hereby resolves as follows:

Article (1)

Definitions

For the purpose of applying the provisions of this Resolution, the following words and expressions shall have the meanings assigned thereto respectively, unless the context requires otherwise:

The State (UAE)	:	The United Arab Emirates.
The Minister	:	The Minister of Economy.
The Ministry	:	The Ministry of Economy.
Competent Department	:	The Department in charge of consumer and competition protection at the Ministry.
Competent Authority	:	The local authority in the Emirate in charge of supervising and controlling the business of Retailers and Suppliers in

	the sectors supervised or controlled by the same.
Consumer	: Any natural or legal person that acquires a commodity or service, whether on a paid or unpaid basis, to satisfy their own need or third party's need, or with whom transactions or contracts are entered into for the same.
Retailer	: Shops or stores, including hypermarkets, malls, markets and other relevant forms, that offer products for sale for end Consumers who buy the same for the purpose of consumption and use not for the purpose of resale.
Supplier	: Any legal person that manufactures, distributes, merchandises, sells, supplies, exports, imports or is involved in the production, trade or storage of Consumer Goods, in order to provide such goods to Consumers or enter into transactions or contracts with them for the same.
Commodity	: Any natural substance or industrial, agricultural, animal, manufactured, intellectual or technical product, including raw materials of substances and components used in the product.
Consumer Goods	: Agricultural, animal and food products and other products that a Consumer needs to satisfy their basic needs.
Basic Consumer Goods	: Consumer Goods associated with the Consumer's stratification of their vital requirements and having the most powerful effect on the Consumer.

Article (2)

Objectives

This Resolution is intended to:

1. Liberalize prices of Consumer Goods in the State, so as to serve competition in the trade of Consumer Goods between the Retailer and the Supplier; and
2. Monitor prices of basic goods, so as to ensure Consumer protection and that they receive basic goods at affordable prices, by establishing a balance in contractual relations of basic goods trade between the Retailer and the Supplier.

Article (3)

Scope of Application

The provisions of this Resolution shall apply to all Consumer Goods sold by the Supplier and the Retailer in the State.

Article (4)

Liberalization of Consumer Goods Prices

The Consumer Goods prices shall be set in the State according to the market rules, principles of free competition and supply and demand factors, without prejudice to the provisions of the legislation in force in the State on the consumer and competition protection.

Article (5)

Monitoring Basic Consumer Goods Prices

1. Notwithstanding the provisions of Article (4) of this Resolution, the following Basic Consumer Goods prices shall be monitored by the Ministry and the Competent Authorities:
 - a. Cooking oil;
 - b. Egg;
 - c. Dairy;
 - d. Rice;

- e. Sugar;
 - f. Poultry;
 - g. Legumes;
 - h. Bread; and
 - i. Wheat.
2. Upon the proposal of the Minister and in coordination with the Competent Authorities, the Cabinet may adjust the Basic Consumer Goods list by increase or decrease, in accordance with the circumstances and developments in the State's markets or overseas markets.
 3. It is prohibited to apply any increase in the price of any Basic Consumer Goods without obtaining the Ministry's prior approval. Following coordination with the Competent Authorities and the relevant federal authorities, the Minister shall issue a resolution determining the sub-items of the Basic Consumer Goods and establishing a comprehensive system governing the relationship between Retailers and Suppliers, concerning mechanisms and controls for pricing Basic Consumer Goods.

Article (6)

Coordination with the Competent Authorities

1. The Ministry shall, in coordination with the Competent Authorities, monitor the pricing of Basic Consumer Goods to ensure that no increases in prices are applied without obtaining the Ministry's prior approval.
2. When the Ministry and the Competent Authorities monitor both the Supplier and the Retailer, they shall ensure stable or lower selling price for the Basic Consumer Goods for the Consumer, as per the circumstances and exigencies of the situation.
3. The Ministry shall set a mechanism for coordination with the Competent Authorities on the implementation of the present Resolution. A resolution shall be issued by the Minister on such mechanism to determine the mechanisms, controls and procedures for monitoring the pricing of Basic Consumer Goods, receiving complaints and taking necessary actions thereon.

Article (7)

Administrative Violations and Penalties

The Cabinet shall issue, at the Minister's proposal and following coordination with the relevant authorities, a resolution on the administrative violations and penalties to be imposed on those who violate any of the provisions set forth in this Resolution or the resolutions to be issued to implement its provisions.

Article (8)

Implementing Resolutions

The Minister shall issue, in coordination with the Competent Authorities, the resolutions necessary for implementing the provisions of this Resolution.

Article (9)

Publication and Entry into Force of the Resolution

This Resolution shall be published in the Official Gazette, and shall enter into force (60) sixty days after the publication date thereof.

Mohammed bin Rashid Al Maktoum
Prime Minister

Issued by Us

Dated: 6 th Jumada Al-Akhirah 1444 AH,

Corresponding to: 30 th December 2022 AD