

# Federal Decree by Law No. (14) of 2023 Concerning the Modern Technology-Based Trade

We, Mohamed bin Zayed Al Nahyan, President of the United Arab Emirates,

- Having reviewed:
- The Constitution;
- Federal Law No. [1] of 1972 on Competencies of Ministries and Powers of the Ministers, as amended;
- Federal Decree-Law No. 50/2022 Promulgating the Commercial Transactions Law;  
and
- Based on the proposal submitted by the Minister of Economy and approved by the Cabinet,

Hereby enact the following Decree Law:

## Article (1)

### Definitions

For the purpose of applying the provisions of this Decree-Law, the following words and expressions shall bear the meanings assigned thereto respectively, unless the context requires otherwise:

**The State** : The United Arab Emirates.

**The Ministry** : The Ministry of Economy.

**The Minister** : The Minister of Economy.

**CBUAE** : The Central Bank of the UAE.

**The Competent** : Federal or local authorities in charge of issuing the approvals, licenses and

- Authority** permits in accordance with applicable legislation.
- Modern Technology-Based Trade** : The sale and purchase of goods, services and relevant data through technological platforms or modern technology, including, inter alia, the websites, e-platforms or smart applications, including the transactions carried out through electronic or digital commerce or social media platforms. This includes non-digital goods and services that are obtained physically or virtually through modern digital technology or technological platforms.
- Modern Technology** : Any technological platforms used for Modern Technology-Based Trade, whether electronic, digital, biometric, artificial intelligence technology, blockchain technology, or in technological platforms, whether by accessing websites or through smart applications.
- The Data** : Any data or information that can be stored, processed, created and transmitted by means of modern technology, such as letters, numbers, symbols, signatures, texts, images or sounds, in relation to the product, service, parties, payment processes or other matters.
- The Digital Identity** : A system or identification tool of modern technology that identifies the user and enables him to benefit from or carry out trade activities through Modern Technology.
- Digital Trader** : A natural or legal person who sells goods or services through modern technology.
- The Consumer** : Any natural or legal person who acquires goods or services by way of executing contractual arrangements with a digital trader through Modern Technology - with or without compensation - to satisfy his need or the need of other people.

- Goods and Services** : The goods and services purchased through Modern Technology-Based Trade.
- Digital Contract** : An agreement between the digital trader and the consumer, and which documents the proposal and acceptance. It specifies the location, details, terms and conditions of the contract through Modern Technology, and includes the electronic contract, the smart contract and other contracts used through Modern Technology.
- Digital Signature** : A signature consisting of letters, numbers, symbols, voice, fingerprint or a processing system through Modern Technology, and which contributes to verifying a person's identity and sends a text message with letters and symbols and other technical verification methods to the e-mail and mobile phone.
- The Store** : The physical store and the virtual store.
- Physical Store** : Any store with a physical address in the State.
- Virtual Store** : A website, a platform or other means of modern technology that allows the digital trader to display or sell a good or service, provide or advertise a service or exchange its data through those websites, platforms or any other means of modern technology.
- Dispute Settlement Committee** : The committee formed in accordance with the provisions of Article [9] of this Decree-Law.

## Article (2)

### Scope of Application

1. The provisions of this Decree-Law shall apply to:
  - a. Modern Technology-Based Trade and its activities and the means of modern technology used in relation thereto.
  - b. Whoever carries out any activity in relation to Modern Technology-Based Trade inside the State or the goods received from outside, including Modern Technology, logistical services and digital payment gateways to the extent that is related to Modern Technology-Based Trade.
  - c. Free zones in any of the following two cases:
    1. Provide or sell goods and services purchased through Modern Technology outside the geographical scope of the free zone.
    2. The lack of legislation regulating Modern Technology-Based Trade in the free zone.
  - d. Financial free zones in the event that any of clauses [i] or [ii] of clause [C] are fulfilled outside the scope of business and financial services.
2. The provisions of this Decree-Law shall not apply to any of the following:
  - a. Government procurement.
  - b. The data, platforms and smart applications used for purposes other than Modern Technology-Based Trade.
  - c. Digital currencies designated for payment and trading purposes supervised by CBUAE.
  - d. All transactions conducted by licensed financial institutions and insurance companies subject to the CBUAE's licensing and supervision regarding standards and requirements, consumer rights protection, dispute settlement, oversight and

inspection of such facilities and the imposition of administrative penalties thereon.

### **Article (3)**

#### **Objectives of the Decree-Law**

This Decree-Law shall aim to achieve the following objectives:

1. Achieve the State's strategic directions regarding digital transformation, develop Modern Technology-Based Trade and attract investments and skills.
2. Develop the legislative and regulatory environment regarding Modern Technology-Based Trade.
3. Stimulate Modern Technology-Based Trade for goods and services without differentiating between them and the goods provided through physical trade.
4. Organize the relationships between the digital trader and the consumer, in order to achieve the following:
  - a. Protect consumer's interests;
  - b. Data protection;
  - c. Protect intellectual property rights regarding goods or services purchased through Modern Technology;
  - d. Provide adequate technical protections to enable the consumer to purchase goods and services safely through Modern Technology;
  - e. Provide secure digital payment methods and channels, in accordance with the technical and regulatory standards and requirements approved or specified by the competent authority; and
  - f. Achieve any other goals required by the nature of the relationship between the digital trader and the consumer.

## Article (4)

### Competencies of the Ministry

For the purposes of applying the provisions of this Decree-Law, the Ministry shall perform the following functions:

1. Propose and set a general policy regarding Modern Technology-Based Trade, in coordination with the competent authority, in addition to supervising its implementation after obtaining the approval of the Cabinet.
2. Issue terms and conditions to protect consumer interests in order to achieve the objectives of this Decree-Law.
3. Coordinate with the competent authority regarding blocking any smart application, website or platform whenever any actions conflicting the provisions of this Decree-Law or affecting order or public morals.
4. Coordinate with the competent authority regarding achieving tax compliance requirements and requirements of customs authorities and other relevant parties in this regard.
5. The Ministry may delegate any of its powers stipulated in accordance with this Decree-Law to any of the competent authorities.

## Article (5)

### Standards and Requirements Regarding Modern Technology-Based Trade

With regard to Modern Technology-Based Trade and those governed by its provisions, the following requirements and standards shall apply:

1. Having the legal capacity.
2. Fulfilling the legal, regulatory, professional and technical requirements and conditions, whenever they exist, in addition to obtaining the necessary approvals, permits and licenses from the competent authority, regarding Modern Technology-Based Trade, modern technology and the store.
3. Providing a technically safe environment regarding the provision of trade services through Modern Technology and achieve the requirements and standards of electronic security, cybersecurity and anti-hacking specified by the competent authority, in order to ensure safety for browsing and purchasing the goods or services by the consumer.
4. Selling legally permitted goods or services, and never sell any goods or services that require special approvals from the competent authority through Modern Technology before obtaining the necessary approvals.
5. Determining the terms, conditions and details of the multiple stages regarding the sale of goods and services through Modern Technology, including specifying the price of goods and services, fees and prices for logistics services and digital payment services, in addition to making the same publicly available on the website, application or other Modern Technology for the digital trader and making the digital contract or terms and conditions available in such regard if there is no digital contract, provided that the purchase of goods and services shall be deemed acceptance by the consumer of the digital contract or these terms and conditions.
6. Fulfilling the conditions and requirements approved by the competent authorities

regarding promotional and marketing campaigns and exchanging consumer data in this regard.

7. Refraining from dealing in a misleading manner or provide incorrect data that does not give the true description of the good or service.
8. Providing a detailed non-paper invoice through Modern Technology regarding the purchase of goods and services.
9. Fulfilling the terms and conditions regarding competition protection specified by the competent authority.
10. Developing a business continuity plan in the event of any risks or crises for the proper and uninterrupted flow of work.
11. Providing the Ministry or the competent authorities with any information and data they request.
12. Any other standards and requirements determined by the Cabinet.

## **Article (6)**

### **Protection of Consumer Rights Regarding Modern Technology-Based Trade**

The consumer shall enjoy the following rights:

1. Obtain goods and services purchased through Modern Technology, in accordance with the announced specifications, time, value and costs of specified logistics services, based on the digital contract or the announced terms and conditions.
2. Get access to the goods or services and state their condition in a clear and clear description.
3. Get access to safe ways and methods regarding purchasing goods and services through Modern Technology and regarding payment methods with regard to the value of those goods and services.



4. The option to receive or refuse to receive promotional or marketing campaigns, whether through communications, emails or social media platforms.
5. Make a special field available to everyone with transparency that enables the evaluation of the experience of dealing with the digital trader. Valuation of goods, services, payment gateways and logistics.
6. Submit complaints concerning the goods purchased through modern technology or with respect to any of its parties, whether they are digital traders or any other person.
7. Designate numbers and means of communication regarding complaints, which shall be always available without interruption with qualified staff, as well as a mechanism to follow up on the complaints and communicate with a clear address, in addition to updating the same periodically in a way that is easily accessible, whether through the website or through any other means or method
8. Provide numbers and means of communication with the digital trader.
9. Make the data available to the public regarding the digital trader license from the competent authority, its address, contact numbers, details of its physical address and its website.
10. Any of the other rights stipulated in the legislation in force in the State.

## **Article (7)**

### **Return of Goods and Services**

1. Taking into account the previous Article of this Decree-Law. The consumer has the right to return or request the replacement of goods and services purchased through modern technology, in any of the following cases:
  - a. When the goods and services' purchaser conflicts with any of the legislation in force in the State.

- b. Receive the goods and services that are defective, incomplete, damaged or received in contrary to the stated description of the digital trader of the goods or services or regarding their condition or for any other reason that led to this before the consumer's receipt of the goods and services.
  - c. Delayed receipt of goods and services, as a result of which it would not be possible to benefit from such goods or services.
  - d. When the receipt of goods and services goes against the conditions and provisions specified in the digital contract or the terms and conditions announced by the digital trader.
  - e. Any of the other cases for which a decision is issued by the Minister.
2. The right of the consumer to return the goods or recover the price referred to in the previous clause of this Article shall be forfeited in any of the following cases:
- a. Use, unless the goods are used for the purpose of checking that there is no defect.
  - b. Exceed the period specified or approved in the relevant legislation.
  - c. When they are foodstuffs or consumables whose shelf life expires in a short period not exceeding [3] three weeks or from receiving the goods or services for which a decision is issued by the Minister.
  - d. Books, movies or programs that may only be used viewed or listened to once.

## **Article (8)**

### **Consumer's Obligations**

The consumer shall comply with the following requirements:

- 1. Purchase goods and services through legitimate modern technology.
- 2. Not to be arbitrary in using his right not to accept or return the services or goods purchased from the digital trader in accordance with the provisions of this Decree-Law.

3. Carry out the necessary care in reviewing the specifications of goods and services and the conditions and provisions of the announced digital contract.
4. Pay the value of goods and services.

## **Article (9)**

### **Dispute Settlement**

The courts of the State or the Emirate shall be competent to resolve disputes arising from the application of the provisions of this Decree-Law in accordance with the laws in force in this regard, taking into account the following measures:

1. Dispute Resolution Committee:

- a. The Ministry or the competent authority at the Emirate may, as the case may be, form a committee to settle disputes arising from the application of the provisions of this Decree-Law, while defining the dispute resolution mechanism. The decision to form the committee shall specify its competences and work system with regard to the decision-making.
- b. The Ministry may, when necessary and in order to achieve the objectives of this Decree-Law and protect the interest of the consumer, form a committee to settle disputes between the entities subject to the provisions of this Decree-Law, in addition to determining specific competences therefor. In this regard, it may coordinate with the competent authority.

2. Arbitration:

- a. Subject to Clause [1] of this Article, the provisions of this Decree-Law shall not prejudice any agreement regarding the referral of any dispute arising between its provisions to arbitration to settle any dispute arising out thereof.
- b. Subject to the foregoing clause of this Article, without prejudice to the right of

those subject to the provisions of this Decree-Law to resort to arbitration under an arbitration agreement; a digital contract of less than [50,000] fifty thousand dirhams may not include an arbitration clause.

3. Once a party has resorted to arbitration after the Committee's decision is issued, the decision of the Committee in this regard shall not produce any effect and shall have no legal consequences.

## **Article (10)**

### **Data and Information**

1. The applicable legislation governing data protection in the State shall apply to consumer information and data and its description and ownership.
2. The following criteria and requirements shall be followed for data and information, whether issued or approved by the competent authority: -
  - a. Professional, regulatory, and technical criteria and requirements, including data quality, classification, flow and preservation, in addition, they may not be shared with any other person unless the same is legally justified or based on the prior approval of the consumer and in the manner that does not prejudice the legislation in force in the State.
  - b. Professional, regulatory and technical criteria and requirements to achieve data reliability and availability, security and protection of data and information, as well as other relevant requirements and criteria.
  - c. The criteria and requirements for digital trader obligation and all those subject to the provisions of this Decree-Law to ensure the data and information protection.
  - d. The criteria and requirements regarding the protection and security of consumer information and data, in addition, the same may not be traded or made available

without his consent.

- e. The criteria and requirements on the Modern Technology-Based Trade specified in Article [5] of this Decree-Law.

## **Article (11)**

### **Insurance Coverage**

1. For the digital trader or entities that handle logistics and digital payment may provide insurance coverage for obligations arising with regard to Modern Technology-Based Trade, including logistics, digital payment methods, electronic fraud, hacking and other risks.
2. In order to ensure the provision of insurance coverage, the Ministry may submit a recommendation after coordinating with the competent authority on the conditions and provisions governing the details of such coverage, for approval by the Cabinet.
3. The Cabinet may require the provision of insurance coverage for any of the services or activities related to Modern Technology-Based Trade, any of its parties or the modern technology through which the services are provided.

## **Article (12)**

### **Legal Liability**

Whoever is subject to the provisions of this Decree-Law shall be liable for its obligations.

## **Article (13)**

### **Probative Value**

1. All activities and work related to Modern Technology-Based Trade shall have the same probative value vested in the traditional trade.
2. The validity of the contract shall be subject to the terms and conditions specified in the

legislation in force in the State, as follows:

- a. Fulfillment of the capacity of contracting parties upon satisfying the requirements and conditions of the new digital identity through modern technology that enable the verification of the identity of contracting parties.
- b. Fulfillment of the offer and acceptance and the contractual relationship executed upon satisfying the requirements of the digital identity and digital signature.

## **Article (14)**

### **Logistics Services**

1. In order to fulfill its obligations regarding Modern Technology-Based Trade, the digital traders can provide logistics services such as storage, shipping, transportation and delivery services to the consumer directly or through any other licensed person in the State.
2. Regarding the provision of logistics for the implementation of any phase of the Modern Technology-Based Trade, it is required to meet the conditions, requirements and provisions specified by the competent authority.
3. No additional fees for logistics services may be imposed on the consumer contrary to those specified and announced by the digital trader in the digital contract or the terms and conditions.

## **Article (15)**

### **Digital Payment Portals**

Digital payment channels and methods shall be subject to the following requirements, standards and requirements:

1. Fulfillment of the obligations and requirements specified in Article [5].
2. Availability of the services to the consumer in a simple and easy-to-access manner that is

consistent with the nature and flow of Modern Technology-Based Trade.

3. Not to charge the consumer any additional fees for digital payment other than those specified and announced by the digital trader in the digital contract or the terms and conditions.
4. Any other requirements for which a decision is issued by the Cabinet upon the recommendation of the Ministry in coordination with the competent authority.

## **Article (16)**

### **Supervision and Control**

The Ministry and the competent authority shall, within their respective areas of competence, supervise and control the application of the provisions of this Decree-Law, and shall take legal action regarding acts committed in violation of its provisions.

## **Article (17)**

### **Capacity of Judicial Enforcement Officers**

1. The employees of the Ministry or of the competent authority, who are named under a decision of the Minister of Justice or the head of the local judicial authority in coordination with the Minister or the head of the competent authority, as the case may be, shall have the capacity of Judicial enforcement officers, in order to detect the violations of the provisions of this Decree-Law, within their respective areas of competence. In this respect, they shall have the right to:
  - a. Get access to and review the documents and papers to prove the actions committed in breach of the provisions of this Decree-Law and the decisions issued in implementation hereof.
  - b. Inspect and detect the violations and refer the same to the competent authorities for

investigation and trial.

c. Seek the assistance of the competent security agencies whenever necessary.

2. The digital trader and the consumer shall each cooperate with the judicial enforcement officers, and shall provide them with any data, information and documents necessary for performing their work and facilitating their tasks whenever required.

## **Article (18)**

### **Coordination on the Supervision, Control and Roles of the Judicial Enforcement Officers**

Subject to the objectives of this Decree-Law and the competencies of supervision and control and the roles of the Judicial enforcement officers, the Ministry shall coordinate with the competent authorities to establish a technical system on supervision, control and roles of the judicial enforcement officers in order to achieve the objectives of this Decree-Law and to enable all competent authorities to exercise their aforementioned competencies and coordinate among themselves in accordance with the conditions, provisions and controls governing the same based on a resolution of the Cabinet.

## **Article (19)**

### **Administrative Penalties**

1. The Ministry shall, in coordination with the competent authority, draw up regulations on the violations and administrative penalties for the acts committed in breach of the provisions of this Decree-Law, and the same shall be issued under a resolution of the Cabinet.

2. The Ministry and the competent authority shall, according to their respective areas of competence, impose the appropriate penalty.

3. The imposition of the violations and administrative penalties referred to in Clause [1] of



this Article shall not prejudice the penalties or sanctions prescribed in any other laws.

## **Article (20)**

### **Regulatory and Executive Resolutions**

1. The Cabinet shall, based upon the proposal of the Minister and in coordination with the competent authorities, issue the regulatory resolutions necessary to apply the provisions of this Decree-Law.
2. Without prejudice to the competencies of the Cabinet set forth in this Decree-Law, the Minister shall issue the necessary resolutions for applying the provisions of this Decree-Law.

## **Article (21)**

### **Publication and Entry into Force**

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

**Mohamed Bin Zayed Al Nahyan**

**President of the UAE**

**Issued at the Presidential Palace - Abu Dhabi**

Date: Safar 18, 1445 AH

Corresponding to: September 04, 2023 AD