

# **Cabinet Resolution No. (89) of 2023 Concerning the List of Administrative Penalties for Acts Committed in Violation of the Provisions of Federal Law No. (3) of 2022 Regulating Commercial Agencies**

**The Cabinet,**

- Having reviewed the Constitution; and
- Based on the proposals and recommendations of the Minister of Finance; and the approval of the Cabinet;

**Has resolved as follows:**

## **Article (1)**

### **Definitions**

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

- The Law** : Federal Law No. (3) of 2022 Concerning Regulating the Commercial Agencies;
- Ministry** : Ministry of Economy.
- Minister** : Minister of Economy.

## **Article (2)**

### **Scope of Application**

The provisions of this Resolution shall apply to commercial agencies registered with the Ministry.

## **Article (3)**

### **Administrative Penalties**

1. Without prejudice to any harsher penalty or measure prescribed by the law, the Ministry

may impose administrative penalties for acts committed in violation of the provisions of the law as listed in the table attached to this resolution.

2. Exceptionally, and in cases of severe violations, the Ministry may impose the harshest administrative penalty without following the prescribed progression mentioned in the table attached hereto.
3. The amount of administrative fines specified in the table attached hereto shall be collected according to the mechanism determined by the Ministry of Finance after coordination with the Minister.
4. For the purpose of collecting the administrative fine specified in the table attached hereto, a part of a day shall be considered a full day, and a part of a month shall be considered a full month.

## **Article (4)**

### **Appealing the Administrative Penalties**

1. The Ministry shall notify the concerned parties of the administrative penalty within (15) fifteen days from the date of its issuance.
2. Every party with an interest shall have the right to appeal the administrative penalty to the Minister, within (30) thirty days from the date of being notified of the contested decision. The appeal shall be substantiated and accompanied by all supporting documents. The appeal shall be decided upon within (30) thirty days from the date of submission thereof, in accordance with the procedures followed by the Ministry. The expiration of this period without the issuance of a rejection decision shall be considered as a rejection of the appeal.
3. The resolution issued on the grievance shall be final.
4. An appeal against the decision to impose the administrative penalty shall not be accepted after the expiration of the period specified in clause (2) of this article.

## **Article (5)**

### **Fines Amendment**

The Cabinet shall be the competent authority to make any amendment to the amounts of fines stipulated in the attached table hereto, whether through addition, deletion or amendment.

## **Article (6)**

### **Cancellations**

Clause (1) of Article (3) of Cabinet Resolution No. (20) of 2020 regarding the fees for services provided by the Ministry of Economy shall hereby be annulled, as well as any provision that contradicts or conflicts with the provisions of this resolution.

## **Article (7)**

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

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

**Signed**

**Mohammed bin Rashid Al Maktoum**

**Prime Minister**

Issued by Us:

On: 8 Safar 1445 A.H.

Corresponding to: 25 August 2023 AD

## Annex 1

### Schedule Annexed to Cabinet Resolution No. (89) of 2023 Concerning the List of Administrative Penalties for Acts Committed in Violation of the Provisions of Federal Law No. (3) of 2022 Regulating Commercial Agencies

			Administrative Penalties			
S	Violation Description	Legal Reference	The First Time	The Second Time	The Third Time	The Fourth Time
1	The commercial agency is owned by non- citizens of the country	Clause (1) of Article (2)	Deregistration of the commercial agency, in case the Ministry found that the commercial agency is not entirely owned by citizens of the	—	—	—

			country			
2	The ownership percentage in the public joint-stock company is less than (51%) to citizens of the country	Clause (3) of Article (2)	Deregistration of Commercial Agency	—	—	—
3	The global company practising commercial agency activities for its own products without obtaining approval from the Cabinet, in accordance with the law	Clause (2) of Article (2)	Deregistration of Commercial Agency	—	—	—

4	Non- registration of the commercial agency in the commercial agencies registry with the Ministry	Article (3)	A written warning shall be issued to the violator, granting a period not exceeding (15) fifteen days, calculated from the date of sending the warning, to rectify the violation.	A fine of (40,000) forty thousand Dirhams	–	–
5	Non-renewal of the commercial agency registration with the Ministry	Article (3)	A written warning shall be issued to the violator, granting a period	A fine of (20,000) twenty thousand Dirhams.	Temporary deregistration of the commercial agency with the	Final deregistration of the commercial agency with the Ministry in case of

			of (15) fifteen days, calculated from the date of sending the warning.		Ministry in case of non-renewal of registration for the second consecutive year.	non-renewal of registration for the third consecutive year.
6	Selling or providing goods or services that have a registered agent with the Ministry by another person other than the agent.	Article (3)	A written warning shall be issued to the violator, granting a period not exceeding (15) fifteen days, calculated from the date of sending the warning.	A fine of (100,000) one hundred thousand Dirhams.	A fine of (200,000) two hundred thousand Dirhams and confiscation of the goods by the customs departments, relevant authorities, and competent	A fine of (400,000) four hundred thousand Dirhams, and seizure of goods by the customs departments, relevant authorities, and competent authorities, each in their respective jurisdiction. Additionally,

					authorities, each in their respective jurisdiction.	temporary administrative closure for a period not exceeding (6) six months, which may be renewed only once.
7	Providing false or misleading information regarding the commercial agency.	Article (4)	A written warning shall be issued to the violator, granting a period not exceeding (15) fifteen days, calculated from the date of sending the warning, to	A fine of (100,000) one hundred thousand Dirhams.	A fine of (200,000) two hundred thousand Dirhams.	A fine of (400,000) four hundred thousand Dirhams, and temporary administrative closure for a period not exceeding (6) six months, which may be renewed only once.



			rectify the violation.			
8	The agent continues to practise the activities of the commercial agency during the period of dispute, whenever the Ministry designates an exclusive source for the entry of goods or services.	Clause (3) of Article (9)	A written warning shall be issued to the violator, granting a period not exceeding (15) fifteen days, calculated from the date of sending the warning, to rectify the violation.	A fine of (100,000) one hundred thousand Dirhams.	A fine of (200,000) two hundred thousand Dirhams.	A fine of (400,000) four hundred thousand Dirhams, and temporary administrative closure for a period not exceeding (6) six months, which may be renewed only once.
9	Failure of the agent, their heirs, or	Article (15)	A written warning shall be issued to	A fine of (10,000) ten	A fine of (20,000) twenty thousand	A fine of (40,000) forty thousand

	representative s thereof to submit a request to the Ministry for amending or making changes to the commercial agency within (60) sixty days from the date of becoming aware of such change or modification		the violator, granting a period not exceeding (15) fifteen days, calculated from the date of sending the warning, to rectify the violation.	thousand Dirhams.	Dirhams.	Dirhams, and temporary administrative closure for a period not exceeding (6) six months, which may be renewed only once.
10	Failure of the agent or legal representative thereof to submit a request to the	Article (16)	A written warning shall be issued to the violator, granting a period not exceeding	A fine of (10,000) ten thousand Dirhams shall be imposed on	A fine of (20,000) twenty thousand Dirhams.	A fine of (40,000) forty thousand Dirhams, and temporary administrative

	Ministry for the deregistration from the commercial agencies registry if any condition stipulated by the law has been violated, or if the commercial agency has expired and not been renewed, within a maximum period of (60) sixty days from the date the reason for deregistration occurs.		(15) fifteen days, calculated from the date of sending the warning, to rectify the violation.	the agent or legal representative thereof.		closure for a period not exceeding (6) six months, which may be renewed only once.
11	Failure of the agent	Article	A written warning	A fine of	A fine of	A fine of (400,000)

	to fulfil the legal obligations thereof regarding the provision of spare parts, tools, materials, accessories, and necessary components for the maintenance of durable goods, as well as providing maintenance services.	(19)	shall be issued to the violator, granting a period not exceeding (15) fifteen days, calculated from the date of sending the warning, to rectify the violation.	(100,000) one hundred thousand Dirhams.	(200,000) two hundred thousand Dirhams.	four hundred thousand Dirhams
12	Trespassing on the territory of the commercial agency	Article (7) and (20)	A written warning shall be issued to the violator,	A fine of (100,000) one hundred	A fine of (200,000) two hundred	A fine of (400,000) four hundred thousand Dirhams

	activity designated for the agent, as specified in the commercial agencies registry.		granting a period not exceeding (15) fifteen days, calculated from the date of sending the warning, to rectify the violation.	thousand Dirhams.	thousand Dirhams.	
13	Requesting the termination of the commercial agency contrary to the cases, conditions, and specified durations stipulated in the law.	Clause (1) of Article (30)	A written warning shall be issued to the violator, granting a period not exceeding (15) fifteen days, calculated from the date of	A fine of (5,000) five thousand Dirhams.	A fine of (10,000) ten thousand Dirhams.	A fine of (20,000) twenty thousand Dirhams, and temporary administrative closure for a period not exceeding (6) six months, which may

			sending the warning, to rectify the violation.			be renewed only once.
14	Violating the provisions of the law and the implementing resolutions thereof, except in the cases mentioned in the preceding clauses herein.	—	A written warning shall be issued to the violator, granting a period not exceeding (15) fifteen days, calculated from the date of sending the warning, to rectify the violation.	A fine of (30,000) thirty thousand Dirhams.	A fine of (60,000) sixty thousand Dirhams.	A fine of (120,000) one hundred and twenty thousand Dirhams, and temporary administrative closure for a period not exceeding (6) six months, which may be renewed only once.