

The New Federal Law No. 15 of 2020 Regarding Consumer Protection.

Federal Law No. 15 of 2020 Regarding Consumer Protection

Federal Law No. 15 of 2020 regarding Consumer Protection (“New Law”) issued on 10/11/2020, which completely repealed the previous Federal Law No. 24 of 2006, has come into force officially since 16/11/2020. The New Law prohibits including any condition when contracting with the Consumer that would harm the latter and voids condition provided for in the contract or invoice or otherwise that would exempt the Supplier from any of the obligations stipulated in the New Law regarding consumer protection. According to the New Law, its provisions are extended to cover consuming in both of free zones and electronic commerce provided by registered suppliers. The New Law has set a comprehensive definition of the consumer, in addition to increase the consumer basic rights. The New Law has newly stipulated the obligations of the provider, advertiser, and commercial agent. According to the New Law, Arabic is the official language of invoices, data, advertisements and contracts concerning the consumer. The New Law has expanded the penalties concerning violating of its provisions. Moreover, the decision of Minister of Economy concerning the grievance from the actions taken related to the provisions of the New Law shall be final. The Council of Ministers shall issue the Implementing Regulation of this Law within six months from the date of its publication. The provisions of Federal Law No. 15 of 2020 regarding Consumer Protection are below.

Article 2 : Objectives of the Law

This Law aims to protect all Consumer rights, and in particular the following:

- 1- The quality of the Good and the Service and obtaining them at the declared Price.
- 2- Preserving the health and safety of the Consumer when obtaining the Good or receiving the Service, without harming him when using the Good or receiving the Service.
- 3- Encouraging healthy consumption patterns.

Article 3 - Applicability of the Law:

The provisions of this Law shall apply to all Goods and Services within the State, including free zones, and operations related thereto and carried out by the Supplier, the Advertiser, or the commercial agent, as well as those carried out by means of electronic commerce if the Supplier is registered inside the State, without prejudice to international treaties and agreements to which the State is a party.

Article 4 - Consumer Rights

All obligations established under this Law are considered rights of the Consumer, including:

- 1- Providing an appropriate and safe environment when purchasing a Good or receiving a Service.
- 2- Obtaining correct information about the Goods that he purchases, uses, or consumes, or the Service he receives.
- 3- Educating him and raising his awareness in respect of his rights and obligations.

- 4- Exercising his rights to choose the most appropriate product and Service available in the market according to his wishes.
 - 5- Protecting the privacy and security of his data and not using it for promotional and marketing purposes.
 - 6- Respecting his religious values, customs and traditions when providing him with any Good or receiving any Service.
 - 7- Just and prompt settlement of his disputes.
 - 8- Obtaining fair compensation for damages incurred by him or his money as a result of purchasing or using the Good or receiving the Service.
 - 9- All other rights stipulated by the legislation in force in the State.
- Any other rights may be added by a decision of the Council of Ministers.

Article 5: The Supreme Committee for Consumer Protection:

- 1) A higher committee to be called “the Supreme Committee for Consumer Protection” is formed by a Cabinet decision based on the Minister's proposal. Said Committee shall be affiliated with the Ministry and chaired by the Minister with the membership of representatives from the competent authorities and Consumer protection societies, in addition to two experienced and competent persons chosen by the Minister. The decision shall determine the Committee's work system.
- 2) The Committee shall assume the following competencies:
 - a- Setting general policies for Consumer protection.
 - b- Studying the Consumer protection reports referred to it by the Department and the Competent Authority and taking the necessary decisions in their regard.
 - c- Studying the obstacles facing the application of the law and proposing a mechanism to address them.
 - d- Studying the suggestions and recommendations that are submitted thereto and relating to protecting the right of Consumers and expressing opinion thereon.
 - e- Developing plans and programs to educate Consumers and raise their awareness in respect of their economic rights and obligations.
 - f- Studying the proposals of the Minister thereto and issuing recommendations in their regard.
 - g- Any other functions assigned thereto by the Council of Ministers.

Article 6 - Coordination with the Relevant Authorities

1. The Department shall coordinate with the Relevant Authorities to ensure the protection of Consumer rights.
2. The Department shall submit periodic reports to the Committee regarding coordination between it and the Relevant Authorities.
3. The Implementing Regulation of this Law shall determine the controls for implementing the provisions of this article.

Article 7 - Explanatory Information

1. The Supplier shall, upon offering the Good for sale, place the Explanatory Information on its cover or package, or in a place where it is displayed in a clear and legible manner, and he shall indicate the manner according to which it shall be installed and used, in accordance with the Standard Specifications legislation in force in the State.
2. If the use of the Good is hazardous, the Supplier shall clearly state the same according to what is specified by the Implementing Regulation of this Law.

Article 8 - Price of Good and Service

1. When offering the Good for sale, the Supplier shall clearly place the Price thereon.
2. When declaring the Prices of Goods and Services rendered by the Supplier, advertisement thereof shall not be misleading.
3. The Supplier shall provide the Consumer with a dated Invoice that includes his trade name, address, type of Good, its Price and quantity, or the type of Service, its Price and details, and any other data specified by the Implementing Regulation of this Law.
4. The Invoice shall be in Arabic, and the Supplier may add any other language he specifies.

Article 9 - Facing emergency circumstances

In the event of a crisis, emergency circumstances, or unusual conditions in the internal or external markets, the Minister may take all necessary measures to protect and preserve the interest of Consumers from any harm, and he may issue a decision specifying the selling Prices of any Good or Goods[1 p.9], and all Suppliers in the State shall be bound by this decision.

Article 10 - Obligation of the Supplier to implement the Warranty

1. The Supplier shall implement all Warranties, provide the required spare parts and maintenance, replace the Good, or refund its monetary value, and commit to After-Sales Service as regards the sold Goods, within the specified time limit.
2. The Supplier shall guarantee the Service he provides and that it is free from Defects and Malfunctions within a period of time commensurate with the nature of that Service, otherwise he shall return the amount paid by the Consumer or a part thereof, or he shall re-perform the Service properly.
3. The Implementing Regulation of this Law shall determine the controls for implementing the provisions of this article.

Article 11 - Obligations of the Supplier of the Good and Service upon discovering the Defect

In the event that the Supplier discovers a Defect or danger in the Good or Service that would harm the Consumer when using it or benefiting therefrom, the Supplier shall immediately inform the Ministry or the Competent Authority of potential damages and of the manner to prevent the same. Also, he shall immediately recall the same and announce that such products are hazardous, as determined by the Implementing Regulation of this Law.

Article 12 - Malfunction of the Good or Service

In the event that a Malfunction is found in the Good or Service, the Supplier shall repair or replace the same, return the Good and refund its Price, or re-perform the Service without charge, in accordance with what is specified by the Implementing Regulation of this Law.

Article 13 - Obligations to be fulfilled when the Malfunction recurs

If the same Malfunction in the Good is repeated three (3) times during the first year from the date on which the Consumer receives it in a way that substantially affects the quality of the functional performance of the Good, the Supplier shall replace it at no cost with a new one of the same type and specifications, or recover it and refund its value to the

Consumer, and that according to what is specified by the Implementing Regulation of this Law.

Article 14 - Provisions of After-Sales Service Warranty and Prices

The Minister may issue decisions on the basis of which the terms and conditions of the Warranty and the Prices of After-Sales Service are determined, as per the type and nature of each Good or Service.

Article 15 - Obligations of the Good Supplier

The Supplier shall stipulate in the contracts concluded by him that he commits to repair, undertake maintenance or After-Sales Service or to return, replace or refund the Good within a specific time-limit from the appearance of the Defect or Malfunction, in accordance with what is specified by the Implementing Regulation of this Law.

Article 16 - Commercial agencies

Subject to the provisions of Federal Law No. 18/1981 aforementioned, the commercial agent or distributor shall comply with the following:

1. Implementing all Warranties provided by the producer or the principal as regards the Good or Service subject of the agency.
2. Providing a similar Good for the Consumer to use without charge if the implementation of the Warranties stipulated in clause (1) of this article exceeds a period of (7) seven days, until those Warranties are implemented.
3. The agent shall be bound by all the obligations of the Supplier stipulated in this Law in the event the Service or Good is provided through him.

Article 17 - Incorrect description of the Good or Service

The Advertiser, the Supplier and the commercial agent are prohibited from describing the Good or Service in a manner that contains incorrect data and from making any Misleading Advertisement in connection therewith.

Article 18 - License for Promotion

The Supplier is prohibited from promoting Goods or Services, or from making general Price Discounts or advertising the same in any way whatsoever, except after obtaining a prior licence from the Competent Authority.

Article 19 - Monopoly

Subject to the provisions of the legislation in force in the State, the Supplier is prohibited from concealing the Good, refraining from selling it, or from not providing the Service to the Consumer, with the intention of controlling or monopolizing the Price or forcing the Consumer to purchase certain quantities of the Good or adding certain conditions to benefit from the Service or to buy another Good or Service along therewith, or charging a Price higher than the Price that was advertised, in accordance with what is specified by the Implementing Regulation of this Law.

Article 20 - Conformity of the Good with the approved Standard Specifications and public health and safety rules

The Supplier is obligated to ensure that the Good or Service conforms to the Standard Specifications, conditions and controls related to health and safety and the legislation in force in the relevant country.

Article 21 - Prohibition of inclusion of a condition harmful to the Consumer

The Supplier is prohibited from including any condition when contracting with the Consumer that would harm the latter. Any condition provided for in the contract or Invoice or otherwise that would exempt the Supplier from any of the obligations stipulated in this Law shall be deemed null and void. The Implementing Regulation of this Law shall determine the controls of the conditions that would prejudice the Consumer.

Article 22 - The Ministry's role in protecting Consumer rights

The Ministry shall supervise the implementation of the general policy for Consumer protection in cooperation with the Competent Authorities, and in particular the following:

1. Educating the Consumer and raising his awareness as to whatever contributes to protecting him from the risks of some Goods and Services, including e-commerce Services.
2. Publishing decisions and recommendations that contribute to increasing Consumer awareness.
3. Monitoring Price movement and working to limit its increase.
4. Working to achieve the principle of competition and combatting misleading advertisements and monopoly.
5. Receiving Consumer complaints and the Consumer Protection Association and taking the necessary measures in their regard or referring them to the competent authorities.
6. The Implementing Regulation of this Law shall lay down a system for receiving complaints, the necessary procedures in their regard, and aspects of coordination between the Ministry and the Competent Authority.

A table of administrative penalties and fines that the Ministry may impose on the Supplier shall be attached to the Implementing Regulation of this Law.

Article 23 - Seeking assistance of experts and labs

Subject to Federal Law No. 28/2001 and its amendments here above-mentioned, the Ministry or the Competent Authority may, whenever the public interest requires so or in the event of a dispute between the Supplier and the Consumer, request the inspection of the Good or Service at laboratories, provided that the Supplier bears the expense of the examination if the Goods are found to be invalid. The Implementing Regulation of this Law shall determine the controls for implementing the provisions of this article.

Article 24 - The Consumer's right to claim compensation

1. The Consumer shall have the right to claim compensation for personal or material damages sustained by him as a result of using the Good or Service, in accordance with the legislation in force in the State, and any agreement to the contrary shall be null and void.
2. Damages resulting from the product's misuse or use contrary to the method of use are excluded from the provisions of clause (1) of this article.

Article 25 - E-commerce

1. Suppliers registered in the State and who work in the field of electronic commerce shall provide Consumers and the Competent Authorities in the State with their names, legal status, addresses and licensing bodies, as well as adequate information in Arabic about the product or Service provided, its specifications, and the terms of contract, payment, and

Warranty, in accordance with what is specified by the Implementing Regulation of this Law.

2. The Ministry or the Competent Authority is not considered responsible for electronic commerce operations that take place through Suppliers unlicensed inside the State.

Article 26 - Use of the Arabic language in statements, advertisements, and contracts

The data, advertisements, and contracts related to the Consumer shall be made in Arabic, and other languages may be used in addition to Arabic

Article 27 - Prohibition, administrative seizure, or withdrawal of Goods

Subject to the legislation in force, the Minister or whomever he delegates and the Competent Authority, in case of necessity or urgency upon receipt of information or reports from competent authorities on a Good that is harmful or hazardous to the Consumer, may issue a decision prohibiting its import or ordering its administrative seizure or withdrawal from the market in the event of its entry.

Article 28

The application of the penalties stipulated in this Law shall not prejudice any more severe penalty stipulated in any other law.

Article 29

A penalty of imprisonment for a period not exceeding two years and a fine not less than (10,000) ten thousand dirhams and not exceeding (2,000,000) two million dirhams, or either of these two penalties, shall be imposed on anyone who violates any of the provisions of Articles (7,10,11,12,15,16, 17,21) and the provisions of clauses (1, 2 and 3) of Article (8) of this Law.

Article 30

A penalty of imprisonment for a period not exceeding six months and a fine not less than (3,000) three thousand dirhams and not exceeding (200,000) two hundred thousand dirhams, or either of these two penalties, shall be inflicted on whoever violates any of the provisions of Articles (18,19,20,26) and the provision of clause (4) of Article (8), of this Law. The penalty shall be doubled in the event of recidivism.

Article 31

The competent court, upon conviction for any of the crimes stipulated in this Law, may rule the following:

1. Confiscation or destruction the Good, materials and tools used, at the expense of the convicted person.
2. Closure of the shop or place where the crime occurred for a period not exceeding three months.

3. Publication of the conviction ruling at the expense of the convicted person in two daily local newspapers, one of them in the Arabic language.

Article 32

A penalty of imprisonment for a period not exceeding two months and a fine equivalent to twice the market value of the Goods and tools, or either of these two penalties, shall be inflicted on whoever dispose illegally and in any way whatsoever of the Goods and tools upon which the Competent Authority has expressed any reservation.

Article 33 - Adjustment of situation

The Supplier, the commercial agent, and the Advertiser shall adjust their situation in accordance with the provisions of this Law within one year from the date of its entry into force, and this period may be extended to other similar periods by a Cabinet decision upon the Minister's proposal.

Article 34 - Judicial seizure

The employees designated by a decision issued by the Minister of Justice in agreement with the Minister or head of the Competent Authority, shall have the capacity of judicial officers in proving any violation of the provisions of this Law and its Implementing Regulation and the decisions issued in implementation thereof, and that within the scope of their competence.

Article 35 - Grievance

Any interested party may file a grievance in writing with the Minister as regards decisions and measures taken against him under the provisions of this Law, and that within (15) fifteen working days from the date of being notified of the grieved against decision or measure, provided that all supporting documents are attached thereto. Said grievance shall be decided within (30) thirty days from the date of its submission, and the decision issued therein shall be final. Failure to respond to the grievance within the aforementioned period shall be considered a rejection thereof.

Article 36 - Implementing Regulation

Based on the Minister's proposal, the Council of Ministers shall issue the Implementing Regulation of this Law within six months from the date of its publication.

Article 37 - Abrogation

1. Federal Law No. 24/2006 mentioned here above shall be abrogated, as well as any provision that contradicts or conflicts with the provisions of this Law.
2. The regulations and decisions issued in implementation of Federal Law No. 24/2006 shall remain applicable, as long as they do not conflict with the provisions of this Law, until the issuance of the regulations and decisions that replace them.

Article 38 - Publication and entry into force of the Law

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