

Cabinet Decision No. 120/2022 On the Rules and Controls for Pricing Consumer Goods in the State

<i>Type</i>	Law
<i>Issued on</i>	30 Dec 2022 (corresponding to 6 Jumada Al-Thani 1444 H)
<i>Nature</i>	Cabinet Decision
<i>Jurisdiction</i>	United Arab Emirates

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The Council of Ministers,

After perusal of the Constitution;

Federal Law No. 1/1972 on the competencies of Ministries and powers of Ministers, and its amendments;

Federal Law No. 4/2012 on the Regulation of Competition;

Federal Law No. 14/2016 on the violations and administrative fines at the Federal Government;

Federal Law No. 15/2020 on Consumer Protection;

Cabinet Decision No. 37/2014 on the Implementing Regulation of 2012 on the regulation of competition;

Based on the proposal of the Minister of Economy, and the approval of the Council of Ministers,

Has decided the following:

Article 1 - Definitions

In the implementation of the provisions of the present Decision, the following terms and expressions shall have the meanings assigned thereto, unless the context requires otherwise:

- State: The State of the United Arab Emirates.
- Minister: The Minister of Economy.
- Ministry: The Ministry of Economy.
- Competent Department: The department that is concerned with the consumer protection and competition affairs.
- Competent Authority: The local authority that supervises and controls the activities of retailers and suppliers in the sectors which are controlled or monitored thereby.
- Consumer: Every physical or juristic personality that gets a commodity or a service, with or without payment, to satisfy their needs or those of others, or whomever deals with such commodity or service or signs a contract in this regard.
- Retailer: Stores or shops including large stores and commercial centres and markets and other centres offering products for sale to end consumers who purchase such products for the purpose of consumption and use and not for the purpose of resale.
- Supplier: Every juristic personality engaged in the production, distribution, trade, sale, supply, export or import of consumer goods or their production, trade or storage, for the purpose of providing them to the consumer or dealing or contracting therewith concerning such products.
- Goods: Any natural substance, or industrial, agricultural, animal, or transformational, or intellectual or technical products, including raw and source materials used in the production process.
- Consumer Goods: The agricultural, animal and food products, as well as other products that consumers need to fulfil their essential needs.
- Basic Consumer Goods: The consumer goods that fulfil the consumer's vital requirements and have significant impact on the consumer.

Article 2 - Objectives

This Decision aims at achieving the following objectives:

- 1- Liberalisation of the Consumer Goods' prices in the State, to enable the trade competitiveness in said Goods between the Retailer and the Supplier.
- 2- Control of the basic goods' prices to protect the Consumer and to enable the latter to purchase the basic goods at affordable prices, by balancing the contractual relations that aim at trading basic goods between the Retailer and the Supplier.

Article 3 - Scope of Application

The present Decision shall apply to all Consumer Goods sold in the State by the Supplier and the Retailer.

Article 4 - Liberalisation of the Prices of Consumer Goods

The prices of Consumer Goods in the State shall be determined according to the market rules and free competition principles as well as the supply and demand factors, without contradiction to the provisions of the legislation in force in the State concerning the Consumer Protection and competition.

Article 5 - Liberalisation of the Prices of Basic Consumer Goods

1- With exception to the provisions of Article 4 of this Decision, the following basic goods shall be controlled by the Ministry and the Competent Authorities:

- a- Cooking oil.
- b- Eggs
- c- Dairy products
- d- Rice
- e- Sugar
- f- Poultry
- g- Legumes
- h- Bread
- i- Wheat

2- The Council of Ministers may, based on the proposal of the Minister, and in coordination with the Competent Authorities, amend the list of Basic Consumption Goods, by addition or elimination of items, according to the circumstances and developments in the markets of the State or in foreign markets.

3- The Basic Consumer Goods' prices shall not be increased without obtaining the prior approval of the Ministry. The Minister shall issue a decision, upon coordination with the Competent Authorities and the relevant federal entities, determining the sub-varieties of the Basic Consumer Goods, and shall set a comprehensive system for the regulation of the relationship between Retailers and Suppliers concerning the mechanisms and controls for pricing Basic Consumer Goods.

Article 6 - Coordination with the Competent Authorities

1- The Ministry shall coordinate with the Competent Authorities for the control of the price movements of the Basic Consumer Goods, in order to verify whether any increase of prices occurred without obtaining the prior approval of the Ministry.

2- While the Ministry and the Competent Authorities control the Supplier and the Retailer, they shall verify the stability or decrease of the prices of the Basic Consumer Goods, as the circumstances and cases may require.

3- The Ministry shall set a mechanism for coordination with the Competent Authorities concerning the implementation of this Decision. The Minister shall determine the mechanisms, controls and procedures for controlling the price movements of the Basic Consumption Goods and for receiving complaints, and shall prescribe the procedures deemed necessary in this regard.

Article 7 - Violations and Administrative Fines

The Council of Ministers shall, based on the proposal of the Minister and upon coordination with the concerned entities, issue a decision determining the violations and the administrative fines to be imposed on the offenders breaching any provisions stipulated in the present Decision or the decisions issued for its implementation.

Article 8 - Implementing Decisions

The Minister shall, in coordination with the Competent Authorities, issue the necessary decisions for the implementation of the provisions of this Decision.

Article 9 - Publication and Enforcement of the Decision

This Decision shall be published in the Official Gazette, and shall come into force (60) days from the date of its publication.

Issued by Us:

On: 06 Jumada Al-Akhar 1444 H.

Corresponding to: 12/December/2022

Mohammed bin Rashid Al Maktoum

The Prime Minister

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