

**Cabinet Decision No. 89/2023**  
**On the Issuance of the Regulation of Administrative Penalties for Acts committed in Violation of the Provisions of Federal Law No. 3/2022 on the Regulation of Commercial Agencies**

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Type	Law
Issued on	25 Aug 2023 (corresponding to 8 Safar 1445 H)
Nature	Cabinet Decision
Jurisdiction	United Arab Emirates

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Document link: [https://www.lexismiddleeast.com/law/UnitedArabEmirates/CabinetDecision\\_89\\_2023](https://www.lexismiddleeast.com/law/UnitedArabEmirates/CabinetDecision_89_2023)



## ***Abrogating***

### ***Clause (1) of Article (3) of Cabinet Decision No. 20/2020***

The Cabinet,

Having perused the Constitution; and

Based on the proposal presented by the Minister of Finance and the approval of the Cabinet,

Has decided as follows:

### **Article 1 - Definitions**

In applying the provisions of this Decision, the following terms shall have the meanings indicated opposite each of them, unless the context of the provision requires otherwise:

- Law: Federal Law No. 3/2022 on the Regulation of Commercial Agencies.
- Ministry: The Ministry of Economy.
- Minister: The Minister of Economy.

### **Article 2 - Scope of Application**

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

### **Article 3 - Administrative Penalties**

1- Without prejudice to any severer penalty or procedure provided for 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 Decision.

2- As an exception to the provisions of gradual penalties specified in the table attached to this Decision, the Ministry may, in case of serious violations, impose the severest administrative penalty without following the gradation referred to in the attached schedule.

3- The value of administrative fines mentioned in the table attached to this Decision shall be collected according to the mechanism determined by the Ministry of Finance, in coordination with the Minister.

4- For the purpose of collecting the value of the administrative fine mentioned in the table attached to this Decision, a part of a day shall be considered as a full day, and a part of a month shall be considered as a full month.

### **Article 4 - Appealing Administrative Penalties**

1- The Ministry shall notify the concerned parties of the administrative penalty within fifteen (15) days from the date of its issuance.

2- Any party with a capacity and interest may appeal the administrative penalty to the Minister within thirty (30) days from the date of being notified of the appealed decision. The appeal shall be reasoned and accompanied by all supporting documents, and the appeal shall be decided within thirty (30) days from the date of its submission, in accordance with the procedures followed by the Ministry. If the specified period lapses without a decision being issued, the appeal shall be deemed rejected.

3- The decision issued regarding the appeal shall be final.

4- No appeal shall be accepted for the decision to impose an administrative penalty after the lapse of the period mentioned in clause (2) of this Article.

### **Article 5 - Amendment of Fines**

The Cabinet is authorized to make any amendments to the amount of fines mentioned in the table attached to this Decision, whether by addition, deletion or modification.

### **Article 6 - Repeals**

Clause (1) of Article (3) of Cabinet Decision No. 20/2020 regarding the Fees for Services provided by the Ministry of Economy, as well as any provision contradicting or conflicting with the provisions of this Decision, shall be repealed.

### **Article 7 - Publication and Implementation**

This Decision shall be published in the Official Gazette and shall come into force from the day following its publication.

Issued by us:

Date: 8 Safar 1445 AH

Corresponding to: 25 August 2023 AD

## Table attached to Cabinet Decision No. 89/2023 on the Issuance of the Regulation of Administrative Penalties for Acts committed in Violation of the Provisions of Federal Decree-Law No. 3/2022 on the Regulation of Commercial Agencies

			Administrative Penalties			
SR.	Violation	Legal Reference	First Time	Second Time	Third Time	Fourth Time
1	The commercial agency being owned by non-citizens of the State.	Article (2), clause (1)	Cancellation of the commercial agency. If the Ministry discovers that the commercial agency is not entirely owned by citizens of the State.	-	-	-
2	The percentage of ownership by citizens of the State in the public joint stock company being less than 51%.	Article (2), clause (3)	Cancellation of the commercial agency.	-	-	-
3	An international company engaging in the business of commercial agencies for its owned products without obtaining the approval of the cabinet in accordance with the Law.	Article (2), clause (2)	Cancellation of the commercial agency.	-	-	-
4	Failure to register the commercial agency in the Ministry's commercial agencies register.	Article (3)	A written warning to the violator and granting them a period not exceeding fifteen (15) days to be calculated from the date of sending the warning to rectify the violation.	A fine of forty thousand (40,000) dirhams.	-	-
5	Failure to renew the registration of the commercial agency with the Ministry.	Article (3)	A written warning to the violator and granting them a period of fifteen (15) days to be calculated from the date of sending the warning.	A fine of twenty thousand (20,000) dirhams.	Temporary cancellation of the commercial agency with the Ministry in case of failure to renew the registration for the second year in succession.	final cancellation of the commercial agency with the Ministry in case of failure to renew the registration for the third year in succession.

6	Sale or provision of goods or services that have an agent registered with the Ministry by a person other than the agent.	Article (3)	A written warning to the violator and granting them a period not exceeding fifteen (15) days to be calculated from the date of sending the warning.	A fine of one hundred thousand (100,000) dirhams.	A fine of two hundred thousand (200,000) dirhams and seizure of goods with the customs departments, concerned entities and competent authorities, each within their scope of competence.	A fine of four hundred thousand (400,000) dirhams and seizure of goods with the customs departments, concerned entities and competent authorities, each within their scope of competence, and temporary administrative closure for a period not exceeding six (6) months, renewable once.
7	Provision of false or misleading data about the commercial agency.	Article (4)	A written warning to the violator and granting them a period not exceeding fifteen (15) days to be calculated from the date of sending the warning to rectify the violation.	A fine of one hundred thousand (100,000) dirhams.	A fine of two hundred thousand (200,000) dirhams.	A fine of four hundred thousand (400,000) dirhams and temporary administrative closure for a period not exceeding six (6) months, renewable once.
8	The agent continuing to practice the commercial agency's business during the period of dispute whenever the Ministry determines an exclusive source for the entry of goods or services.	Article (9), clause (3)	A written warning to the violator and granting them a period not exceeding fifteen (15) days to be calculated from the date of sending the warning to rectify the violation.	A fine of one hundred thousand (100,000) dirhams.	A fine of two hundred thousand (200,000) dirhams.	A fine of four hundred thousand (400,000) dirhams and temporary administrative closure for a period not exceeding six (6) months, renewable once.
9	Failure of the agent or their heirs or their representative to submit an application to the Ministry for any amendment or change to the commercial agency within sixty (60) days from the date of becoming aware of such change or amendment.	Article (15)	A written warning to the violator and granting them a period not exceeding fifteen (15) days to be calculated from the date of sending the warning to rectify the violation.	A fine of ten thousand (10,000) dirhams.	A fine of twenty thousand (20,000) dirhams.	A fine of forty thousand (40,000) dirhams and temporary administrative closure for a period not exceeding six (6) months, renewable once.
10	Failure of the agent or their representative to submit an application to the Ministry for cancellation of the registration from the commercial agencies register, if they no longer meet one of the conditions stipulated in the Law, or if the commercial agency expires and is not terminated within a maximum of sixty (60) days from the date on which the cause for cancelation occurs.	Article (16)	A written warning to the violator and granting them a period not exceeding fifteen (15) days to be calculated from the date of sending the warning to rectify the violation.	A fine of ten thousand (10,000) dirhams regarding the agent or their representative	A fine of twenty thousand (20,000) dirhams.	A fine of forty thousand (40,000) dirhams and temporary administrative closure for a period not exceeding six (6) months, renewable once.

11	Agent's breach of their obligations stipulated by law regarding the necessary spare parts, tools, materials, accessories and attachments sufficient for maintenance of durable goods and provision of maintenance services.	Article (19)	A written warning to the violator and granting them a period not exceeding fifteen (15) days to be calculated from the date of sending the warning to rectify the violation.	A fine of one hundred thousand (100,000) dirhams.	A fine of two hundred thousand (200,000) dirhams.	A fine of four hundred thousand (400,000) dirhams.
12	Infringement of the agent's area of activity of commercial agency specified in the commercial agencies register.	Article (7) and Article (20)	A written warning to the violator and granting them a period not exceeding fifteen (15) days to be calculated from the date of sending the warning to rectify the violation.	A fine of one hundred thousand (100,000) dirhams.	A fine of two hundred thousand (200,000) dirhams.	A fine of four hundred thousand (400,000) dirhams.
13	Requesting termination of the commercial agency in violation of the cases, conditions and periods specified in the Law.	Article (30), clause (1)	A written warning to the violator and granting them a period not exceeding fifteen (15) days to be calculated from the date of sending the warning to rectify the violation.	A fine of five thousand (5,000) dirhams.	A fine of ten thousand (10,000) dirhams.	A fine of twenty thousand (20,000) dirhams and temporary administrative closure for a period not exceeding six (6) months, renewable once.
14	Violation of the provisions of the Law and the decisions implementing it, in other than the cases referred to in the last clauses of this Decision.	-	A written warning to the violator and granting them a period not exceeding fifteen (15) days to be calculated from the date of sending the warning to rectify the violation.	A fine of thirty thousand (30,000) dirhams.	A fine of sixty thousand (60,000) dirhams.	A fine of one hundred and twenty thousand (120,000) dirhams and temporary administrative closure for a period not exceeding six (6) months, renewable once.