

---

**Federal Act No. 14 of the Year 1988**  
**modifying some provisions of the**  
**Federal Act No. 18**  
**for the Year 1981 organizing Trade Agencies.**

---

We, **Zayed Bin Sultan Al-Nahyan**, the President of the United Arab Emirates,

on perusal of the Provisional Constitution, the Federal Act No. (1) of the Year 1972 on capacities of Ministries and powers of Ministers and the modifying acts thereof,

the Federal Act No. 18 for the Year 1981 organizing Trade Agencies and upon a proposal presented by the Minister of Economy and Commerce, approval of the Cabinet and ratification of the Supreme Federal Council,

have issued the following act:

Article (1)

Texts of Article (1), (2), (6), (8), (10), (12), (14), (16), (22), (23), (27), (28), (29)

and (30) of the Federal Act No. 18 of the Year 1981 shall be replaced by the following:

**Article (1)**

In implementation of this Act the following expressions and words shall import the meanings indicated opposite each:

**The State:** The United Arab Emirates

**The Ministry:** the Ministry of Economy & Commerce

**The Competent Authority:** the Competent Local Authority of the Emirate concerned.

**The committee:** The Trade Agencies Committee formed according to Article (2n) of this Act.

- The Trade Agency:** Means a representation of a Principal by an agent for distribution, sale, display or render of a commodity or service in the State against a commission or profit.
- The Principal:** Means a Local or overseas Producer or exclusive Exporter or distributor authorized by the Producer provided that producer must riot handle marketing process by himself
- The Agent:** Means a natural person of United Arab Emirates' nationality or a judicial person fully owned by natural persons of United Arab Emirates' nationality whose right to act on the agency's matters, without exceeding his limits, been established by the agency agreement.

#### **Article (2)**

Practice of Trade Agencies' activities within the State shall be restricted to individual nationals or national Companies fully owned by national natural persons.

#### **Article (6)**

The Trade Agency Agreement shall be deemed to be for the joint interest of the Contracting Parties and the State's Courts shall rule in any disputes may arise between the Principal and the Agent due to its implementation. Other agreement contrary to this shall not be acknowledged.

#### **Article (8)**

The Principal shall not be allowed to terminate or deny renewal of an agency agreement unless there would be a valid reason justifying sash termination or denial. An Agency Agreement may not be re-registered in the Trade Agencies' Register in the name of any other agent even though such agreement was for a fixed period unless terminated by mutual agreement of the Principal and the Agent or there would be solid reasons justifying termination or denial acceptable to the Committee formed under Article (27) of this Act..

#### **Article (10)**

Applications for registration in the Register of Trade Agencies must be submitted to the Ministry on the prescribed forms. Such applications must include names, nationalities and addresses of both Principal and Agent, commodities and services subject of the Trade agency, territory of agent's activities and commencement and expiry dales of the agency agreement.

Should the Trade Agent be a Trading company, application for registration shall include details provided for in the above proceeding paragraph of article hereof in addition to Company's name, kind, capital and addresses of main offices and branches thereof in the States. Application for registration must be accompanied by supporting documents, especially the following:

1) The Trade License of the Agent and a certificate of registration in the Trade Register issued by the Pertinent Local Authorities in the Emirate concerned and copies thereof.

2) A Trade Agency Agreement attested and approved officially along with a copy thereof. Original documents shall be returned to applicant concerned after having been examined and original documents and copies thereof had been compared.

#### **Article (12)**

The Ministry, in case that an application submitted for registration thereto does not fulfill provisions provided for in this Act, may reject such application provided that reasons for so rejection shall be indicated and shall notify applicant concerned of this decision of rejection by registered or hand delivered letter within a month from date of submission of dully completed application. ~ No communication" within the said month shall be deemed as a decision of rejection. Applicant with rejected application may challenge ejection before a Civil court of Competent jurisdiction within sixty days from date rejection nullified or after a month from dale of submission of the application for which no communication received. However, Article (16) of this Act must be observed.

#### **Article (14)**

The Trade Agent, his legal representative or heirs in case of death upon revocation or expiry of the agency agreement must submit an application along with supporting documents to write the trade agency off the register within sixty days maximum from date of such revocation, death or expiry. The Ministry, should a reason for writing the agency agreement off established, shall effect such writing off after notifying those concerned by a registered letter to report within sixty days maximum to hear their objection to reasons induced such writing off of the agency. In case they failed to report they shall be notified once again in the same manner within another sixty days and should they fail to report again the Ministry by itself may write the registration off after consulting the pertinent authorities.

#### **Article (16)**

Applications for registration, amendment or writing off an Agency must be accompanied by supporting documents. The Ministry may accept these applications and require application to be fulfilled by the Applicant.

#### **Article (22)**

A fine of Dirhams Five Thousand may be imposed on any person practicing trade agency activities against provisions of this Act. The Chief Clerk of the Court shall forthwith notify ruling rendered to the Ministry, authority concerned, Federation of UAE Chamber of Commerce and the Chamber of Commerce & Industry where practice conducted.

### **Article (23)**

No person shall be allowed to import for the purpose of trading any goods, products, manufactured items, materials or otherwise, the subject of a trade agency registered in the name of any other person with the Ministry save through the agent. Customs Directorate of the Emirates must not release such items imported through other than the agent only by permission from the Ministry or the agent in connection. Customs Directorates and Authorities of the Emirates concerned, each within its capacity upon the ministry request may seize such imported as so and store them in warehouses of Ports or stores of the Importer pending settlement of dispute aroused.

### **Article (27)**

The Committee on Trade Agencies shall be comprised of:

1. Under-Secretary of the Ministry of Economy & Commerce as Head.
2. A Representative of each Municipality concerned to be selected by President of the Municipality as a Member.
3. A Representative of Board of Directors of each Chamber of Commerce & Industry in the Emirates concerned to be selected by the Chairman of such Chamber as a Member.
4. A Representative of the General Secretariat of UAE Municipality to be selected by the Secretariat Board of Directors as a Member.
5. A Representative of the Federation of UAE Chambers of Commerce & Industries to be selected by the Federation Council as a Member.

The Committee shall be formed upon a decision by the Minister of Economy & Commerce and shall have a seat to be selected by the minister. He shall cast no vote in the Committee deliberations.

### **Article (28)**

The Committee shall be competent to consider any dispute may arise out of trade agencies. The committee shall commence examination of disputes within sixty days from date of submission of request thereof. The Committee upon performing its duties shall seek assistance of whosoever deemed f-it by giving a written request. Persons so assigned must not disclose matters may come to their knowledge by reason of their task.

### **Article (29)**

The employees of the Ministry and the Pertinent Authorities assigned to monitor implementation of the provisions of this act; shall be entitled to examine any documents and papers in connection with the agency's establishment and registration in the Trade Register in order to establish any breach of this Act or of executive decisions thereof may occur and report the incident to the competent authorities in-charge of investigation and trials. The Trade Agent shall furnish the said

officials with data, information and documents required to perform their duties. The Police Directorate in each Emirate shall enable such officials to resume their duties to detect and establish any breach of this act or the executive decisions thereof may occur

### **Article (30)**

A Decree to nominate official referred to in preceding article herein shall be issued by the Minister of Economy & Commerce. The Decree shall determine procedures to be adopted establish any breach of this act may occur. Officials so nominated are prohibited from disclosing matters deemed secret by their nature made acquainted with by virtue of their posts. Anyone violates such restriction shall be disciplinarily penalized without prejudice to civil or criminal liability.

### **Article (2)**

A second paragraph shall be added to Article (5) of the Federal Act No. 18 for the Year 1981 to read as follows:" The Agent may be assisted by services of a distributor in one or a number of Emirates covered by his agency.'

### **Article (3)**

A second paragraph shall be added to Article (13) of the Federal Act No. (18) for the Year 1981 to read as

"Decision approving applications referred to in the preceding paragraph along with details thereof shall be published in the Official Gazette and notified to Municipalities, Customs Departments, Federation of UAE Chambers of Commerce & Industries and the Chambers of Commerce & Industries."

### **Article (4)**

Texts of Article (25) of the Federal Act No. 18 for 1he Year 1981 shall be annulled and so every text in conflict with or contrary to the provisions of this Act.

### **Article (5)**

This Act shall be published in the Official Gazette and come into force from the first day of the ensuing month to the month of publication thereof.

### **Zayed Bin Sultan Al-Nahyan**

President of United Arab Emirates Issued by us at the Presidential Court in Abu Dhabi.

Date: 17 Jamada Awal 1409 H

Corresponding: 26 December 1988