



Retail Sector in the UAE

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Overview

The United Arab Emirates (UAE) retail sector is a core non-oil growth engine aligned with [‘We the UAE 2031’ Vision](#)^[1 p.11] and the [Dubai Economic Agenda D33](#)^[2 p.11]. The sector spans physical formats (luxury malls such as the Dubai Mall and Mall of the Emirates, hypermarkets, convenience store and pop-up concepts) and a fast-maturing electronic commerce (e-commerce) ecosystem projected by the Dubai Chamber of Commerce to reach AED 110 billion in gross merchandise value (GMV) by 2027. Brick-and-mortar retail remains resilient in key corridors, anchored by tourism and super-regional catchments. Quick commerce and last-mile logistics are resetting delivery expectations and cold-chain standards. Retailers are deploying artificial intelligence (AI) for pricing, demand forecasting, and at-scale personalisation. Sustainability pressures are rising across packaging, energy use, and responsible marketing claims. Select Web3 pilots are emerging in loyalty, ticketing, and digital collectibles. Nationwide rules include Federal Decree-Law No. 50/2022 On the Promulgation of the Commercial Transactions Law, Federal Decree-Law No. 32/2021 On Commercial Companies, Federal Law No. 15/2020 On Consumer Protection, Federal Decree-Law No. 46/2021 On Electronic Transactions and Trust Services and Federal Decree-Law No. 45/2021 On the Protection of Personal Data. Competition, product standards, and advertising controls require Arabic disclosure, clear pricing, and non-misleading claims. Licensing and supervision sit with emirate-level Departments of Economic Development (DEDs) or free zones, with value added tax (VAT) and customs considerations for import-heavy models.

Definitions

- *AML/CFT*: Anti-money laundering and countering the financing of terrorism.
- *AI*: Artificial intelligence.
- *ADGM*: Abu Dhabi Global Market.
- *B2C*: Business to consumer.
- *Commercial agency*: Registered exclusive representation by the Ministry of Economy (MOE), with statutory termination or compensation rules.
- *Controller or processor*: The controller decides the purpose or means of processing and the processor acts on instructions under a data processing agreement (DPA).
- *CRM*: Customer relationship management.
- *Deemed supplier (VAT)*: Rule making certain marketplaces responsible for charging or remitting VAT on business to consumer (B2C) sales.
- *DIFC*: Dubai International Financial Centre.
- *DPA*: Data processing agreement.
- *DPIA*: Data protection impact assessment for high-risk processing such as profiling or automated decisions.
- *DED*: Department of Economic Development.
- *DED licence*: Commercial licence authorising specified retail activities in an emirate.
- *DMCC*: Dubai Multi Commodities Centre.
- *E-commerce*: Electronic commerce.
- *E-signature*: Electronic signature.
- *E-contract*: Electronic contract.
- *ESR*: Economic substance regulations which require “relevant activities” (e.g., distribution and service centres) to have adequate UAE people, premises, and expenditure.
- *Ejari or Tawtheeq*: Mandatory lease registration systems (Dubai or Abu Dhabi) for enforceability and utilities.
- *Free zone*: A special jurisdiction with its own registrar or licensing (e.g., the Dubai Multi Commodities Centre (DMCC), Jebel Ali Free Zone (JAFZA), Ras Al Khaimah Economic Zone (RAKEZ), Dubai International Financial Centre (DIFC) and Abu Dhabi Global Market (ADGM)).
- *FIU*: Financial Intelligence Unit.
- *GMV*: Gross merchandise value, which is the total value of goods sold on a platform before returns or taxes.
- *JAFZA*: Jebel Ali Free Zone.
- *Mainland*: Onshore UAE jurisdiction regulated by each emirate’s economic department.
- *MLRO*: Money laundering reporting officer.
- *MOE*: Ministry of Economy.
- *NMC*: National Media Council.
- *RAKEZ*: Ras Al Khaimah Economic Zone.
- *Recall*: Withdrawal of unsafe or defective products with MOE notification and free repair, replacement or refund.

- *STR*: Suspicious transaction reporting.
- “*Was-now*” pricing: Promotional claim that must reflect a genuine, evidenceable prior price for a defined pre-promotion period.
- ‘*We the UAE 2031*’ Vision^[1 p.11] and *Dubai Economic Agenda D33*^[2 p.11]: National and Dubai growth agendas guiding retail, trade, tourism, and innovation.
- *VAT*: Value added tax.

Practical Guidance

At the federal level, core rules are consolidated as highlighted in the table below:

Legislation	Key retail relevance
Federal Decree-Law No. 50/2022	Governs supply contracts, commercial obligations, and payment terms between retailers and suppliers (articles 141-160 of Federal Decree-Law No. 50/2022 (supply contracts)).
Federal Decree-Law No. 32/2021	Regulates corporate forms, foreign ownership, and governance for retail entities (article 10 of Federal Decree-Law No. 32/2021 (100% foreign ownership)).
Federal Law No. 15/2020 (as amended by Federal Decree-Law No. 5/2023 Amending some Provisions of Federal Law No. 15/2020 on Consumer Protection) and Cabinet Decision No. 66/2023 Concerning the Executive Regulation of the Federal Law No. 15/2020 Concerning Consumer Protection	Core consumer rights, transparency, defects, recalls, and Arabic-language obligations.
Federal Decree-Law No. 46/2021	Validity of electronic contracts (e-contracts), electronic signatures (e-signatures), and digital evidence in retail transactions.
Federal Decree-Law No. 45/2021	Data processing in loyalty programmes, customer relationship management (CRM), and e-commerce platforms.
Federal Decree-Law No. 10/2025 Regarding Combating Money Laundering Crimes, Combating the Financing of Terrorism and the Financing of Arms Proliferation	Triggered by high-value cash transactions or “relevant activities” (e.g., distribution).

Sectoral licensing remains emirate-specific via each DED or free zone authority, with Dubai, Abu Dhabi, and Sharjah issuing the majority of retail licences.

Establishment and licensing (mainland versus free zones)

Mainland (DED) route

The 100% foreign ownership liberalisation introduced by Federal Decree-Law No. 32/2021 and subsequent cabinet resolutions applies to over 1,000 commercial activities, including most retail sub-sectors (general trading, specialised retail and food and beverage). Activities on the negative list (e.g., oil exploration and certain security services) remain restricted.

The step-by-step process is as follows (Dubai DED example):

- Trade name reservation: Online via the DED portal and must comply with UAE naming conventions (no religious or offensive terms).
- Initial approval: Submission of shareholder passports, business plan, and activity code confirmation.
- Lease and Ejari registration: Commercial leases must be registered on the Ejari Platform (Dubai Land Department) with a minimum of 120 square metres for retail shops in many cases.
- Memorandum or articles of association: Notarised before the Dubai courts or a free-zone notary (for limited liability companies).
- Licence issuance: Payment of fees (AED 10 000 to AED 35 000 depending on activity and premises).
- Post-licence: VAT registration (mandatory if turnover exceeds AED 375 000), customs client code (if importing), and labour or immigration files.

Activity-specific approvals (non-exhaustive) are highlighted in the table below.

Activity	Additional authority
Food retail or food and beverage	Dubai Municipality Food Safety Department (food import permits and hazard analysis and critical control points).
Pharmaceuticals or health supplements	Ministry of Health and Prevention.
Alcohol retail	Dubai Department of Tourism and Commerce Marketing (off premises only in designated areas).

Free zone route

Free zones such as the DMCC, JAFZA, ADGM, DIFC, RAKEZ, and Sharjah Media City offer 0% corporate tax (until the 2023 transition to the 9% federal corporate tax), 100% profit repatriation, and customs suspension. However, onshore trading (selling directly to mainland consumers) generally requires:

- A branch registered with the DED.
- An onshore distributor or agent with a mainland licence.
- A dual licence (increasingly offered by zones such as the DMCC under its “dual licence” model).

Key free zone retail clusters are highlighted in the table below.

Free zone	Retail focus
DMCC	Luxury goods, jewellery and commodities trading.
JAFZA	Logistics-heavy retail and hypermarkets.
DIFC or ADGM	High-end fashion and art galleries (financial free zone retail licences limited).

Economic substance and anti-money laundering and countering the financing of terrorism (AML/CFT)

Economic substance regulations (ESR) apply if the entity undertakes a “relevant activity” (e.g., distribution and service centre business) and generates income from it. Retail entities importing and reselling goods onshore typically trigger “distribution”.

AML/CFT requirements under Federal Decree-Law No. 10/2025 include:

- Customer due diligence for cash above AED 55 000.
- Transaction monitoring and suspicious transaction reporting (STR) to the Central Bank’s Financial Intelligence Unit (FIU).
- Appointment of a money laundering reporting officer (MLRO) for high-risk retail (jewellery or luxury).

Operating the store: Consumer protection essentials

Federal Law No. 15/2020 (as amended by Federal Decree-Law No. 5/2023) and Cabinet Decision No. 66/2023 impose strict liability on suppliers and retailers for consumer safety and transparency. Non-compliance triggers administrative fines (AED 5 000 to AED 2 million) and potential criminal referral.

Transparency obligations

Requirement	Detail
Product specifications	Clear disclosure of material, dimensions, country of origin, shelf life or expiry (mandatory for food and cosmetics).
Pricing	Prices must be inclusive of VAT, displayed in Arabic (or bilingual), and visible before purchase.
Arabic language	All mandatory consumer information (labels, warranties terms and conditions) must be in Arabic (English is optional but recommended).

Invoicing

- Tax invoices: Mandatory for every consumer sale (paper or electronic).
- Minimum content: Seller details, date, description, quantity, unit price, VAT amount and total.

- Failure to comply: AED 5,000 per violation (capped at AED 50 000 per inspection).

Defects, recalls and safety

Scenario	Notification timeline	Authority
Safety-affected defect	Within 24 hours of discovery.	MOE and the competent local authority.
Non-safety defect	Within seven days.	MOE and the competent local authority.
Recall execution	Immediate public notice (website, in-store, SMS if contact data held) and free repair, replacement or refund.	MOE oversees.

Retailers must maintain a recall log and cooperate with MOE inspections.

Advertising and promotions

- No misleading claims (comparative advertising permitted only with verifiable evidence).
- Promotional mechanics requiring pre-approval include:
 - Dubai DED: “Dubai shopping festival”-style promotions, lucky draws (prizes over AED 50,000).
 - Abu Dhabi DED: All consumer competitions.
 - “Was–now” pricing: Retain evidence of genuine prior price for 60 days before promotion.
 - Online advertisements: Comply with National Media Council (NMC) standards (Arabic version mandatory for UAE-targeted campaigns).

Complaints and redress

- Internal complaint log is mandatory (date, consumer details and resolution).
- Cooperation with MOE or DED mediation platforms (e.g., “Tawazun” consumer dispute portal).
- Statutory remedies for defective goods (within two years for durables): Repair, replacement or refund (pro rata for used items).

Pricing and promotions: Practical checklist

Action	Evidence trail
Clear price display (Arabic)	Photographs of shelf tags.
Pre-approval for promotions	DED stamped permit.
Genuine prior pricing (was–now)	Point-of-sale data export for 60 days pre-sale.
Discount mechanics	Offer terms and conditions published on website or in store.

E-commerce and digital retail

Legal effect of electronic forms (Federal Decree-Law No. 46/2021)

- Electronic contracts, signatures, and trust services have the same legal effect as wet-ink equivalents.
- Evidence cannot be excluded solely because it is electronic.
- Accredited trust service providers by the Telecommunications and Digital Government Regulatory Authority (e.g., the Dubai Electronic Security Centre and Emirates Digital Wallet (Klumi)) are recommended for high-value transactions.

Platform obligations under Federal Decree-Law No. 45/2021

Role	Key duties
Controller (e.g., marketplace owner)	Publish privacy notices, obtain consent or identify lawful basis, conduct a data protection impact assessment (DPIA) for high-risk processing (profiling or automated decisions).

Processor (e.g., logistics provider)	Enter into a data processing agreement (DPA) with the controller, implement technical measures in accordance with forthcoming executive regulations.
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Cross-border transfers are permitted to “adequate jurisdictions” (European Union or United Kingdom (UK)) or via standard contractual clauses once executive regulations under the Federal Decree-Law No. 45/2021 are issued (expected in quarter one of 2026).

VAT, customs and invoicing

- VAT registration threshold: AED 375 000 annual taxable supplies.
- B2C platforms collecting payment must issue simplified tax invoices and remit VAT under the “deemed supplier” rule (Federal Tax Authority Decision No. 7/2022).
- Imports under AED 1,000: De minimis exemption, otherwise, customs clearance via the [Dubai Trade Portal](#)^[3 p.11] or [Abu Dhabi Customs Portal](#)^[4 p.11].

Employment and premises

Employment law framework

Federal Decree-Law No. 33/2021 On Regulation of Labour Relations and Cabinet Decision No. 1/2022 On the Implementing Regulation of Federal Decree-Law No. 33/2021 Regarding the Regulation of Employment Relationships govern the retail workforce as highlighted in the table below.

End-of-service gratuity is accrued for UAE nationals via the General Pension and Social Security Authority (GPSSA), for expatriates under the DIFC or ADGM savings schemes or the traditional gratuity formula.

Commercial leasing (Dubai focus)

Law or grounds	Key provisions
Dubai Decision No. 26/2007 On Calculation of end of service compensation to Government of Dubai employees	Five-year minimum term for commercial leases and rent increase capped at 5% for the first renewal if parties are silent.
Ejari	Mandatory online registration (Dubai Land Department). Unregistered leases are unenforceable in the Rental Disputes Centre.
Eviction grounds	Non-payment (30 days’ grace), sub-letting without consent, or material breach.

Abu Dhabi Law No. 20/2006 On Rental of Locations and Regulation of the Relationship Between Lessors and Tenants in the Emirate of Abu Dhabi has similar caps (Tawtheeq registration platform).

Commercial agencies and franchising touchpoints

Federal Law No. 3/2022 Concerning the Regulation of Commercial Agencies (effective 16 June 2023) repealed Federal Law No. 18/1981 Regulation of Commercial Agencies and introduced balanced termination and renewal rights. Key 2025 developments include the two-year moratorium on certain termination grounds (articles 9(1)(a) and 9(1)(b) of Federal Law No. 3/2022) expired on 15 June 2025, restoring full enforceability of contractual termination clauses subject to compensation for damages.

Agency versus distribution versus franchise

Structure	Captured by Federal Law No. 3/2022	Termination risk
Registered agency (MOE-registered)	Yes.	Compensation under Federal Law No. 3/2022 is not automatic as it applies only if the agent proves harm or significant success lost due to termination. While the Commercial Agencies Committee handles registration and cancellation disputes, courts may ultimately decide on compensation claims.
Unregistered distribution	Generally no (if no exclusivity or agency title).	Contractual and courts apply Federal Decree-Law No. 32/2021.
Franchise	Potentially if franchisee acts as an “agent” for a brand.	High risk structure via a trademark licence and supply agreement to avoid capture.

Practical mitigation

- Explicitly exclude agency terminology in agreements.
- Register trademarks with the MOE to control brand use.
- Include post-termination non-compete (maximum two years and reasonable scope).

The Dubai Court of Cassation, in the case of DCC 132/2024, upheld compensation of five years' net profit for a terminated (pre-2022) agency despite the provisions of Federal Law No. 3/2022.

Quick launch checklist (practical)

Item	Action	Responsible party
Jurisdiction and activity	Confirm mainland versus free zone and verify activity code is not on negative list.	Legal counsel or DED portal.
Trade name and lease	Reserve name, execute and register on Ejari.	Business setup agent.
Fit-out and permits	Obtain municipality fit-out approval and fire safety no objection certificate.	Contractor
Licence and post-licence	Issue commercial licence, attend to VAT registration and customs client code.	DED or Federal Tax Authority.
Consumer suite	Draft invoice templates, returns policy, warranty terms and complaint logs.	Compliance officer.
Labelling and advertising	Arabic labels on all stock keeping units and pre-approve major promotions.	Marketing or DED.
Digital	Publish terms and conditions, privacy notices and validate e-signature flow.	Information technology (IT) or legal.
Agency or franchise mapping	Review termination clauses after June 2025.	External counsel.
Human resources and health and safety	Issue compliant contracts, workplace insurance and health and safety manual.	Human resources manager.

Comparison with common law

UAE retail law derives from a civil law framework based on codified statutes, unlike common law systems (e.g., the UK or Singapore), which rely heavily on judicial precedent. Key distinctions include:

- Implied warranties: Under UAE law, consumer rights and obligations are expressly codified (articles 10-12 of Federal Law No. 15/2020), whereas in common law, such warranties arise from case precedent.
- Misrepresentation: The UAE applies statutory consumer protection and common law relies on tort and equitable remedies.
- Termination of agency: Civil law restricts termination without cause and common law permits termination per contractual terms.
- Contract formation: The UAE recognises electronic contracts by statute, while common law relies on interpretation of intention and conduct.

Related Content**Legislation**

UAE

- Federal Decree-Law No. 50/2022 On the Promulgation of the Commercial Transactions Law
- Federal Decree-Law No. 32/2021 On Commercial Companies
- Federal Law No. 15/2020 On Consumer Protection
- Federal Decree-Law No. 5/2023 Amending some Provisions of Federal Law No. 15/2020 on Consumer Protection
- Cabinet Decision No. 66/2023 Concerning the Executive Regulation of the Federal Law No. 15/2020 Concerning Consumer Protection
- Federal Decree-Law No. 46/2021 On Electronic Transactions and Trust Services
- Federal Decree-Law No. 45/2021 On the Protection of Personal Data
- Cabinet Decision No. 57/2020 Determining the Economic Substance Requirements
- Cabinet Decision No. 98/2024 Amending Cabinet Decision No. 57/2020
- Federal Decree-Law No. 10/2025 Regarding Combating Money Laundering Crimes, Combating the Financing of Terrorism and the Financing of Arms Proliferation
- Cabinet Decision No. 55/2021 On the Determination of the List of Strategic Impact Activities
- Federal Decree-Law No. 42/2022 On the Promulgation of the Civil Procedure Law
- Federal Decree-Law No. 35/2022 Promulgating the Law of Evidence in Civil and Commercial Transactions
- Federal Law No. 3/2022 Concerning the Regulation of Commercial Agencies
- Federal Tax Authority Decision No. 7/2022
- Federal Decree-Law No. 33/2021 On Regulation of Labour Relations
- Cabinet Decision No. 1/2022 On the Implementing Regulation of Federal Decree-Law No. 33/2021 Regarding the Regulation of Employment Relationships

Dubai

- Dubai Decision No. 26/2007 On Calculation of end of service compensation to Government of Dubai employees

Abu Dhabi

- Abu Dhabi Law No. 20/2006 On Rental of Locations and Regulation of the Relationship Between Lessors and Tenants in the Emirate of Abu Dhabi

Cases

- DCC 132/2024

Websites

- ['We the UAE 2031' Vision \(UAE Government Portal\)](#)^[1 p.11]
- [Dubai Economic Agenda D33 \(UAE Government Portal\)](#)^[2 p.11]
- [Ejari Platform \(Dubai Land Department\)](#)^[5 p.11]
- [Dubai Trade Portal](#)^[3 p.11]

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- Assiut University.

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Biography

Ahmed Yehia Hamdalla embodies the new generation of partner at SAT & Co. He has over ten years of extensive litigation experience in the GCC and broader Middle East region. Holding licenses from the Egyptian Bar Association and the Dubai Legal Affairs Department, Ahmed is regarded as an emerging leader known for his strategic legal expertise and client-focused approach.

His broad-ranging practice encompasses complex disputes across civil, commercial, real estate, corporate, and criminal law domains. Ahmed has counseled leading government entities and multinational clients on highly sensitive issues such as fraud, forgery, money laundering, and extradition, demonstrating his capability to handle cases with significant legal and reputational risk. Additionally, he is adept at navigating corporate and contractual disputes and has deep knowledge of Sharia law litigation involving inheritance and guardianship matters.

Ahmed has developed a niche specialisation in representing gold trading companies operating within the UAE, advising on more than twenty high-stakes disputes within the last year. He is recognised for his precision in managing documentation and evidentiary tactics, playing a pivotal role in securing a landmark insurance dispute victory at the Dubai Court of Cassation, which contributed to important legal precedent.

Committed to the growth of the firm and the profession, Ahmed also plays a vital role in SAT & Co's business development initiatives and mentors junior legal professionals, fostering the next generation of legal talent.

Notes

1. [^] [p.3] [p.4] [p.9] <https://u.ae/en/about-the-uae/strategies-initiatives-and-awards/strategies-plans-and-visions/innovation-and-future-shaping/we-the-uae-2031-vision>
2. [^] [p.3] [p.4] [p.9] <https://u.ae/en/about-the-uae/strategies-initiatives-and-awards/strategies-plans-and-visions/finance-and-economy/dubai-economic-agenda-d33>
3. [^] [p.7] [p.9] <https://www.dubaitrade.ae/en/>
4. [^] [p.7] <https://www.adcustoms.gov.ae/>
5. [^] [p.9] <https://dubailand.gov.ae/en/eservices/request-for-registration-of-a-user-in-ejari-system/#/>