

### **Federal Law no. 3**

Issued on 30/03/2020

Corresponding to 6 Shaaban 1441 H.

## **ON THE REGULATION OF THE STRATEGIC STOCK OF FOOD COMMODITIES IN THE STATE**

We, Khalifa Bin Zayed Al Nahyan, the President of the State of the United Arab Emirates,  
After perusal of the Constitution;

Federal Law no. (1) of 1972 on Competencies of the Ministries and Powers of the Ministers  
and its amendments;

Federal Law no. (5) of 1975 on the Commercial Register;

Federal Law no. (18) of 1981 on the regulation of the Regulation of Commercial Agencies,  
and its amendments;

Federal Law no. (5) of 1985 on the issuance of the UAE Civil Transactions Law, and its  
amendments;

Federal Law no. (3) of 1987 on the issuance of the Penal Code, and its amendments;

Federal Law no. (35) of 1992 on the issuance of the promulgating the Penal Procedure Law  
and its amendments;

Federal Law no. (18) of 1993 on the issuance of the Commercial Transactions Law;

Federal Law no. (28) of 2001 on the establishment of the Emirates Standardisation and  
Metrology Authority, and its amendments;

Federal Law no. (17) of 2004 on Anti-Commercial Concealment;

Federal Law no. (17) of 2006 on the establishment of the Supreme National Security Council,  
and its amendments;

Federal Law no. (24) of 2006 on the protection of the consumer, and its amendments;

Federal Decree-Law no. (2) of 2011 on the establishment of the National Emergency and  
Crisis and Disasters Management Authority, and its amendments;

Federal Law no. (4) of 2012 on the regulation of the competition;

Federal Law no. (2) of 2015 on the commercial companies, and its amendments;

Federal Law no. (10) of 2015 on food safety;

Federal Law no. (10) of 2018 on the product safety;

Federal Law no. (19) of 2016 on combatting commercial fraud; and

Based on the proposal of the Minister of Economy, and the approval of the Cabinet and  
Federal National Council Affairs, as well as the ratification of the Federal Supreme Council;

Have issued the following Law:

### **Article 1- Definitions**

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

State: The United Arab Emirates

Ministry: The Ministry of Economy

Minister: The Minister of Economy

Competent Entity: The federal or local entity that is authorised by law to regulate, control or  
supervise the strategic stock of food commodities.

Authority: The National Emergency and Crisis and Disasters Management Authority.

Warehouse: The place that is dedicated by the Registered Trader to place food commodities  
and conserve them as a strategic stock.

Food Commodities: All food commodities indicated by the Ministry.

Strategic Stock of Food Commodities: All food commodities whose names and quantities are indicated and required to be stored according to the provisions of the Law.

Safety Stock: The rate below which the Strategic Stock of Food Commodities shall not drop according to the provisions of this Law.

Inventory Management: The set of activities which carried out by the Provider and Registered Trader and related to the provision, conservation and safety of the stored varieties of goods, according to the decision issued by the Minister.

Provider: The producer or importer who provides food commodities to the distributors and traders either from within or outside the State.

Registered Trader: Any person who starts a commercial activity related to food commodities; such person shall be licensed in the State for the purpose of implementation of the present Law.

Register: A register including the providers and traders and their classification.

### **Article 2- Enforcement**

The provisions of this Law shall apply to the Provider and Registered Trader.

### **Article 3- Competencies of the Ministry**

For the purposes of implementation of this Law, the Ministry shall have the following competencies:

1- Suggest the policies, plans and programs related to the Strategic Stock of Food Commodities in coordination with the Competent Entity, and submit them to the Cabinet for approval.

2- Coordinate with the joint economic committees of the countries providing commodities regarding the Strategic Stock of Food Commodities.

3- Develop plans and programs related to the quantity and quality of the Safety Stock and regarding the increase of the capacity of the Strategic Stock of Food Commodities in case the demand for Food Commodities increased on the State level.

4- Prepare reports, studies and statistics, perform economic evaluation concerning Food Commodities, estimate the consumption volume, and determine the surplus and deficit.

5- Prepare databases about the production and availability of Food Commodities in the State and countries of origin, and follow up such databases with the Providers.

6- Coordinate and implement policies for the provision, sustainability and safety of the Strategic Stock of Food Commodities, in coordination with the Authority and the Competent Entity, to ensure a safe Strategic Stock of Food Commodities.

7- Perform a periodic review with the Competent Entity to check on the existing stock of Food Commodities at the Registered Trader.

8- Supervise the preparation of databases and electronic links, concerning the Warehouses, the Strategic Stock of Food Commodities and the requirements of storage of Food Commodities.

9- Control the compliance of the Providers and Registered Traders with the regulations and instructions related to the implementation of the provisions of this Law.

10- Determine and update the list of Food Commodities.

11- Determine the volume of the Strategic Stock of Food Commodities and the percentage of the Safety Stock.

12- Access to the reports of the Competent Entity or any relevant entity and take the necessary procedures in this regard.

13- Submit recommendations to the Minister regarding the incentives and facilitations of the Registered Traders.

14- Submit reports on a periodic basis to the Cabinet concerning the Strategic Stock of Food Commodities in the State.

The Minister may form one or more subcommittees to implement the competencies indicated in this Article.

#### **Article 4- Register**

The Ministry shall establish, upon coordination with the Competent Authority, a Register to register and classify the Providers and Traders.

The conditions and procedures of registration shall be determined in a decision of the Minister.

#### **Article 5- Obligations of the Provider and Registered Trader**

The Provider and Registered Trader shall abide by the following:

- 1- Maintain the Safety Stock according to the provisions of this Law.
- 2- Supply the Strategic Stock of Food Commodities upon request.
- 3- Link up electronically with the Competent Entity and the Authority to ensure a sustained follow-up of the quantities, categories and condition of the Strategic Stock of Food Commodities.
- 4- Implement the decisions issued by the Competent Authority.
- 5- Distribute the Strategic Inventory in case of emergencies, crises or disasters according to the plans of distribution prepared by the Authority in coordination of the Competent Authority.

#### **Article 6- Warehouses and Conditions of Storage**

The Registered Trader shall manage the Strategic Stock of Food Commodities and the Warehouse as follows:

- 1- Determine the location, space and volume of the Warehouse dedicated for the Strategic Stock of Food Commodities, provided that its location is in the State.
- 2- Inform the Competent Entity about the location of the Warehouse.
- 3- Maintain and manage the Strategic Stock of Food Commodities according to the specifications and standards approved in the State.

#### **Article 7- Incentives and Facilitations**

Incentives and facilitations may be granted to the Provider and Registered Trader according to the conditions and controls indicated in a decision issued by a cabinet decision, based on the proposal of the Minister and upon coordination with the Competent Entity.

#### **Article 8- Penalties**

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

#### **Article 9**

1- Shall be sentenced to a fine of not less than (AED 500.000) five hundred thousand Dirhams and not more than (2.000.000) two million Dirhams, whomever violates the provisions of Paragraphs (1, 2, 4) of Article (5) of this Law.

2- Shall be sentenced to a fine of not less than (AED 100.000) one hundred thousand Dirhams and not more than (AED 1.000.000) one million Dirhams, whomever violates the provisions of Paragraph (3) of Article (5) and Article (6) of this Law.

3- Shall be sentenced to a fine of not less than (AED 1.000.000) one million Dirhams and not more than (AED 5.000.000) five million Dirhams whomever violated the provisions of Clause (5) of Article (5) of this Law.

4- The penalty prescribed for the crimes stipulated in this Law shall be doubled in case of repeating the offence.

#### **Article 10- Law Enforcement Authority**

The employees indicated in the decision of the Minister of Justice, in agreement with the Minister or the Chairman of the Competent Entity, shall be granted the capacity of Judicial Officers to detect any violation committed against the provisions of this Law, regulations and decisions issued in implementation thereof, as per their competencies.

**Article 11- Abrogation**

Any provision or text that is contrary to or in contradiction with the provisions of this Law shall be abrogated.

**Article 12- Executive Decisions**

The Minister shall issue the decisions deemed necessary for the implementation of this Law.

**Article 13- Publication and Enforcement of this Law**

The present Law shall be published in the Official Gazette and shall come into force from the day following its date of publication.

Issued by us at the Presidential  
:Palace in Abu Dhabi  
.Date: 6/Shaaban/1441 H  
Corresponding to: 30/March/2020

**Khalifa Bin Zayed Al Nahyan**  
**The president of the State of the**  
**United Arab Emirates**

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