



e-Commerce

FAQs



1. When was Federal Law No (1) of 2006 on Electronic Commerce and Transactions (the “Act”) published?

The Act was published in Muharam 1427 H/January 2006 in the Arabic language in the Official Gazette of the United Arab Emirates, Volume 442, year 36.

2. What gives the Telecommunications Regulatory Authority its powers?

The Telecommunications Regulatory Authority (TRA) of the United Arab Emirates (UAE), has been passed its powers as a “Controller” under Cabinet Decision 8291/ of 2006 dated October 15, 2006, appointing the TRA as the Controller with responsibilities relating to the licensing, approval, monitoring and overseeing of the activities of Certification Service Providers (CSPs) according to Federal Law No. (1) Of 2006 on Electronic Commerce and Transactions (the “Act”).

3. What are the key messages of the Telecommunications Regulatory Authority mission?

The mission of the TRA is to support the ICT sector in the UAE, to safeguard competition, to provide fair access to the domestic infrastructure and to ensure the optimal use of natural resources through the implementation of International Best Practices in every area. The TRA also continues to work on enhancing the quality of services offered, raising public awareness, protecting the subscribers’ interests and facilitating the growth of e-commerce transactions, while encouraging investment, innovation, development and education.

4. What are the objectives of the Federal Law No (1) of 2006 on Electronic Commerce and Transactions (the “Act”)?

The objectives of the Act are as follows:

- To protect the rights of persons doing business electronically and determine their obligations
- To encourage and facilitate Electronic Transactions and Communications by means of reliable Electronic Records
- To facilitate and eliminate barriers to Electronic Commerce and other Electronic Transactions resulting from uncertainties over writing and signature requirements, and to promote the development of the legal and business infrastructure necessary to implement secure Electronic Commerce
- To facilitate the electronic filing of documents with governmental and non-governmental agencies and departments and to promote efficient delivery of the services from such agencies and departments by means of reliable Electronic Communications
- Minimize the incidence of forged Electronic Communications, alteration of Communications and fraud in Electronic Commerce and other Electronic Transactions
- Establish uniform rules, regulations and standards for the authentication and validity of Electronic Communications
- Promote public confidence in the validity, integrity and reliability of Electronic Transactions, Communications and Records
- Promote the growth of Electronic Commerce and other transactions on the national and international level through the use of Electronic Signatures

5. How does the Federal Law No (1) of 2006 on Electronic Commerce and Transactions and all other subsequent regulatory instruments help in the development of eCommerce in the United Arab Emirates?

Such legal instruments only heighten public confidence for those who choose to conduct their business through the Internet, addressing many of the legal impediments for online commerce, while setting out the regulatory framework for the licensing, approval, monitoring and overseeing of the activities of Certification Service Providers operating or intending to operate in the UAE.

6. What does the Federal Law No (1) of 2006 on Electronic Commerce and Transactions apply to?

The Act applies to Electronic Records, Documents and Signatures that relate to Electronic Transactions and Commerce, while giving legal recognition on the use of electronic records and signatures and their secure counterparts.

7. What does the Ministerial Decision from the Minister of Economy with regards to Certification Service Providers apply to?

The Regulations apply to Certificate Service Providers operating in the UAE and to all who provide such electronic attestation services directly or indirectly to the public for commercial purposes with respect to Electronic Records, Documents and Signatures that relate to Electronic Transactions and Commerce.

8. What is a Certification Service Provider (CSP)?

A CSP is an accredited or authorized person or organization that issues Electronic Attestation Certificates or provides other services in this connection and in relation to Electronic Signatures regulated by this Act.

9. How does the Act set the legislative framework for Certification Service Providers?

The Act articulates and stipulates the duties of Certification Service Providers (CSPs) and their signatories and provides a broad framework for regulation and licensing of CSPs in the United Arab Emirates.

10. How does the Act compare with existing frameworks in other countries?

The Act is primarily based on the UNCITRAL Model Law on Electronic Commerce and has been assessed to be a comprehensive statute on commercial and public uses of electronic communications establishing requisite security and validity levels attaching to various levels of authentication in line with various regulatory regimes in the world.

11. Does the Federal Law No (1) of 2006 on Electronic Commerce and Transactions prescribe a specific technology for secure electronic signatures?

The Act and all subsequent regulations, regulatory policies, and legal instruments are intended to be technologically neutral.

12. Does the Act apply to digital signatures and certificates used in cross-border transactions?

Electronic Attestation Certificates issued by a foreign Certification Service Provider are recognized as legally equivalent to Certificates issued by CSPs operating under this Act if the practices of the foreign CSP provide a level of reliability at least equivalent to that required of CSPs operating in the UAE, and in accordance with UAE laws and international standards.

13. Is it mandatory for a Certification Service Provider to be licensed in the United Arab Emirates?

Yes, it is compulsory for a Certification Service Provider to be licensed in the United Arab Emirates, since the licensing regime that the UAE has adopted, is a mandatory regime.

14. Why do we need CSPs?

Without CSPs there will be no trusted entity that issues digital certificates or keys to us. It will be difficult to verify the authenticity of digital signatures since there are no digital certificates to tell us how each user's digital signature should look like.

15. What are the steps involved in the licensing process?

The entire licensing process involves 4 parts:

- A CSP needs to obtain a CSP license application package either by downloading it from the TRA website at www.tra.ae, or in person at the TRA offices in Dubai and Abu Dhabi
- A CSP needs then to submit the application and all required documents to the TRA for review and processing along with a non-refundable application processing fee
- The TRA will review the application
- The TRA will then decide to Grant or Reject the License

16. How long does each step of the licensing process take?

Provided that all the required information and documents are in order, the application should be processed within 3 months.

17. What is the term of the license?

The term of the license is 5 years.

18. What is the fee payable for a CSP to be licensed?

The license application fee payable is Five Thousand UAE Dirham (AED 5,000) made payable to the TRA in a form of a bank draft or transfer in respect of each submission. Upon passing of the licensing criteria, a non-refundable License Registration Fee is required for the amount of One Hundred Thousand UAE Dirham (AED100,000).

19. What are the penalties that will be imposed on a CSP if it fails to observe any of its obligations?

A CSP guilty of an offence under the Act or any of its regulatory instruments shall be liable on conviction to a fine, or to term imprisonment, or to both in accordance with the Act or any of the regulations issued by the Minister of Economy.

20. Does the TRA receive customer complaints with regards to matter pertaining to authentication services?

Licensed Certification Service Providers are obligated to provide services as per their certification practice statements and contract terms and conditions, and as per their quality of service requirements expected. Development of clear procedures for handling customer complaints has been mandated to licensed CSPs. Customers, therefore, should approach the CSP with their complaints and go through the procedures in place. In cases where all these channels have been exhausted without resulting in a satisfactory solution, customers may approach the TRA to investigate their complaints.