



General Assembly

Distr.: Limited
12 November 2024

English only

**United Nations Commission on
International Trade Law
Working Group IV (Electronic Commerce)
Sixty-seventh session
Vienna, 18–22 November 2024**

Draft Model Law on Trading by Modern Technological Means (TMTM)

Submission by the United Arab Emirates

Note by the Secretariat

The United Arab Emirates submitted a paper for consideration at the sixty-seventh session of the Working Group. The paper is reproduced as an annex to this note in the form in which it was received by the Secretariat.



Annex

I. Background and purpose

The UNCITRAL Model Law on Electronic Commerce, originally introduced in 1996, has served its purpose over the years and has been regularly updated to address rapid technological advancements, including digital transformation and artificial intelligence (AI), that are reshaping global trade. As the business environment evolves, it is imperative that our legal frameworks remain dynamic and supportive of growth, facilitating modern trade practices.

The recent disclosure of the stabilized text agreed in the framework of the Joint Statement Initiative on Electronic Commerce has highlighted three critical areas for regulating and legally enabling digital trade: facilitating end-to-end digital trade; enabling an open digital trade environment; and building a trusted and secure digital environment. This requires full understanding of the various issues, and ability to strike the right balance between regulation and enabling legislation.

It is however not easy for States, especially smaller economies and developing countries, to find orientation in an increasingly complex and competitive environment. It may be useful to take inspiration from the best practices of and lessons learned from those economies that have already started the digital transformation journey.

The United Arab Emirates provides one such example. Having embarked early in adopting legislation on digital trade – its enactment of the UNCITRAL Model Law on Electronic Commerce dates back to 2006 – the United Arab Emirates has recently adopted the Law on Trading with Modern Technological Means (TMTM),¹ which provides the high-level framework to accommodate the various components of digital trade law.

TMTM is a pioneering initiative designed, to serve a concurrent advanced and well mature business environment, as an enabling law to regulate trading via contemporary technologies, extending beyond traditional e-commerce to include digital platforms, mobile applications, social media, blockchain technologies and any other evolving technologies. This law marks a significant milestone in establishing a robust regulatory foundation for a thriving digital economy, where technological means are leveraged as powerful tools to enhance trade.

II. Key Principles of the TMTM Law

The TMTM Law is built on three UNCITRAL foundational principles that ensure fairness, inclusivity and adaptability in the digital marketplace:

(a) Non-Discrimination: Documents in electronic form are granted the same legal validity, effect and enforceability as their paper-based counterparts.

(b) Technological Neutrality: The law remains neutral regarding the technology used, allowing it to adapt seamlessly to future innovations, thus facilitating international monetary transactions.

(c) Functional Equivalence: Both traditional and electronic transactions are treated equally in terms of validity and effectiveness, ensuring no bias against technological means.

¹ The text of the law is set out in the appendix to this note.

III. Shedding light on the TMTM Law

Central to the TMTM Law is the empowerment of consumers, offering a range of rights and protections that enhance their confidence in online transactions. Key features include:

- (a) Consumer rights: Enhanced return and exchange rights, as well as the ability to provide feedback, rate experiences, and opt in or out of advertising and marketing campaigns.
- (b) Data Privacy: Provisions for the collection and processing of information align with the Federal Decree-Law on the Protection of Personal Data, ensuring the privacy and confidentiality of consumer data.
- (c) Fair transactions: Restrictions on additional fees for digital payment methods and prohibitions on mandatory arbitration for disputes below certain thresholds promote fairness and equity in online transactions.
- (d) Operational enhancements: The TMTM Law also imposes obligations on logistics operations to ensure compliance with regulatory requirements, thereby improving the efficiency and reliability of the e-commerce supply chain. This focus on operational excellence is crucial for supporting the growing digital marketplace.

IV. Objective of the Capacity Building Session

The upcoming session aims for the following:

- (a) Implementation and Stakeholder Engagement: The successful implementation of the TMTM Law requires the active participation and collaboration of all stakeholders, including working groups, industry leaders, policymakers, and consumers. Open dialogue and cooperation will be key to navigating the complexities of the digital landscape and ensuring that the benefits of this law are equitably distributed across society, towards adding strength to strength by exchanging views and sharing experience.
- (b) Provide a comprehensive overview of the TMTM Law by matter experts, highlighting its significance in advancing the digitization of trade.
- (c) Offer insights from jurisdictions that have adopted or are aligning their domestic legislation with the TMTM Law and to recent UNCITRAL texts, providing an international perspective on its impact and implementation.
- (d) Gather feedback to use both TMTM and recent UNCITRAL texts, namely, the UNCITRAL Model Law on Electronic Transferable Records, to implement and complement the TMTM Law and move forward with their adoption.

V. Conclusion

We therefore request that the delegations of the States members of the United Nations Commission on International Trade Law (UNCITRAL), particularly those attending Working Group IV, take this paper into consideration for possible future work in respect of futuristic regulations regarding trading by modern technological means starting from e-commerce onwards, as to be discussed in the following sessions with a view to developing a regime to harmonize and unify the individual systems under review.

Appendix

Federal Law By Decree No. 14/2023 on Trading by Trading by Modern Technological Means

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

Federal Law No. 1/1972 on the Competencies of Ministries and Powers of Ministers
and its amendments;

Federal Law By Decree No. 50/2022 on the Promulgation of the Commercial
Transactions Law; and

Based on the proposal of the Minister of Economy, and the approval of the Cabinet,
Have issued the following Law By Decree:

Article 1. Definitions

For the purposes of the present Law By Decree, the following terms and expressions
shall have the meanings assigned against each of them, unless the context requires
otherwise:

- State: The United Arab Emirates.
- Ministry: The Ministry of Economy.
- Minister: The Minister of Economy.
- Central Bank: Central Bank of the UAE.
- Competent Authority: Federal or local entity concerned with the issuance of the approvals, licenses, and permits by virtue of the applicable legislations.
- Trading by Trading by Modern Technological Means: The sale and purchase of relevant goods, services and any relevant Data, in technical media or through Trading by Modern Technological Means such as websites, platforms, or smart applications, and including those that occur through ecommerce, digital commerce, and social media. This also includes the purchase of Goods and non digital Services collected physically or virtually in technical media or through Trading by Modern Technological Means.
- Trading by Modern Technological Means: Any technological means used for Trading by Modern Technological Means whether being electronic, digital, biometric, artificial intelligence, blockchain, or in technical media, and whether on websites or smart applications.
- Data: Any data or information being letters, numbers, symbols, signatures, texts, images, or sounds related to the good, service, parties, payment methods, or others that may be Stored, processed, generated, or transferred by Trading by Modern Technological Means.
- Digital Identity: An identification system or tool of modern technological tools or means that allows user identification and enables them to benefit from or practice commercial activities by Trading by Modern Technological Means.
- Digital Merchant: Every natural or juridical person who sells goods or services by Trading by Modern Technological Means.
- Consumer: Every natural or juridical person who obtains a good or service by contracting with a Digital Merchant through Trading by Modern Technological Means, whether it is paid or for free, to satisfy their need or the need(s) of others.
- Goods and Services: Any goods or services purchased by Trading by Modern Technological Means.

- Digital Contract: Any agreement between the Digital Merchant and Consumer that documents the offer and acceptance and specifies the contract's location, details, terms, and conditions through Trading by Modern Technological Means. It includes e-contracts, smart contracts, and other contracts used by Trading by Modern Technological Means.
- Digital Signature: A signature consisting of letters, numbers, symbols, sounds, a fingerprint, or a processing system by Trading by Modern Technological Means, which enables the verification of the individual's identity. A text message containing letters, symbols, or other technological verification methods shall be sent to the email address and mobile.
- Store: The physical or Virtual Store.
- Physical Store: Any Store that has a physical address in the State.
- Virtual Store: Any website, platform, or other Trading by Modern Technological Means that allow the Digital Merchant to offer or sell a good or service, provide or advertise for a service, or exchange Data relevant to it through those websites, platforms, or any other Trading by Modern Technological Means.
- Dispute Resolution Committee: The Committee established by virtue of the provisions of Article 9 of the present Law By Decree.

Article 2. Scope of Application

1. This law by decree shall apply to the following:

(a) Trading by Modern Technological Means, its activities in addition to the utilized Modern Technological Means.

(b) Any person performs any commercial activity through Trading by Modern Technological Means from the State, as well those received from abroad, including; Trading by Modern Technological Means, logistics services, and digital payment gateways to the extent related to Trading by Modern Technological Means.

(c) The free zones, in any of the following instances:

(i) If sale of Goods and Services purchased through Trading by Modern Technological Means goes beyond the geographical jurisdiction of the free zone.

(ii) Absence of legislations regulating Trading by Modern Technological Means in the respective free zone.

(d) The financial free if any of the instances outlined in 2.c.i and 2.c.ii encountered.

2. The provisions of this Law By Decree shall not be applicable to any of the following:

(a) Government procurement.

(b) Data, platforms, and smart applications utilized but not related to Trading by Modern Technological Means.

(c) Digital currencies designated for payment and trading purposes which shall be all subject to the supervision of the Central Bank.

(d) All transactions carried out by licensed financial institutions and insurance companies which shall be all subject to the Central Bank's licensing and supervision concerning the standards, requirements, protection of Consumer rights, dispute resolution, supervision, inspection of those facilities, and imposition of administrative penalties thereon.

Article 3. Objectives of the Law By Decree

The present Law By Decree aims at achieving the following:

1. The achievement of the State's strategic direction pertaining to digital transformation, advancement of Trading by Modern Technological Means, and the attraction of investors and skills.
2. The development of the legislative and regulatory environment pertaining to Trading by Modern Technological Means.
3. The motivation to trade Goods and Services through Trading by Modern Technological Means without distinguishing between them and those provided through real trading.
4. To regulate the relationship between the Digital Merchant and the Consumer to achieve the following:
 - (a) Consumer interests protection;
 - (b) Data protection;
 - (c) Protection of intellectual property rights pertaining to Goods and Services purchased through Trading by Modern Technological Means;
 - (d) Provide adequate technological protection measures to enable Consumers to buy Goods and Services in a secure manner through Trading by Modern Technological Means;
 - (e) Provide secure digital payment methods and channels in accordance with the technical and regulatory standards and requirements approved or determined by the Competent Authority; and
 - (f) Any other objectives as required by the nature of the relationship between the Digital Merchant and the Consumer.

Article 4. Competencies of the Ministry

For the purposes of applying the provisions of this Law By Decree, the Ministry shall have following authorities:

1. Propose and develop a general policy pertaining to Trading by Modern Technological Means in coordination with the Competent Authority and overseeing the implementation thereof after the approval of the Cabinet.
2. Issuing the terms and conditions for the protection of Consumers' interests in order to fulfil the objectives of the present Law By Decree.
3. Coordinating with the Competent Authority to block any smart application, website, or platform whenever any action arises contrary to the provisions of the present Law by Decree or prejudices the public order or public morals.
4. Coordinating with the Competent Authority to meet tax compliance requirements and the conditions of the Customs Authority and other relevant authorities.
5. The Ministry may delegate any of the mentioned authorities stipulated in this Law By Decree to any of the Competent Authorities.

Article 5. Standards and Requirements Pertaining to Trading by Modern Technological Means

Trading by Modern Technological Means in addition to those subject thereto shall abide by the following standards and requirements:

1. Hold legal capacity.
2. Fulfil all legal, regulatory, professional, and technical requirements and conditions, whenever applicable, and obtain the necessary approvals, permits, and

licenses from the Competent Authority regarding Trading by Modern Technological Means and the Store.

3. Make available technically secure environment in order to provide Trading by Modern Technological Means and meet the requirements and standards of: e-security, cybersecurity, and combating cyberattacks as specified by the Competent Authority to ensure safe browsing and purchase of goods or services for Consumers.
4. Sell the Goods and Services that are legally permissible and don't sell and refrain from selling any Goods and Services through Trading by Modern Technological Means that require special approvals from the Competent Authority before obtaining the approvals.
5. Determine the terms, conditions, and details of the various stages pertaining to the sale of Goods and Services through Trading by Modern Technological Means, including determining the prices of Goods and Services, and the fees and prices for logistics services and digital payment services, make them publicly available on the Digital Merchant's website, application, or other Trading by Modern Technological Means, and provide the Digital Contract or the terms and conditions in that regard in the circumstance where there is no Digital Contract, provided that the purchase of Goods and Services shall be deemed and considered as consent by the Consumer to the Digital Contract or those terms and conditions.
6. Meet the conditions and requirements approved by the Competent Authorities regarding the advertising and marketing campaigns and the exchange of Consumer Data in this regard.
7. Refrain from using misleading methods or providing incorrect Data that does not show indicative description of the Goods and Services.
8. Provide a detailed paperless invoice of the purchase of Goods and Services through Trading by Modern Technological Means.
9. Meet competition protection terms and conditions specified by the Competent Authority.
10. Develop a business continuity plan in the event of any risks or crises to ensure smooth, uninterrupted work.
11. Provide the Ministry or the Competent Authorities with any information and Data as requested.
12. Any other standards and requirements determined by the Cabinet.

Article 6. Protection of Consumer Rights Pertaining to Trading by Modern Technological Means

The Consumer shall have the following rights:

1. To obtain Goods and Services purchased through Trading by Modern Technological Means in accordance with the posted specifications and based on the time, value, and costs of the specified logistics services by virtue of the Digital Contract or the announced terms and conditions.
2. To clearly present the Goods and Services and their conditions in a due manner.
3. To have secure ways and methods regarding the purchase of Goods and Services through Trading by Modern Technological Means, payment methods, and the payment of the value of those Goods and Services.
4. To opt in/opt out in respect to solicited calls and whether to receive advertising and marketing campaigns or not whether by phone calls, emails, or social media platforms.
5. To make available a transparent rating option to the Consumer regarding the experience with the Digital Merchant, Good and Services, digital payment gateways, and logistics services.

6. To submit complaints about what has been purchased through Trading by Modern Technological Means or about any of its parties, whether the Digital Merchant or any other person.
7. Dedicate phone numbers and means of communication for complaints that shall be permanently available without interruption along with qualified staff, allocate a mechanism to track complaints and communicate with a clear address, and update it periodically in an easily accessible manner whether through the website or through any other method or way.
8. To provide phone numbers and means of communication with the Digital Merchant.
9. To make publicly available the Digital Merchant's license from the Competent Authority, their address, contact numbers, details of their physical address, and website.
10. Any of other rights stipulated in any other applicable legislations in the State.

Article 7. Return of Goods or Services

1. Save as otherwise provided under the preceding article, the Consumer shall have the right to return or exchange the goods or services that have been purchased through Trading by Modern Technological Means in any of the following cases:
 - (a) Illicit Goods and Services to any of the applicable legislations in the State.
 - (b) Defected Goods and Services as turn upon reception or being incomplete, damaged, or contrary to the description stated by the Digital Merchant or their conditions, or for any other reason that has led to this before the Consumer receives the Goods and Services.
 - (c) Late delivery to the Goods and Services that it is impossible to make use of them.
 - (d) The Goods and Services violate the terms and conditions specified in the Digital Contract or the terms and conditions announced by the Digital Merchant.
 - (e) Any other case regarding which a decision is issued by the Minister.
2. The Consumer's right identified in the preceding paragraph shall seize in any of the following instances:
 - (a) Usage, unless required for verification to assure there is no defect.
 - (b) Exceeding the period specified or followed in the relevant legislations for returns or exchange.
 - (c) Perishable goods whether foods or others which expire in a short period not exceeding three weeks, or they are among the Goods and Services regarding which a decision is issued by the Minister.
 - (d) Books, movies, or programs that may only be used, viewed, or listened to once.

Article 8. Consumer Obligations

The Consumer must adhere to the following:

1. Purchasing Goods and Services through legitimate Trading by Modern Technological Means.
2. Refraining from abusing their right to not accept or return the Services and Goods purchased from the Digital Merchant in accordance with the provisions of this Law By Decree.
3. Diligently reviewing the specifications of the Goods and Services and the announced terms and conditions of the Digital Contract.

4. Settle Payment for the purchase of Goods and Services.

Article 9. Dispute Resolution

The courts of the State or respective emirate, as the case may be, shall have the authority to resolve disputes arising from the application of the provisions of this Law By Decree in accordance with the applicable legislations in this regard, taking into account the following:

1. Dispute Resolution Committee

(a) The Ministry or the Competent Authority in the Emirate, as the case may be, may form a committee to settle the disputes arising from the application of the provisions of this Law By Decree and determine the dispute resolution mechanism.

The decision pertaining to the formation of the Committee shall determine its competencies and work system.

(b) The Ministry may, when necessary, and in order to achieve the objectives of this Law By Decree and protect the interest of the Consumer, establish a Dispute Resolution Committee to settle the disputes between the parties subject to the provisions of this Law By Decree and determine its competencies, and for this purpose, it may coordinate with the Competent Authority.

2. Arbitration

(a) In accordance with Clause (1) of this Article, the provisions of this Law By Decree shall not prejudice any agreement pertaining to the referral of any dispute arising between those subject to its provisions to arbitration in order to settle any dispute that arises between them.

(b) In accordance with the previous Clause of this Article and without prejudice to the right of those subject to the provisions of this Law By Decree to resort to arbitration pursuant to an arbitration agreement, a Digital Contract whose value is less than AED 50,000 may not include a condition to refer disputes arising from it to arbitration.

3. Whenever any of the parties resorts to arbitration after the issuance of the Committee's decision, the latter shall be null and void.

Article 10. Data and Information

1. The Data protection legislations in force in the State shall be applicable to Consumer information and Data, its classification, and its ownership.

2. The following standards and requirements regarding Data and information, whether issued or approved by the Competent Authority, shall be met:

(a) Professional, regulatory, and technical standards and requirements, including Data quality, classification, flow, storage, and non-disclosure to any other person unless there is a legal justification or by virtue of the Consumer's prior consent in a manner that does not prejudice the applicable legislations in the State.

(b) Professional, regulatory, and technical standards and requirements conducive to Data credibility and availability and information and Data security and protection and other relevant standards and requirements.

(c) Standards and requirements pertaining to the abidance of the Digital Merchant and all those who are subject to the provisions of this Law By Decree with Data and information protection.

(d) Standards and requirements pertaining to the protection and security of Consumer information and Data and refraining from sharing them or making them available except with the Consumer's consent.

(e) Standards and requirements pertaining to Trading by Modern Technological Means specified in Article (5) of this Law By Decree.

Article 11. Insurance

1. The Digital Merchant or entities that undertake logistics services and digital payment services may offer insurance coverage against any or all the obligations arising from Trading by Modern Technological Means, including logistics services, digital payment methods, electronic fraud and cyberattack risks, and other risks.
2. Aiming at fulfilling the purpose of the insurance coverage, the Ministry may submit a recommendation regarding the terms and conditions regulating the details of the insurance coverage after coordinating with the Competent Authority to be approved by the Cabinet.
3. The Cabinet shall require providing insurance coverage for any service or activity related to Trading by Modern Technological Means, any of its parties, or the Trading by Modern Technological Means through which it is provided.

Article 12. Liability

Any person subject to the provisions of the present Law By Decree shall be held accountable for whatever obligations addressed herein.

Article 13. Binding Force

1. All activities and businesses pertaining to Trading by Modern Technological Means shall have the same binding force as traditional trading.
2. Regarding the veracity of the contract, the following terms and conditions specified in the applicable legislations in the State shall be met:
 - (a) The verification of the capacity as contractors upon meeting the requirements and conditions of the newly created Digital Identity through Trading by Modern Technological Means that enable the verification of the identities of contractors.
 - (b) The verification of the offer, acceptance, and consequent contracting upon the fulfilment of the requirements for the Digital Identity and Digital Signature.

Article 14. Logistics Services

1. For the purposes of achieving their obligations pertaining to Trading by Modern Technological Means, the Digital Merchant may provide logistics services such as storage, shipping, transport, and delivery to the Consumer directly through them or through any other person licensed in the State.
2. Regarding the provision of logistics services to carry out any stage of the Trading by Modern Technological Means, the conditions, requirements, and terms specified by the Competent Authority shall be achieved.
3. No additional fees for logistics services may be imposed on the Consumer in contravention with those specified and announced by the Digital Merchant in the Digital Contract or the terms and conditions.

Article 15. Digital Payment Gateways

The following conditions, standards, and requirements concerning digital payment channels and methods shall be followed:

1. Fulfilling the obligations and requirements specified in Article (5).
2. Providing services to Consumers in an easy manner consistent with the nature and flow of Trading by Modern Technological Means.
3. Refraining from imposing additional fees on Consumers regarding digital payments contrary to those specified and announced by the Digital Merchant in the Digital Contract or the terms and conditions.

4. Any other requirements regarding which a decision is issued by the Cabinet upon the recommendation of the Ministry and in coordination with the Competent Authority.

Article 16. Oversight

The Ministry and the Competent Authority, each according to its competencies, shall supervise and oversee the implementation of the provisions of this Law By Decree and take legal measures regarding the violation of its provisions.

Article 17. Law Enforcement

1. The employees of the Ministry or the Competent Authority, who are designated by a decision of the Minister of Justice or the Head of the Local Judicial Authority in coordination with the Minister or the Head of the Competent Authority, as the case may be, shall have the capacity of judicial control officers in order to control any violations of the provisions of this Law By Decree that occur within the jurisdiction of each of them, and for this purpose, they shall have the right to:
 - (a) Peruse documents and papers to prove what has occurred in contravention with the provisions of this Law By Decree and the decisions issued pursuant hereto.
 - (b) Conduct inspections, detect violations, and refer them to the authorities concerned with investigation and prosecution.
 - (c) Seek the assistance of the competent security agencies, if necessary.

2. The Digital Merchant and Consumer must cooperate with the Law Enforcement and provide them with any Data, information, and document necessary to perform their work and facilitate their tasks, whenever requested.

Article 18. Coordination regarding Supervision, Oversight, and the Role of the Law Enforcement

In accordance with the objectives of this Law By Decree and the competencies of supervision, oversight and the roles of the Law Enforcement, the Ministry, in coordination with the Competent Authorities, shall establish an Ecosystem to supervision and control activities and the roles of the Law Enforcement in a way that achieves the objectives of this Law By Decree and enables all the Competent Authorities to exercise their powers referred to and coordinate with each other in accordance with the terms, conditions, and controls regulating same by a Cabinet decision.

Article 19. Administrative Penalties

1. The Ministry, in coordination with the Competent Authority, shall prepare a list of violations and administrative penalties regarding acts committed contrary to the provisions of the present Law By Decree, and it shall be issued by a Cabinet decision.
2. The Ministry and the Competent Authority, each according to its competencies, shall impose the appropriate penalties.
3. The violations and administrative penalties referred to in Clause (1) of this Article shall not prejudice the penalties or sanctions stipulated in other legislations.

Article 20. Regulatory and Executive Decisions

1. Pursuant to the Minister's proposal and in coordination with the Competent Authorities, the Cabinet shall issue the necessary regulatory decisions to implement the provisions of this Law By Decree.
2. Without prejudice to the competencies of the Cabinet stipulated in this Law By Decree, the Minister shall issue the necessary decisions to implement the provisions hereof.

Article 21. Publication and Enforcement

The present Law By Decree shall be published in the Official Gazette and shall come into force as of the next day of its publication.

Issued by Us at the Presidential Palace in Abu Dhabi:

On: September 4, 2023

Corresponding to: 18 Safar 1445 H

Mohammed bin Zayed Al Nahyan
President of the United Arab Emirates
