

# The UAE digital transformation: Dubai enhances its digital enablers by issuing the digital services law

Ahmed Ramadan and Jirayr Habibian of Matouk Bassiouny UAE examine the details and implications of Dubai's new digital services legislation.

**O**n March 14 2022, H.H. Sheikh Mohammed bin Rashid, ruler of Dubai, ratified Law No. 9 of 2022 regulating the provision of digital services in Dubai (the Law). The Law has been published in the Dubai Official Gazette and is effective as of March 24 2022.



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## Digital transformation history

The Law comes as part of the UAE's digital transformation strategy initiated in 1982 with the formation of the General Information Authority, which was followed by:

- The launch of the first e-government in the Middle East and North Africa (MENA) region in 2000;
- The adoption of the e-payment service (e-Dirham) in 2001;
- The launch of the Smart Government initiative in 2013;
- The launch of the Digital Vault on Blockchain in 2019;
- The issuance of the Electronic Transactions and Trust Services Law (Federal Law No. 46 of 2021).

These initiatives qualified the UAE to be ranked among the world's best countries in digital transformation according to the World Bank's GovTech Maturity Index 2021.

## Scope of Application

The Law aims to promote Dubai's strategy to maintain a 100% digital government and boost reliance on technology in governmental sectors; It is also applicable to all digital services provided by private service providers (i.e., non-government players).

As a non-federal law, it applies only within the Emirate of Dubai. Article 4 extends the application to special development zones and free zones throughout Dubai, including the Dubai International Financial Centre (DIFC).

According to Article 5, all government entities, judicial authorities (i.e., Dubai courts and the Public Prosecution),



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Ahmed is the head of the litigation group of Matouk Bassiouny's UAE offices. He has over 12 years of post-qualified experience working on a wide range of contentious commercial matters and has practiced in Egypt, Libya and now in the UAE. Ahmed has developed a considerable track record of trying and winning complex cases and cross-border disputes in different jurisdictions throughout the MENA region.

He has steered blue-chip clients through high profile cases in multiple subjects that run the course in business litigation. Ahmed has a considerable litigation experience in the areas of commercial contracts, construction, energy, real estate, insurance, tax, intellectual property, antidumping and safeguard measures.

He has also served as counsel in arbitrations conducted under most major institutional rules including ICSID, ICC, UNCITRAL, DIFC-LCIA, DIAC and CRCICA. Ahmed is a crypto enthusiast and has a deep knowledge of blockchain technology.



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Jirayr is the managing partner of Matouk Bassiouny's UAE Offices. He has a wealth of experience of working in the fields of corporate finance, trade finance, M&A transactions and capital markets across multiple jurisdictions including the UAE, Lebanon, Armenia, Egypt, Turkey and Jordan.

Before joining Matouk Bassiouny, Jirayr acted in a variety of senior roles with leading international banks including as chief legal officer and board secretary of Investbank, chief general counsel and head of regulatory affairs at Rasmala Investment Bank, head of legal and compliance at Bank of Sharjah, regional head of legal and compliance at Standard Chartered Bank and non-executive director of the board of directors of Lebanese Swiss Bank.

Jirayr currently focuses his practice on M&A transactions, trade finance, corporate finance (including debt restructuring), listing and IPO readiness and general corporate advisory.

3. The implementation rules and procedures for each phase.

To give a clear timeline, Article 12 mandates all digital services providers to comply with the provisions thereof "within a period not exceeding one year from the date of commencement of the phase in which this Law becomes applicable," which allows time for digital service providers to plan and organize their resources to cope with the digital transformation in Dubai.

### Digital service provider regulations

Article 6 sets out rules and standards for digital service providers to adopt while rendering digital services, including, but not limited to, the following:

- To adopt the use of digital identity for accessing the digital services that require electronic registration.
- To follow the electronic security requirements and standards adopted by the Dubai Electronic Security Centre.
- To adopt the financial systems and e-payment methods adopted by the Department of Finance for Government Entities and Judicial Authorities.
- To classify the data related to the provision of digital services and exchanging such data with other entities, in accordance with the provisions of Law No. 26 of 2015 Regulating Data Dissemination and Exchange in the Emirate of Dubai.
- To record and archive all data and documents related to the digital services governed by the Law, in accordance with the procedures and periods prescribed in the legislation in force.
- To provide digital services in Arabic and English and in any other language determined by the entity providing these services, considering the available language preferred by target customers.

### Cutting the red tape

The Law stipulates a safeguard against any potential manipulation by customers (for example, denial of requesting or completing a digital service), where Article 8 states:

"All processes performed by Customers through Digital Channels to avail Digital Services under this Law will be deemed as have been made in person, including those related to the penal and civil applications, claims, and appeals required to be made in person pursuant to the legislation in force in the Emirate" [emphasis added].

non-government entities and customers (i.e., anyone who uses the digital channels of government, judicial and private services) are mandated to provide their customers with currently available and 'future' digital services.

The Law entitles the chairman of the Executive Council of the Emirate of Dubai to expand the Law's scope of application by including additional categories of services provided upon a recommendation by the Dubai Digital Authority (DDA).

### Application Agenda

The Law reflects a gradual transformation plan. Article 5 states that the application shall come in phases to be prescribed pursuant to a resolution issued by the chairman of the Executive Council upon the DDA's recommendation. The said resolution would determine:

1. The commencement date for each phase;
2. The Digital Services and the entities to be included in each phase; and

## *“Law No. 9 of 2022 regulates the provision of digital services in Dubai”*

Additionally, Article 9 gives all correspondence, documents, records, electronic documents and electronic signatures related to the digital services provided through digital channels under the Law equivalent weight of evidence for documents prescribed under Federal Law No. 10 of 1992 (the Law of Evidence) and

Federal Law No. 46 of 2021 (concerning electronic transactions and trust services).

### **Outsourcing the provision of digital services**

Article 10 entitles government entities to “outsource to any public or private entity the provision of its Digital Services or the

provision, management, or operation of the systems, electronic programs, and Digital Channels required for providing these Digital Services, pursuant to an agreement concluded with the public or private entity for this purpose” allowing government organs in Dubai to opt for high-quality and technically advanced service providers.