

Beware of Dh2M fine as new climate law takes effect

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The UAE's new climate law came into effect on May 30 and outlines a comprehensive framework for climate action to reduce greenhouse gas emissions, becoming the first country in the Mena region to establish a legal framework for climate resilience, emissions accountability, and regional leadership ahead of COP30.

The Federal Decree-Law No. 1) of 2024 On the Reduction of Climate Change Effects sets emissions reduction targets across key sectors such as energy, infrastructure, and waste management — signalling a pragmatic commitment to achieving climate neutrality without compromising economic growth. The inclusion of diverse mitigation measures, including carbon capture, utilisation and storage (CCUS), and enhancement of natural carbon sinks, positions the UAE as a re-

gional leader in deploying advanced climate technologies.

A key feature of the law is the introduction of a robust Measurement, Reporting, and Verification (MRV) framework. This system mandates emissions inventories, third-party audits and the creation of a national electronic tracking platform.

To ensure compliance, the law imposes penalties of not less than Dh500,00 and not more than Dh2 million for violations. The National Carbon Credit Registry is also set to link the UAE with international carbon markets, rewarding proactive climate action by businesses.

Navandeep Matta, senior associate, Kochhar & Co Inc Legal Consultants, Dubai, said the law offers a one-year grace period, allowing industries time to adjust.

“By institutionalising mitigation, adaptation and innovation, the UAE not only safeguards its future but also sets a precedent for hydrocarbon-rich economies.



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As the law enters force, its success will depend on collaborative execution, public-private partnerships and continuous adaptation

to emerging climate science. For a nation poised at the crossroads of ambition and action, this law is a testament to the UAE's resolve to

lead the global energy transition,” he said.

The new law mandates sector-specific climate adaptation plans, including requirements for data-sharing on climate-related damages, enabling policymakers to make informed, evidence-based decisions.

It encourages the development of emissions trading systems, carbon offset projects, and internal carbon pricing. These mechanisms aim to stimulate investment in renewable energy, green technology and circular economy models — key pillars of the UAE's strategy to diversify its economy and remain competitive in a low-carbon future.

The Federal Decree-Law No. (11) affirms the UAE's commitment to international climate agreements, including the Paris Agreement and its Nationally Determined Contributions (NDCs).

Greenpeace Middle East and North Africa (Mena) praised the new UAE law, saying this is “a

transformative step towards a more climate-resilient and sustainable future in the country's climate policy framework.”

“This law marks a bold and progressive move in the UAE's climate leadership. By institutionalising emissions monitoring and climate adaptation, the UAE is setting a compelling example for countries across the region. We commend this important step and look forward to seeing its full implementation through measures that reflect the ambition of the law and respond to the pressing realities of the climate crisis,” said Githwa Nakat, executive director of Greenpeace Mena.

“The UAE's strategic action sends a powerful signal across the region and globally — that climate resilience and sustainable development are now national imperatives. With robust frameworks for emissions reduction and adaptation in place, the UAE is well-positioned to lead by example,” she added.