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CLIMATE NEUTRALITY

COMPLIANCE GUIDE · 01

# The UAE Climate Law, *in plain English*

What Federal Decree-Law No. 11 of 2024 actually requires of your business — who it covers, the deadlines, the penalties, and the first moves to make.

START HERE

**THE ONE-MINUTE VERSION**

The UAE now has a **binding climate law**. Almost every company that operates here — mainland or free zone, large or small — must measure its greenhouse-gas (GHG) emissions, report them through the government's national platform at **mrv.ae**, keep the records for five years, and show a plan to reduce them. It is a compliance obligation with real fines, not a voluntary sustainability exercise.

## 01 What this law is

Its full name is **Federal Decree-Law No. 11 of 2024 on the Reduction of Climate Change Effects**. It is the UAE's first nationwide, legally enforceable framework for GHG emissions, and it supports the country's Net Zero by 2050 commitment. In practice it turns emissions reporting from something companies chose to do into something they are required to do, with a regulator — the Ministry of Climate Change and Environment (MOCCAE) — and penalties behind it.

## 02 Who it applies to

The simplest way to read the scope is this: **if your activity in the UAE produces emissions, the law applies to you.** There is no revenue threshold and no sector exemption the way there is with VAT or corporate tax. Critically, **free-zone companies are not exempt** — the federal law reaches into the free zones as well. A trading company, a hotel, a logistics firm, a clinic, a factory: if it consumes electricity, runs vehicles or generators, or occupies cooled premises, it has emissions to account for.

**Not sure how big your footprint is?** Get a free first estimate in about two minutes — no account needed — at `carbonpulse.ae/estimator`.

## 03 The four things every business must do

1 **Measure**

Build an inventory of your emissions using a recognised method (such as the GHG Protocol or ISO 14064). The focus for now is Scope 1 — direct emissions you own or control — and Scope 2 — the electricity and cooling you buy.

2 **Report**

Register and submit your data through the national MRV platform at mrv.ae. A voluntary ESG or GRI report does not satisfy this — the law expects a formal submission in the prescribed format.

3 **Reduce**

Provide a credible plan with at least one concrete action — energy efficiency, clean energy, waste management, offsets, and so on — plus the expected result of that action.

4 **Keep records**

Retain the supporting data and calculations for at least five years, in a form the regulator can access on request.

## 04 The dates that matter

| | |
|---|---|
| 30 May 2025 | The law came into force. The legal obligation to comply has existed since this date. |
| 28 Jun 2025 | Registration deadline for the largest emitters (see the two tiers overleaf). |
| 30 May 2026 | The original full-compliance deadline for all other businesses. **Note:** MOCCAE has signalled this date is likely to be extended, pending a technical guidance document — but no revised official date has been confirmed. Treat the original date as your planning anchor and confirm the current deadline at mrv.ae. |
| 2027 (expected) | Scope 3 — value-chain emissions — is anticipated to become mandatory, though this is not yet fixed in law. |

## 05 Two tiers, not two questions

The threshold below decides **how much** you must do — not **whether** you must comply. Both tiers are in scope.

TIER 1 · EVERY OTHER BUSINESS

### Measure, report, reduce

The SME, the free-zone entity, the mid-sized company. You build a Scope 1 & 2 inventory, register on mrv.ae, file your report, submit a reduction plan, and keep records. This is where the large majority of UAE companies sit.

TIER 2 · HUGE-EMISSION ENTITIES

### ≥ 500,000 t $CO_2$e / year

Under Cabinet Resolution No. 67 of 2024, entities emitting half a million tonnes or more a year (Scope 1 + 2) face added duties: registration with the National Register for Carbon Credits, an ISO 14064 inventory, and independent third-party verification.

## 06 What non-compliance costs

**50K**
AED — FLOOR OF THE FINE RANGE

**2M**
AED — CEILING PER VIOLATION

**×2**
DOUBLED FOR REPEAT WITHIN TWO YEARS

Fines run from **AED 50,000 to AED 2,000,000 per violation**, and each missed report, inaccurate figure or missing record can count as a separate violation. A repeat offence within two years doubles the penalty, up to **AED 4,000,000**. Beyond the fine, weak emissions data is increasingly a problem in tenders, financing and supplier reviews.

## 07 Three moves to make now

1. **Confirm you are in scope and find your sources.**
List what produces emissions: electricity and cooling, owned vehicles, generators, fuel, refrigerants. For most companies this takes an afternoon, not a project.

2. **Build a first Scope 1 & 2 inventory.**
Even a rough baseline tells you where you stand. The data you cannot buy back later is time, so an early, imperfect inventory beats a late, perfect one.

3. **Register on mrv.ae and check the live deadline.**
Set up the account, assign who provides and validates data, and read the current official date straight from the source.

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