

# Shaping the Future: The Future of Transport in Dubai

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Through the revisions, the RTA's strategic goals have been reclassified into three core drivers: Community, Transit Systems and Internal Efficiency. In simpler terms, this translates to developing smart solutions for transport, roads, and traffic; ensuring integration between mobility and urban planning and make roads and transit systems friendly to all.

In this Article, we consider recent developments in the legislative landscape of transport in Dubai. In specific, we look at the legal developments and initiatives introduced or materialised in the year 2017 that offer 'smart' solutions for mass transport and mobility.

## **New Laws and Developments**

### **1. The Dubai Integrated Mobility Platform -**

Bylaw No. 130 of 2017 issued pursuant to Executive Resolution No. 6 of 2016 Regulating Passenger Transportation by Vehicles

We have previously touched upon the matter of App-based (e-hail) taxi services in Dubai in our Law Update issue of June-July 2016. App-based taxi service providers had operated in legal vacuum until Dubai Executive Council Resolution No. 6 of 2016, Regulating Passenger Transportation by Vehicles ("Resolution No. 6") mandated that the activity of providing passenger transportation by vehicles through phone calls, electronic means, smart applications or any other channel is to become a licensed activity.

Under Resolution No. 6, a company that offers transportation services to its customers through a smart application ("e-hailer") in Dubai must apply to the Public Transport Agency at the RTA to obtain a permit that would allow it to offer passenger transport services through electronic means and smart applications (the "Permit"). The fee to issue or renew the Permit, which is valid for a renewable term of one year, is AED 500. A penalty of AED 5,000 will be imposed if transport services are offered through electronic or smart means without having the requisite Permit.

On 26 February 2017, Bylaw No. 130 of 2017 (the "Bylaw") was issued by the RTA's Board of Directors to further specify the conditions and requirements of transporting passengers in Dubai, whether by taxis or luxury (limousine) cars, including those pertinent to the issuance of the Permit for e-hailers.

In what can be considered an important upgrade to the affair of passenger transport in Dubai, the Bylaw introduced the concept of the "Electronic Platform" or what is otherwise advertised as the Dubai Integrated Mobility Platform. This Platform is intended to provide Dubai residents and visitors with easy access to all mass transit systems available in Dubai through a single window (smart mobility application). The said mass transit systems will include the RTA's multi-modal transit systems such as the metro, tram, buses, marine transit and taxis.

In addition, the Dubai Integrated Mobility Platform is projected to integrate the RTA's mass transit systems with transit systems of other entities in Dubai, such as luxury car service of the Dubai Taxi Corporation, Palm monorail and more importantly to integrate the electronic taxi booking services such as Uber,

Careem, and others. An important element to consider in the proposed integration of systems between the RTA and e-hailers is that of a realised partnership between the public and private transport sectors in Dubai aimed to offer innovative and economic mobility solutions.

With a view of this projected integration, the Bylaw provides that to obtain the Permit an e-hailer must:

- a. Make available the systems, electronic means and smart application(s) necessary to provide the e-hailing service;
- b. Connect its systems, electronic means and smart application(s) which are necessary to provide the e-hailing service with the Electronic Platform (the Dubai Integrated Mobility Platform); and
- c. Install and connect its systems, electronic means and smart application(s) which are necessary to provide the e-hailing service through the Electronic Platform on/with the smart taximeters recommended by the RTA (which are available in the approved taxis and luxury cars).

By the same token, the Bylaw specifies the conditions applicable to entities desirous of obtaining a permit to transport passengers by taxis and luxury cars, which also include connecting the applicant's electronic systems to the Electronic Platform (the Dubai Integrated Mobility Platform).

Made to coincide with the well known Gitex event, the RTA launched the mobility application named S'hail. As of now , the available transport options are the metro, tram, bus, waterbus, taxi, e-Hail, Uber and Careem services. Dubai's marine transport options, the Palm Monorail, Downtown's Dubai Trolley and the two-seater Autonomous Air Taxi (AAT) service will be integrated at a later stage.

## **2. Transport and Rental Activities**

Executive Council Resolution No. 47 of 2017 relating to road transportation and vehicle rental activity in Dubai.

On 15 June 2017, the Executive Council issued Resolution No. 47 of 2017 ("Resolution No. 47") under which activities involving transport by road and rental of vehicles have now become regulated and licensed activities. This Resolution came as a measure to set standards for and to monitor the companies operating in this sector and to control the quality of the services offered.

The scope of Resolution No. 47 covers an array of transport activities, which includes transport of passengers (in buses on international routes), goods, valuables, packages, foodstuff, furniture, dangerous and radioactive material and other items by specialised companies; and rental activities such as the rental of buses, trucks, recreational vehicles, motorcycles and bicycles. The Resolution also applies to the services of transport of the elderly and sick in non-emergencies, mobile maintenance (mechanical, electric, tyres, and air conditioning) services, vehicle registration, home delivery, logistics, home gas distribution, vehicle fuel distribution and the management of vehicle fleets.

The activities subject to this Resolution, with a total of 52 activities, are listed in Annex 1 of the Resolution.

Resolution No. 47 stipulates that in order to undertake any of the transportation or rental activities listed, the interested party must obtain a permit from the Licensing Agency at the RTA. The permit is valid for a renewable term of one year and must be renewed within 30 days of expiry. Amongst other fees, fees related to the issuance, renewal, amendments of, cancellation or suspension of permits are listed in Annex 2 of Resolution No. 47 and range between AED 50 to AED 5,000. Additional details about the issuance of the permit, such as the terms, conditions, process and required documents will be mentioned in a follow-up bylaw.

Save for government entities, which are exempt, all entities undertaking road transportation and vehicle rental activity must comply with the provisions of Resolution No. 47 within one year of its date of issuance

(extendable if deemed necessary by the RTA's General Director and Chairman). This includes entities based in special development zones, free zones, and the Dubai International Financial Centre.

Finally, Resolution No. 47 also defines the fines and penalties for any violations committed and list them in Annex (3). The violations notably include failure to undertake road transportation and vehicle rental activities without permits (fine of AED 10,000), taping or posting any advertisements or promotional material on vehicles without the prior approval of the RTA's Licensing Agency (AED 5,000) and using the vehicle for non-permitted activities (AED 4,000). The Resolution also provides for a grievance procedure, which allows the concerned person/entity to file a complaint within 15 days of being notified of the decision/procedure/measure to be complained against and provides that a (final and conclusive) decision must be issued in the matter of grievance within 30 days of date of complaint.

### **3. Pay-by-the-Hour Car Rental Activity**

Executive Council Resolution No. 49 of 2016 regarding the regulation of pay-by-the-hour car rental activity in Dubai.

As a result of Executive Council Resolution No. 49 of 2016 and bylaw no. 107 of 2017 issued pursuant to it (together, "Resolution No. 49"), Dubai residents may now elect to benefit from the concept of car sharing, whereby they can pick up a car from any location and drop it anywhere else in Dubai and pay for the service by the minute or on an hourly basis.

Resolution No. 49 aims to provide a premium mode of transport at low cost, thus affording Dubai residents with an alternative transportation solution suitable to their needs and budgets. The Resolution also aims to apply best-adopted practice worldwide in car sharing while concurrently seeking to regulate it in an efficient and flexible manner.

Pay-by-the-hour car rental service is a licensed activity, and the requisite license must be obtained from the Licensing Agency at the RTA. Bylaw No. 107 defines the procedures for issuing and renewing the license for the car rental companies and the cars in service. Individuals renting the car should similarly hold a valid driving license recognised by the RTA.

Pay-by-the-hour car rental services are now offered by the RTA in partnership with two firms, Udrive and ekar. The pay-by-the-hour car rental service is one of the 'last mile solutions' afforded by the RTA in addition to feeder buses and taxis. It should be noted, however, that according to Resolution No. 47 pay-by-the-hour car rental services will be allowed for a maximum period of six hours per day.

### **Looking Forward**

Dubai's journey of development continues, as conceptualised in the RTA's revised Strategic Plan 2017-2021 and the different initiatives it has undertaken to realise the vision of making Dubai a global capital of the future, which offers its residents and visitors an effective and seamless transportation experience. One of the key components in realising this vision would naturally mean having the right legal framework to formalise and implement it. While we have seen future forward legislation introduced to regulate the different transport projects envisaged by Dubai, we continue to look forward to laws and regulations that usher in the next chapter in Dubai's innovative and smart development.