



WHAT'S COMING TO THE UAE IN 2025: NEW REGULATIONS AND UPDATES



MennaTullah Naser

Senior Associate

T: +971 7 233 8927
E: mtnaser@slglaw.cc
www.slglaw.cc

Introduction

As the UAE approaches 2025, it stands ready to embrace a series of transformative regulations and initiatives designed to reshape various sectors. Here, we present the top five key updates, which include new traffic regulations, Emiratisation targets, improved healthcare access in the Northern Emirates, anticipated increases in rental prices and property value in Dubai, and projections for economic growth.

I. New Traffic Rules

Starting March 29, 2025, new traffic rules will take effect in the UAE, bringing significant changes to enhance road safety and accountability. Pedestrians and users of personal transportation are prohibited from stopping in the middle of the roadway or crossing at non-designated areas. Crossing roads with a speed limit of 80 km/h or above is strictly prohibited, with violators potentially facing civil or criminal liabilities.

Under the new law, the minimum age to obtain a driving license has been decreased. Applicants must now meet specific criteria, including being at least 17 years old, passing a medical examination, and completing a driving test.





Penalties for Violations:

A. Driving without a valid license:

- First-time violators: AED 2,000–10,000 fine.
- Repeat offenders: AED 5,000–50,000 fine or imprisonment of up to 3 months.

B. Fleeing an accident scene: Up to 2 years imprisonment and AED 50,000–100,000 fine.

C. Crossing non-designated places:

- If resulting in an accident: AED 5,000–10,000 fine or imprisonment.
- On high-speed roads: AED 10,000 fine or up to 3 months imprisonment.

D. Causing death by mistake: Imprisonment and fines starting from AED 50,000, with harsher penalties for aggravating factors like running a red light or driving under the influence.

E. Driving under the influence of psychotropic substances:

a. Alcohol - AED 20,000-100,000 or imprisonment. Offenders may face suspension of three to six months or cancellation of licenses for the third offense.

b. Narcotic and psychotropic substances – AED 30,000-200,000 fine or imprisonment. Offenders may face suspension of license from six months to one year and cancellation for the third offense.

II. Emiratisation Targets

Companies that fail to meet the 2024 Emiratisation targets by the end of December 2024 will face financial penalties starting January 1, 2025, while those in compliance will enjoy certain benefits. Emiratisation regulations apply to businesses employing 50 or more workers, requiring a 2% annual increase in the number of Emiratis in skilled roles by year-end. Non-compliant companies must pay AED 96,000 for each Emirati not hired, with penalties collected at the beginning of the year. Failure to meet the 2025 targets will result in increased penalties of AED 108,000 per unmet quota, enforceable from January 2026. This policy aims to achieve a 10% Emiratisation quota by early 2027 through a consistent annual increase.

III. Mandatory Health Insurance for Northern Emirates

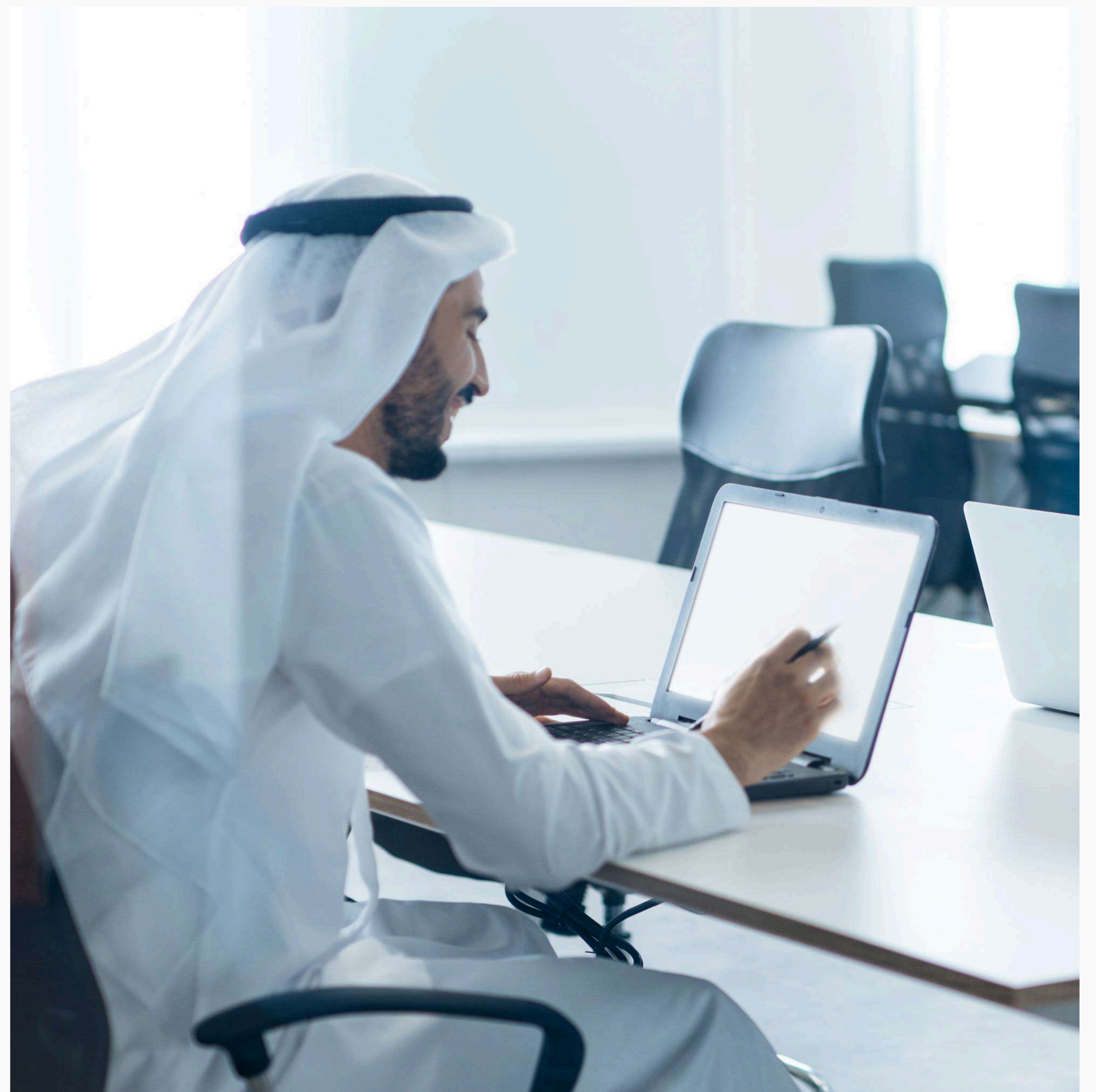
The UAE's nationwide mandatory health insurance program is set to launch on January 1, 2025. While employees in Dubai and Abu Dhabi already benefit from medical insurance under existing local regulations, this marks the first time such a scheme will be introduced in Sharjah and the Northern Emirates. Reports suggest that more cost-effective health insurance plans will be introduced in these emirates as the requirement for mandatory employee coverage is implemented.

IV. Emiratisation Targets

Rents in Dubai are expected to rise moderately by around 10% next year, driven by strong demand fueled by the city's growing population, which reached 3.814 million in December, highlighting substantial growth throughout the year. High-end and waterfront areas are anticipated to lead rent increases due to limited supply and a surge in interest from affluent residents. Meanwhile, suburban and affordable neighborhoods are expected to experience varied trends, with modest growth in certain areas.

Industry experts have identified several key areas likely to see rent increases, including Jumeirah Islands, Al Barari, Jumeirah Bay Island, Dubai Marina, Palm Jumeirah, Downtown Dubai, Business Bay, Dubai Hills Estate, Arabian Ranches, and Dubai South. While central and premium areas may experience a 10 to 12 percent increase, affordable neighborhoods could see more conservative growth rates of 2 to 5 percent, accommodating new supply and providing competitive options for residents.

We may also see further increases in property values as the demand for luxury and high-end homes continues to grow in Dubai. The general residential market is anticipated to experience an 8 percent increase in 2025, while luxury properties are predicted to rise by an average of 5 percent.





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According to an analysis by global real estate consultancy Knight Frank, nearly one in five homes in Dubai is now valued at over USD 1 million. Properties purchased initially for less than USD 1 million have appreciated solely due to price inflation. Since 2002, approximately 530,000 homes have been sold in Dubai, with 95,000 now exceeding the USD 1 million threshold, representing a combined value of AED 822 billion. This marks a significant increase from 6.3 percent of such homes in 2020 to 18.1 percent today. Knight Frank's analysis further underscores that the total value of homes sold in Dubai since 2002 has reached AED 1.47 trillion, reflecting a remarkable 221 percent growth since 2020.



V. Growth of the UAE Economy

The International Monetary Fund's (IMF) Middle East and Central Asia Department projects that the UAE will spearhead economic growth among GCC nations in 2025, driven largely by the flourishing non-oil sector. Experts anticipate that this sector will achieve an impressive growth rate of 4 to 5 percent, underscoring its pivotal role in the nation's economic development.

Key contributors to this growth include extensive investments in digital transformation, technological advancements, renewable energy, and environmentally focused initiatives. Furthermore, the country's policies emphasizing investment diversification and a commitment to climate sustainability have fortified its economic outlook.

Meanwhile, the Arab Monetary Fund has provided a similarly optimistic forecast, estimating the UAE's economic growth at 3.9 percent in 2024, rising to 6.2 percent by 2025. This upward trend is fueled by ongoing progress in sectors such as tourism, real estate, and international trade. Enhanced capital spending and targeted efforts to support economic development, particularly in high-tech industries, are also expected to play a significant role in sustaining this robust growth trajectory.

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