

Liquor Licenses in Dubai

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What operators in the hospitality sector need to know about liquor licences in Dubai

Q&A: What operators in the hospitality sector need to know about liquor licences in Dubai

Businesses operating in the hospitality sector often face practical challenges with regard to obtaining and preserving their liquor licences in Dubai. The purpose of this Q&A is to provide such businesses with a brief overview on an issue of substantial impact on their operations.

What is the legal framework governing liquor licensing in Dubai?

The principle law is Law No. 999 of 1972 (the 'Liquor Control Law'). There are also a number of provisions namely relating to the consumption, advertisement, and sale of alcohol in Dubai (e.g. Penal Code, advertisement laws, taxes and tariffs laws, etc.)

Which authority is responsible for liquor licensing in Dubai?

Liquor licences in Dubai are issued by the Dubai Police General Headquarter ('DPGH').

What are the types of liquor licences?

There are 4 types of liquor licenses.

- Type A: Licence to import liquor.
- Type B: Licence to sell liquor to third parties from a shop or warehouse.
- Type C: Licence to serve liquor within a hotel, club, or restaurant.
- Type D: Licence to purchase liquor.

In addition to the above licence types, Article 2 of the Liquor Control Law states that the DPGH may, on the basis of an application, grant a person a licence to export liquor outside the Emirate, subject to a specific quota restraint.

What are the permissible activities under a Type C liquor licence?

Under a licence to serve liquor at a hotel, club, or restaurant, the licensee is allowed to do the following, either personally or through its employees:

- purchase liquor from the warehouse of a person holding a liquor import licence (or a person holding a licence to sell liquor from a warehouse) upon presentation of the licence;
- transport liquor from the locations mentioned in the previous paragraph directly to the hotel, club, or restaurant licensed to serve liquor, and store it there;
- serve liquor for immediate consumption at licensed establishments such as hotels, clubs, and restaurants, subject to the Penal Code and other regulations in force in Dubai, and in accordance with the directives issued by the Chief Commander of the Dubai Police.

What are the rules of conduct in respect of Type C liquor licences?

Pursuant to the Liquor Control Law, the following are the main rules of conduct that must be observed by a licensee under a Type C liquor licence:

- with the exception of wine, all liquor served at hotels, clubs, and restaurants must be served in a glass;
- liquor served must be consumed on the premises; and
- the licensee must maintain records of all documentation pertaining to the quantities and movement of liquor stock.

In addition to the above rules of conduct, the DPGH issued the following directives that must be observed by hotels, clubs, and restaurants under a Type C licence:

- liquor may be sold or served at any bar, or in any lounge, coffee shop attached to or adjacent to any bar;
- liquor may not be sold or served to persons under the age of 21 years;
- liquor may only be served in the restaurant to persons about to partake of, partaking of, or having recently partaken of a full meal;
- the licensee must keep a liquor stock register and allow such stock to be available at all times for inspection by police officers in uniform;
- liquor may be served outside licensing hours to bona fide hotel guests in their rooms;
- the Type C licence and rules of conduct, together with a comprehensive list of prices of alcoholic drinks, must be permanently displayed on the premises;
- with the exception of beer and wine, liquor may only be served in measures to a maximum of one fluid ounce;
- sale of liquor for consumption off the premises is strictly forbidden;
- serving liquor in the foyer of the hotel or any other part of the hotel that is not specifically licensed for this purpose is strictly forbidden;
- the hotel management is directly responsible for controlling the use of the Type C licence, so as to prevent any unauthorised use of such licence;
- the hotel is required to notify the nearest police station (or police headquarter) in the event of any disturbance.

What are the information and documents generally required from a person applying for a Type C liquor licence?

A person applying for a Type C liquor license must submit a written request to the DPGH, which would include:

- details of the applicant, including the name of the physical person who shall be named in the licence;
- description of the premises where liquor is expected to be sold;
- description of the security storage arrangement in respect of the liquor stock;
- description of the fire precautions; and
- cost amount of monthly liquor required.

How long does a Type C licence typically takes to be issued by the DPGH?

The licence is usually issued within seven to ten working days from the date of inspection of the relevant premises by the DPGH officers.

Is there a limit on the amount of alcohol purchased by an establishment licensed under Type C licence?

Yes. The DPGH ensures that each Type C licence is subject to a quota for the purchase of liquor, which cannot be exceeded. This quota depends on the type of outlet, its size, and the number of

expected guests (e.g. the quota applicable to a restaurant would be generally less than the one applicable to a lounge).

Are there restrictions on the opening hours of an establishment licensed to sell liquor under a Type C liquor licence?

Yes. A licensed establishment may only sell liquor to its customers within permitted operating hours. The permitted operating hours are set by the governmental authorities and differ subject to where the licensed establishment is located. Please note also that there may be different restrictions on opening hours, dependent on the licensed activity of the establishment, i.e., a restaurant versus a bar.

Can a licensee advertise alcohol in Dubai?

It is illegal to advertise the sale of alcohol beverages in Dubai. However, the practice on the ground indicates a certain degree of pragmatism that would warrant seeking legal advice on case by case basis.

Al Tamimi & Co has considerable experience in advising and assisting operators in the hospitality sector on establishing a presence in Dubai and obtaining the relevant licenses and permits. Please feel free to contact Al Tamimi & Co's Hospitality Practice with regard to any query that you may have in this respect.