



UAE Business Setup Guide 2024

All You Need to Know About Setting Up and Operating a Business in the UAE

NHMANAGEMENT

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FOREWORD

We are delighted to release the 2023 edition of the UAE's business setup guide. As the UAE is on a fast-track into becoming an international trade and talent hub, becoming more attractive to investors, entrepreneurs, professionals. However, with the constant evolution of regulations and procedures, it can be difficult to keep up with the latest information on how to set up and operate a successful business in the UAE.

That's where this guide comes in. We have created a comprehensive resource that covers all aspects of business setup in the UAE, from company formation and visa processes, to cultural considerations, education, and healthcare. This guide also provides in-depth information on the latest regulations governing businesses in the country, including Economic Substance Regulation, Ultimate Beneficial Ownership requirements, anti-money laundering laws, and more.

Armed with the knowledge and insights contained in this guide, entrepreneurs will have the tools and confidence they need to make informed decisions that will pave the way for a successful and prosperous business journey in the UAE.

If you have any questions or concerns about company formation or doing business in the Middle East, our expert team is always available to help. We wish you all the best as you embark on your entrepreneurial journey in the UAE.

TAO XIAO

Partner

NH MANAGEMENT



The UAE: An Overview

A. A Thriving Economy: The Economic Progress of the UAE in the Last 50 Years

Although the UAE had humble beginnings before becoming the haven of modern architecture and business that it is today, trade has always been at its center. Pearl trade has been a growing industry since the 1500s and hit its peak in the 19th century. During this time many of the country's inhabitants were semi-nomadic, moving from the coast to inland with the pearling and date farming seasons. Other traders also passed through the country to buy and sell gold, spices, and textiles – all of which still flourish in today's modern souks.

The UAE economy saw another significant boost in the late 1800s when expatriates were officially granted tax exemption, leading to an influx of overseas workers and business owners entering the country. It's another trend that has continued to this day.

However, it would not be until the 1960s for the UAE to become truly transformed, after the discovery of oil.

With their newfound wealth from a fresh industry, the country's rulers set out to build a commercial hub in the heart of the Middle East. Specifically, they transformed Dubai from a humble fishing village to one of the most technologically and architecturally advanced cities in the world.

Today, the UAE is known as one of the most prestigious and well-respected business locations, offering its inhabitants a strategic location between the vast markets of Europe, Asia, and Africa.

Its business-friendly regulations, reputation for ease of doing business, low corporate tax rates of 9%, zero personal taxes, and world-leading free economic zones keep it at the top-of-mind of the best entrepreneurs and investors. Simultaneously, infrastructures such as like the Burj Al Arab, Burj Khalifa, and Palm Islands paint a picture of the heights that the UAE has reached in taking on the world stage.



B. The Importance of SMEs

From being an economy that was dominated by the oil and gas industry, the UAE is now among the most open and diverse business landscapes in the world.

Forecasts for 2023 are citing that non-oil industries will remain resilient and grow by 3.9% this year. The tourism industry will be one of these non-oil economic key drivers, alongside real estate, ICT, and technology.

No matter what the industry is, though, at the heart of the UAE's economy are SMEs. They account for about 94% of the country's businesses and employ nearly 90% of the private sector's labour force. Overall, small and medium businesses collectively contribute over 60% to the UAE's GDP, a figure that is projected to grow thanks to the government's growing support for startups.

There are about 500,000 small and medium-sized businesses that set up in the UAE every year, because the country makes it very easy to do so. Be it fast and easy company formation processes, low entry barriers, and a supportive entrepreneurial landscape, the UAE provides a business landscape that empowers any SME to grow and thrive.

C. How the UAE Supports SMEs

Given how much of a significant role SMEs play in the UAE's economy, the nation's government is stepping up to further strengthen this important sector. A growing number of initiatives are being activated to support and encourage innovative startups to flourish, both pre-launch and post-launch.

One major development is the Ministry of Economy's Entrepreneurial Nation 2.0, a new iteration of the 2021 program which now aims to develop over 8,000 SMEs and startups by 2030. This time around, it puts a key focus on technology as digitisation and smart services take up a larger space in the economy.

Besides that, is the Ministry of Economy's NextGenFDI. Launched in July 2022, the Ministry of Economy aim to develop the next generation of technology-based companies in the UAE by offering business support services and advice, as well as attracting new digital businesses and tech unicorns.

There are also initiatives like the Mohammed Bin Rashid Establishment for SME Development, the National SME Programme for funding, business, and marketing assistance, and the Khalifa Fund to fund, develop, and support small and medium enterprises.

All these projects show the UAE's strong commitment to unlocking the full potential of the SME sector, delivering a wide variety of incentives to drive growth, diversity, flexibility and innovation.

At the end of the day, the country seeks to cement its place as a leading hub and global business destination for both small and medium sized businesses. In line with that, the Ministry of Finance has also launched a range of digital solutions to create a business-friendly and encouraging environment for entrepreneurs to achieve this aim.



They offer support at all stages of business development, to nurture promising projects and boost businesses to the next level.

These initiatives include:

- Referrals to business opportunities and contracts
- Funding solutions and guarantee schemes
- Customised support and accelerator services

D. Doing Business in the UAE

The UAE is made up of seven emirates: Abu Dhabi, Dubai, Sharjah, Ajman, Ras Al Khaimah, Umm Al Quwain and Fujairah. It also boasts a strategic location, being in between Asia and Europe as a gateway to a large part of the world's population. These are just some factors that help it rank first in foreign direct investment in the Middle East and North Africa region.

The country is famed for being one of the easiest places in the world to do business, ranking 16th among 190 nations according to the World Bank's annual ratings. It is often commended for its robust banking system, stable political system, and well-established business infrastructure. And with an expatriate population of approximately 89%, it attracts entrepreneurs and business owners from every corner of the globe. These international investors not only benefit from one of the lowest corporate tax rates of 9%, but, can also repatriate capital and profit with no restrictions.

In terms of corporate culture, the UAE is known to be open, welcoming, and encouraging. Entrepreneurs are able to build communities, as networking is key in the UAE. Business relationships are also generally seen as less transactional, and more suited for long-term support.



Having said this, taking the time to nurture professional relationships is always a key strength. The UAE, and particularly Dubai, may be famous for its attractions, nightlife, and entertainment, but you can only truly succeed here if you're willing to work hard and are serious about what you do.

Business in the UAE is governed by the country's juridical system, which varies between emirates. Arabic is the official language and may be a requirement for some legal and official paperwork. However, English is widely spoken and usually the preferred language in business communication due to the country's diverse resident population.

Security is also not an issue in the UAE, as the country has a deserved reputation as one of the safest in the world. In fact, the World Economic Forum just ranked the country as the second safest globally, out of 136 nations. The UAE also offers a high quality of life and standard of living, making it the ideal place for work, life, and play.

E. The Middle East and the Region

Known as one of the most powerful and diverse regions in the entire world, Middle East and North Africa (MENA) grew by 5.5% in 2022 and is expected to improve by another 3.5% this year. The region houses some of the strongest economies (such as the UAE and Saudi Arabia), spans over 15 million square kilometers, and contains approximately 6% of the world's population – roughly the same as the European Union.

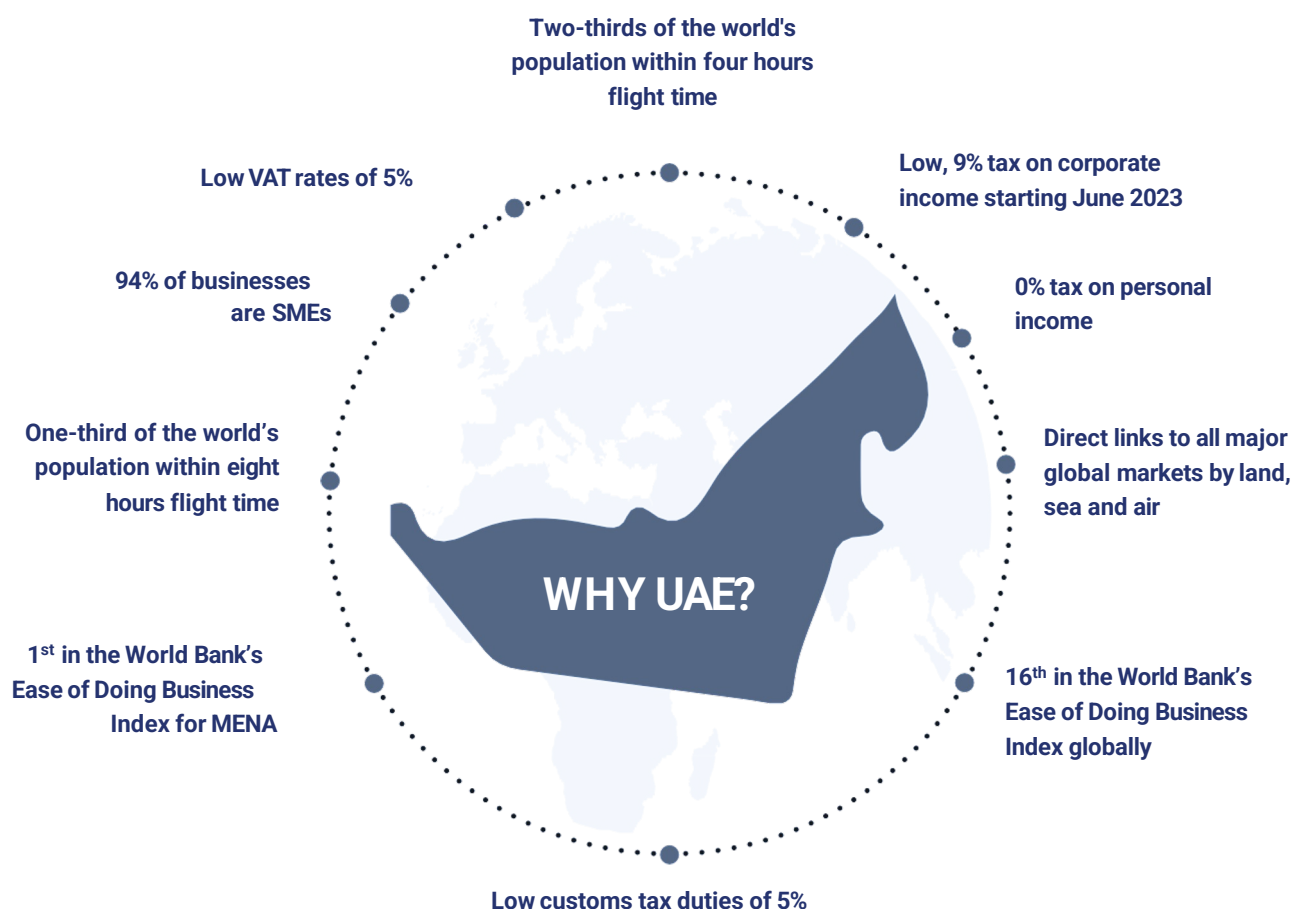
Nations in the MENA region are able to trade with every corner of the globe, being highly accessible to so much of the world. And in terms of economic activity, while only 15% of the region's land is suitable for farming, agriculture is also a contributor. The MENA region's most significant crops include cotton, coffee, tobacco, wheat, barley and rice. The oil industry is also a major player in their economy, given that over half the world's oil reserves can be found in the region.

Having undergone large transitions over the past few years, the region has become home to many growing cities with a young, educated, and technologically minded working population. Multiple industries here are expected to grow in the near future, such as transport, infrastructure, health, energy, and technology. These will be very likely to represent an important portion of upcoming business opportunities, and may become another segment that the region shows expertise and leadership in.

MENA countries trade with every corner of the globe. EU countries account for 30% of exports and 40% of imports, followed by the USA with 12% of imports and exports, and Japan with 16% of exports and 8% of imports.

While only 15% of the region's land is suitable for farming, agriculture is its biggest economic activity. Significant crop production includes cotton, coffee, tobacco, wheat, barley and rice. The oil industry is also one of the most significant contributors to the MENA economy, as over half the world's oil reserves are located in the region.

Undergoing major transformation in recent years, the region is home to many growing metro cities with a young, educated, and technologically minded workforce. Areas such as transport, infrastructure, health, energy, and technology are among the fastest-growing industries and likely to represent a significant portion of business opportunities in the region in the years ahead.



F. Incentives for Foreign Investors

The expatriate number in the UAE is enormous, taking up 89% of the nation's population. That's because the UAE offers a streamlined company incorporation process, a comprehensive support system, and heavily tested licensing, visa, and relocation processes. It's common knowledge that starting a business in the UAE is hardly any more challenging than forming a company in one's own country.

Foreign investors can immediately benefit from the country's flat 5% VAT rate, 0% personal tax rate, and the low 9% corporate tax scheme beginning in June 2023. Multiple visa options also make it simple to relocate, whether you are intending to stay for a few months, a few years, or much longer.

Expatriates can also set up in one of the nation's many free zones, which are covered in more. When forming a company here, foreign investors can take advantage of 0% corporate taxes (for certain income), 100% customs tax exemption, zero currency restrictions, and the freedom to repatriate all capital and profits.

All that is on top of the peace of mind that comes with living and owning a business in one of the most economically and politically stable and secure countries in the world.



Table for Incentives

- | | |
|---|---|
| ▪ 0% tax on personal income | ▪ 100% customs tax exemption |
| ▪ 9% corporate tax (Mainland companies);
or 0% corporate tax for certain income
(Free Zone companies) | ▪ Zero currency restrictions |
| ▪ 5% flat VAT | ▪ Capital and profit repatriation |
| ▪ 0% foreign ownership | ▪ Ranked 2nd in the Expat Insider 2022's
Expatriates Index |
| | ▪ Simple visa and licensing processes |

G. Overcoming Challenges for Start-ups and SMEs

As a new company making its start in the UAE, many obstacles and growing pains are bound to come up. Fortunately, the proper guidance and expert advice can help make sure that these are surpassed.

Trouble finding clear information:

There are many possibilities when starting a business in the UAE – with a wide range of jurisdictions, options, and industries in which to operate. Because of this, it can be challenging to find the right information that relates to your specific requirements.

A good solution here is to work with a company formation expert who can ensure that any information you receive is accurate, up to date, and meets your business needs.

Managing increased regulations:

As the UAE continues to grow as one of the world's most prestigious business hubs, so does the level of regulation governing those that work within it. You'll find that legislation concerning money laundering, economic substance, finance and payments, and tax is often changing. Staying updated with these changes can reduce complications and help you make better-informed business decisions.

Understanding legal structures:

The type of legal entity you require to trade in the UAE will depend on the nature of your business. Some operations are better suited to LLCs, while others are more apt as branches or sole proprietorships. Making this decision with expert help upfront removes the risk of any licensing complications in the future.

Growing and sustaining in the long-term:

Many business founders have great ideas but lack the experience or expertise to communicate it with their target audience over the long term. To solve this, early market research and a robust go-to-market strategy can help protect young businesses from stalling after launch.

Sticking to the local market:

There's no doubt that the UAE is a great place to do business, with a strong and diverse local economy. However, the benefits to doing business in the country go far beyond that – which is something that entrepreneurs should never forget. Being a business owner in the UAE also means you have an amazing jump off point to the rest of the world, to either trade with or expand to the vast markets throughout the Middle East, Africa, Asia, and beyond.



Setting up in the UAE

A. Ten things to remember before starting your business in the UAE

1. Commit

There is no compromise when it comes to running your own business. Before setting up, you need to make sure that you have all the time, focus, and resources to get your business moving. As with most things in life, you get out what you put in. If you can't give your business the full attention and commitment, ask yourself whether you are ready to launch.

2. Communicate your USP

You may have a 100% unique business idea, but it's unlikely. Instead, you are likely to have a great concept with certain special features – your unique selling points (USPs). You need to be able to articulate this to your audience in the most understandable way possible. Whatever market you're entering, you need to stand out, and clear USPs are vital in helping you do that.

3. Set your goals

One of the best ways to drive the growth of a new business is by setting clear and realistic goals. On top of your overarching aim to succeed, set smaller targets like X sales within six months or X new clients within 12 months.

4. Know your market

Many entrepreneurs can testify that a great business idea is only enough if supported by proper execution. You need to be sure that its intended audience wants it enough to pay you. You can ascertain this relatively quickly by conducting market research among your target audience and researching the success of your competitors.

5. Choose a startup environment

Will you work from home, rent an office, or use a coworking space? Will you set up in the mainland or a free zone? Have you got enough skill and resources to go it alone, or would you be better suited to an incubator or accelerator? These are all questions you need to answer as soon as possible to ensure you get on the right footing.



6. Ask for help

No business is an island, from the smallest startup to the largest multinational companies. Every enterprise needs a little help along the way, be it in finance, sales or the assistance of a business partner or mentor. The key is to identify your weakest areas and plug skill gaps accordingly.

7. Explore funding options

Cash can quickly run out even if you have the funds to start, so it's always good to have a backup plan. Before launching your venture, research suitable funding options such as VC, loans, grants, and sponsorship. If you've already done the groundwork, you can make faster decisions when the time to secure funding arises.

8. Plan beyond stage one

Before going to market, you are likely to focus all your time and attention on the launch. But this is just the first phase of many. To increase the likelihood of long-term stability, you need to have a growth plan too. Many entrepreneurs also even have an exit strategy in mind before starting a new business.

9. Build the right team

Even the best founders need a great team. While you may start out wearing many hats – sales, marketing, R&D, and more – you'll soon need to bring in others to support your growing enterprise. A bad hire can be disastrous for a small business, so it's vital that you take the time to vet any potential new team members thoroughly.

10. Don't make excuses

There's never a perfect time to launch a new business. But if you've got a great idea, a support network, and the time and resources to get started, it's as good a time as any. So, stop looking for excuses to delay – there comes a time when all that's left to do is take the plunge.

B. Mainland vs Free Zone vs Offshore

There are three company setup options available when setting up a business in the UAE – the mainland, free zone, and offshore setups. The two most common are the Mainland and Free Zone setup.

MAINLAND

Mainland companies are incorporated onshore entities, licensed by the Department of Economic Development (DED) or equivalent local authorizing body, depending on the emirate you set up in. You are free to incorporate a mainland company anywhere in the UAE and can conduct businesses within and outside the local market.

FREE ZONE

Free zone companies are entities incorporated within special economic zones. These are self-regulated by the managing authority so there is no requirement to register with the DED or equivalent. Free zone entities can only conduct business and trade with the local UAE market with the assistance of a local service agent. Businesses can conduct a variety of activities in free zones, including import and export, manufacturing, distribution, storage, and services.

OFFSHORE

Aside from these two, companies can choose to set up an offshore company in certain jurisdictions in the UAE. Offshore companies in the UAE are entities that operate outside of its country of origin. Companies choose to establish an offshore setup to take advantage of the Emirate's numerous business incentives including the exemption from taxes. Offshore companies in the UAE are often used for investments, financial transactions, and asset protection.

C. Understanding the differences between mainland, free zone, & offshore setup

There are several differences among mainland, free zone, and offshore setups. Most notably, offshore companies are exempted from corporate income tax. At the same time, free zone setups can also benefit from tax exemptions provided they meet certain conditions, while mainland companies are obliged to pay corporate income tax. Mainland companies, meanwhile, can take on government contracts while free zone and offshore companies cannot.



Other key differences include:

Mainland Companies

- Incorporated onshore with licenses issued by the Department of Economic Development or Municipality in the local emirate
- Can trade internationally and internally with the local UAE market
- Can take on government contracts
- Liable to pay customs taxes
- Some cannot be 100% owned by non-GCC investors depending on activity
Can theoretically apply for unlimited employee visas. Actual number is tied to the size of business premises
- Required to take on a physical workspace with a minimum size of 200 sq ft.
- Must also seek additional approvals from government bodies such as the Ministry of Labor, Ministry of Interior, and trade-specific associations

Free Zone Entities

- Incorporated by relevant free zone authority
- Can trade internationally and within free zone
- Require distributor or service agent to trade with internal UAE market.
- Cannot take on government contracts
- Receive 100% tax exemption
- Can be 100% foreign owned as standard
- Can only apply for set number of visas, stipulated by free zone
- Can apply for virtual office options at set up
- Do not usually require additional approvals to trade
- Can repatriate 100% of capital and profits
- No currency restrictions.

Offshore Companies

- Are not subject to the same regulations or taxes as those in the country of incorporation
- Offshore setup can be managed remotely, and the owners and directors do not need to be physically present to operate the company
- Provides increased asset protection through utilization of legal tools, such as trusts and limited liability companies, to protect corporate assets from creditors and other claimants
- Offers financial privacy to keep financial information and transactions private, such as using offshore banks and corporate entities



D. Benefits of each operating jurisdiction

MAINLAND

- Freedom to trade across Dubai and in the UAE
- Ability to tender bids for lucrative government contracts
- Full foreign ownership (most business activities)
- Greater flexibility when it comes to choosing business activities
- Greater access to main market

The UAE is composed of seven (7) mainland jurisdictions:

UAE MAINLAND

- Abu Dhabi
- Dubai
- Ajman
- Fujairah
- Ras Al Khaimah
- Sharjah
- Umm Al Quwain

FREE ZONE

- 100% foreign ownership in all cases
- Tax exemption given that they meet certain conditions
- Zero currency restrictions
- Full capital and profit repatriation
- Low tariffs
- Fast and easy company incorporation
- Access to global markets





Popular UAE free zones include:

ABU DHABI

Abu Dhabi Airport Free Zone (ADAFZ)
 Abu Dhabi Global Markets (ADGM)
 Khalifa Industrial Zone Abu Dhabi (KIZAD)
 Industrial City of Abu Dhabi (ICAD)
 Higher Corporation for Specialised Economic Zones
 Masdar City Free Zone

RAS AL KHAIMAH

Ras Al Khaimah Economic Zone (RAKEZ)
 RAK Maritime City Free Zone Authority (RMCFA)
 Ras Al Khaimah Investment Authority
 Ras Al Khaimah Free Trade Zone
 Ras Al Khaimah Media Free Trade Zone

FUJAIRAH

Fujairah Free Zone
 Fujairah Creative City

AJMAN

Ajman Free Zone
 Ajman Media City Free Zone

DUBAI

Dubai Academic City
 Dubai Airport Free Zone
 Dubai Biotechnology & Research Park (DUBIOTECH)
 Dubai Car and Automotive City Free Zone (DUCAMZ)
 Dubai Design District
 Dubai Gold and Diamond Park
 Dubai Healthcare City
 Dubai Industrial City (DIC)
 Dubai International Academic City
 Dubai International Financial Centre (DIFC)
 Dubai Internet City (DIC)
 Dubai Knowledge Village
 Dubai Logistics City
 Dubai Media City
 Dubai Multi Commodities Centre / Jumeirah Lakes Towers Free Zone
 Dubai Outsource City
 Dubai Silicon Oasis
 Dubai Studio City
 Dubai Techno Park
 International Free Zone Authority (IFZA)
 International Media Production Zone
 Jebel Ali Free Zone
 Dubai South
 Dubai Science Park

SHARJAH

Hamriyah Free Zone
 Sharjah Airport International Free Zone
 Sharjah Publishing City Free Zone
 Sharjah Media City Free Zone (SHAMS)

UMM AL QUWAIN

Umm Al Quwain Free Trade Zone (UAQFTZ)

OFFSHORE

- Offers greater financial privacy
- Protect assets from creditors or other legal claims.
- Easy incorporation
- Flexible Corporate Structure
- Reduced Tax Burden
- Access to global market

Most popular offshore jurisdictions

UAE OFFSHORE

DIFC OFFSHORE
 ADGM OFFSHORE
 Jebel Ali Free Zone Authority Offshore (JAFZA Offshore)
 Ajman Offshore
 Ras Al Khaimah International Corporate Centre (RAK ICC)



E. Legal Structures



Mainland and free zone setups are the most popular choices in the UAE. Here are the company structures:

Sole Proprietorship

A sole proprietorship refers to companies or establishments with only one (1) shareholder. This individual will serve as both the company's owner and shareholder. He or she has 100% control over its operations and holds a share of any profits.

Limited Liability Company (LLC)

A Limited Liability Company (LLC) in the UAE is a legal entity usually composed of 2 - 50 shareholders. An LLC is the most convenient legal structure for expatriate residents and foreigners to establish a new company in the UAE. Foreign investors are entitled to 100% LLC ownership on selected business activities.

Limited Partnership

A limited partnership company in the UAE is made up of one or more general partners who are jointly liable for all of the partnership's debts and financial obligations. A limited partner may not take part in management decisions or have his name included in the partnership's name.

Joint Venture

In the United Arab Emirates (UAE), a joint venture is the agreement between 2 or more natural persons or legal entities. Its objectives and terms are governed by the joint venture contract. When forming a joint venture company in the UAE, the partners must agree on the company's objectives, structure and management, as well as the contributions of each partner.

Private Shareholding Company

A Private Joint Stock Company is formed through a partnership of at least 3 shareholders with a capital minimum of AED 2,000,000 from at least three shareholders. Such legal entities are compatible with all sorts of industrial and commercial activities besides professional businesses.



Public Shareholding Company

A Public Joint Stock Company is a corporate entity with a capital minimum of AED 10,000,000. The share of this type of company is transferable of equal value, with each shareholder liable only to the extent of their share in the company. During the business incorporation, the business name must not be from any partnering investors.

Free Zone Company

Free zone companies are formed within special economic free zones. They benefit from 100% customs tax exemption, no currency restrictions, and capital and profit repatriation. Free zones must work with a local service agent to trade with the local UAE market.

Freelancer

Freelancers from certain industries can register in the mainland or in some UAE free zones. Permitted industries include arts, education, media, and tech.

Branch Office

The branch office is an extension of business by a company. One can have a branch office of a foreign company in most jurisdictions in the UAE. While they are free to trade independently and earn a profit, they remain wholly owned by the parent company and are not a separate legal entity.





F. Timelines, Steps, and Documents Required

Starting a company in the UAE is relatively easy and straightforward. Here is a short and simple outline from our company formation specialists that you can follow upon acquiring your trade license in the UAE.

Step 1: Choose between a free zone or mainland setup

One of the most important considerations when establishing your UAE business is whether to set up in a free zone or in the mainland. As mentioned, there are many advantages to both. It is essential to carefully select your company setup as this will determine all the requirements you need to submit.

Step 2: Choose a business structure

After deciding your company setup, you must select the type of your business structure. You can choose among sole proprietorship, limited liability company (LLC), free zone company, branch office, to name some. Each structure has its own advantages and disadvantages, so it's important to choose one that best fits your business needs and goals.

Step 3: Your company name

Choosing a company name is hugely important in establishing a UAE business as this will create the first impression to your audience. When selecting a company name, you must abide by a strict yet easy-to-follow set of naming conventions. In short, you should avoid any offensive or blasphemous language. Avoid names of well-known organisations and avoid abbreviations if naming your company after yourself – i.e., Dave Mann Consulting rather than D Mann Consulting. You must also check that your chosen name is available to register.

Step 4: Your license application

The final step in the process is making your license application. If you are setting up in the mainland, you can apply directly to the Department of Economic Municipality or local equivalent. If you have chosen a free zone setup, then you can apply directly to the free zone's relevant authority.

Step 5: Get a physical space

In most cases, businesses in UAE need a physical location to operate. You can either rent or lease a space depending on the type of the business you want to open. Offshore companies are exempted from this.

Step 6: Open a bank account

The final step in the process is opening a bank account. You will need to open a bank account to process financial transactions for your business. Many international banks have branches in the UAE, and they may require various forms of documentation to open an account, such as business registration documents, trade licenses, and other information.





Documents required to obtain a UAE trade license

Whether making your application in the mainland or a free zone, you are usually only required to provide a few details and some basic documentation, including:

- A completed application form which describes what your business does and the goods and services you will be trading in
- Passport and visa copies for the business owner(s) and any partners
- A notarized and attested memorandum of association
- A notarized and attested rent agreement for the commercial space where the business will be located
- A valid trade name reservation certificate issued by the Department of Economic Development (DED)
- Minimum of three months' bank statements
- A valid health card and Emirates ID for the business owner(s) and any partners.
- Clearance certificates or licenses from any relevant government departments or municipalities, such as the Dubai Municipality, the Abu Dhabi Food Control Authority, or the Dubai Health Authority.
- Certificate of share capital deposit (if required)

UAE Business Incorporation Timeline





G. Banking Services

Before you can start trading in the UAE, you will need to open a corporate bank account. This can be complex for international business owners due to the Emirate's strict due diligence regulations. There are 46 licensed banks to choose from when opening your account.

These include the big four local banks – Emirates NBD, National Bank of Abu Dhabi, First Gulf Bank, and Abu Dhabi Commercial Bank – and international banks such as HSBC, BNP Paribas, and Barclays.

Before making your application, you should first familiarise yourself with several financial institutions to find one that is best suited to your business needs and most likely to offer you corporate banking services.

Keep in mind that:

- You must have a UAE business license to open a corporate bank account.
- Some banks require shareholders to have a residency visa.
- Research the various banks in the UAE, as well as their services and fees, to ensure that you find the best one for your business.
- You will need to have all the necessary paperwork and documents ready to open a corporate bank account.
- Make sure to read and understand the bank's policies and procedures before signing anything.
- Most accounts require a minimum balance of anywhere between AED 10,000 and AED 150,000. If your application is successful, your account is usually opened within two to four weeks.

Required documents to open a corporate bank account in the UAE

One of the most common reasons for account rejection is incorrect or incomplete documentation. Other common reasons include an inconsistent business plan and a lack of presence – such as a residence or office address/phone number – in the UAE.

To increase your chances of success when applying for a corporate bank account in the UAE you should aim to provide the following, at the minimum:

- A complete account application form
- Certified copy of the Commercial License or Trade License
- Notarized copies of the Memorandum and Articles of Association
- A signed directors resolution sanctioning the opening of the account
- Passport copies and Emirates ID of the shareholders, directors, and the authorized signatory
- Certified company documents – including share certificates, certificate of incorporation and articles of association.
- A business plan and company profile.
- Bank statements for the past 3-6 month.
- Initial deposit into the account

Residency requirements differ between banks. Some will issue a corporate bank account to individuals with an existing UAE residency visa. You can also order a checkbook if you have an Emirates ID.



Other banks will open what is known as a call account to non-residents. Under a call account, you will not receive a checkbook or debit card. This type of account can only be operated online.

Finally, if your company is owned by another company, you will also need to provide certified company documents for the parent company. If the parent is outside of the UAE, these documents will need to be attested by the UAE embassy in the country of origin as well as the UAE Ministry of Foreign Affairs.

H. Coworking and Office Space

When setting up in the UAE, you will usually require premises from which to work. The most common types of office setups are as follows:

Coworking Setup

Coworking is hugely popular in the UAE with locations across the mainland and in many free zones. These shared workspaces afford entrepreneurs access to business facilities such as desk space, wifi, reception cover, meeting rooms, and more.

Office Space

United Arab Emirates (UAE) is a major business hub in the Middle East, and as such, it offers a wide range of options for office space. Some popular options for office space in UAE include:

Serviced offices: These are fully furnished and equipped offices that are available on a flexible basis, often with the option to rent by the hour, day, or month.

Traditional office spaces: These are stand-alone buildings or units that can be leased on a long-term basis, typically with a minimum lease of one year.

Virtual office: It offers the services like mail handling, call forwarding, and address use without the physical office.



Running and Operating Your Business in the UAE

A. Labour Law and Employment

As your business grows, you will need to employ staff to work with you and keep your company running. At this stage, it is important to keep in mind that UAE labour laws differ from those in many other countries.

Every employee and employer in the UAE are bound by standardised employment contracts stipulating working hours, length of service, and more. The only exceptions to this rule are:

- Federal and local government employees
- Armed forces, police, and security staff
- Domestic staff in private residences
- Agriculture workers
- Employees of Dubai International Financial Centre (DIFC)- and Abu Dhabi Global Market (ADGM)-related companies.

Employees in UAE free zones are bound to the standardised UAE employment contract as well as any additional conditions set out by the relevant free zone.

In 2022, the UAE implemented the new labour law which made several changes to the local employment market. These cover employment contracts, annual leaves, unemployment benefits, and more immigration on arrival in the UAE. They will then stamp and activate the visa.



B. Employment Contracts

One change under the new labour law is that unlimited term contracts are no longer valid, leaving limited term contracts as the only option. Limited contracts must cover a defined term agreed on by the employee and employer. There is no limit to the covered period for limited contracts, as the government lifted the previous three-year cap in October of this year.

For employers who currently have existing unlimited contracts with their employees, they must amend these to become limited contracts within one year of the new law's implementation, which is February 2023. parent and be able to prove that you are their sole support.

Employment contracts must contain the following information as a minimum:

- Contract duration
- Working location(s)
- Start date
- Details of remuneration
- Nature of work

They must also give employees minimum standards and protections, including:

- Maximum working hours
- Vacation allowance
- Medical leave
- Safety standards
- Gratuity payments on termination of contract or end of service

For companies that have over 50 employees, internal policies regarding the above, as well as other workplace regulations must be implemented under the new labour law.

Scope of Work

Under the new labour laws, employers are not allowed to broaden the scope of their employees' work or assign responsibilities that are fundamentally different from what was stipulated in their contracts. The only exceptions are the following:

- If the employee gave written consent to add or revise their scope of work
- If the additional or revised scope of work is only limited to 90 days

Non-Compete Clauses

Meanwhile, changes to non-compete clauses were also made to provide better clarity on its application, for both employees and employers. Specifically, non-compete terms will only be honored by the employee if these are specifically stated in their contract. If so, these can be invoked at the time of an employee's departure, so long as they had access to trade secrets or client information.

Non-compete clauses are only applicable for two years after contracts are terminated. However, these may no longer apply under the new labour law if the employer unlawfully terminates the employment during or after the probationary period.



Standard Working Hours

UAE labour law sets out maximum working hours that are applicable to all employees, outside of the industries listed above.

- Hours must not exceed eight hours per day or 48 hours per week. All hours worked beyond this amount must be paid for as overtime.
- Within any three-week period, the maximum number of hours worked should not exceed 144.
- Working hours are reduced by two hours per day during Ramadan.
- Overtime cannot exceed two hours per day, unless in special circumstances. Employees are to be paid 125% of their hourly rate for overtime.

There is also a new setup called condensed hours, wherein if an employee works 40 hours a week under their contract, they have the option to complete those hours over three days. Working days and hours also have more flexibility now, and can be changed depending on workloads, the employer's needs, or the employee's schedule.

Another major change is that most emirates have now adopted a shorter, 4.5-day work week for the public sector (with private companies being free to implement the same), while Sharjah has further reduced the working week to 4 days.



Working Models

Besides regular full-time employment, the new labour law also adds the following working models as options.

- **Part-time work:** This involves work for one or more employer for a specific number of hours or days per week.
- **Temporary work:** Work can be accomplished within a specific duration of time, or for a specific task.
- **Flexible work:** There is discretion for employees to perform all or part of their work remotely.
- **Remote work:** Here, full-time and part-time employees can work partially or completely outside the office.
- **Shared work:** This is when two employees perform one job and split the hours for doing so.

Employees may even work for multiple employers under a specified number of hours.

The purpose of these new working arrangements is to give employers more options to meet their manpower requirements, while also providing employees with non-traditional working options to suit their needs and schedules.



Notice Periods

- Limited employment contracts are automatically terminated on the date of completion unless renewed. Within fixed-term contracts, both parties have a minimum notice period of two weeks during probation, and 30 days after. However, a longer period can be agreed on in advance. The maximum notice period is three months.
- If you are resigning from your job to leave the UAE but decide to return within three months of leaving, your new employer will have to compensate your previous employer for the fees they spent to hire you. If you decide to leave your job but stay in the UAE, your new company should also compensate the old one, but in this instance, you must give a 30-day notice within your probation period.
- Meanwhile, if you leave without giving notice and abscond from the UAE, you will be banned from obtaining any work permits for one year.

The new labour law also includes the following minor changes:

- From the end of the contract, employees have one month to leave the housing that their employer is paying for.
- Employees can be served notice while they are on leave, but the notice period will only start when they return to work.
- Employment can be terminated without notice for ten reasons, which are if the employee: gains personal benefits from their role; assumes a false identity or nationality; causes substantial loss for the employer; violates safety instructions; fails to perform their duties; divulges secrets that result in company loss; is found to be under the influence during work or commits actions that breach public morals; verbally or physically assaults their fellow employees; misses work excessively; or joins another establishment without abiding by the proper rules.

C. Employment Benefits

UAE labour law also sets out several key benefits for employees in the country. These include vacation allowance, gratuity payments, and health insurance.

Leave benefits

In general, employees must be granted two days leave per month after six months' service, and 30 days per annum after one year of service. Employers are no longer required (but can do so under their discretion) to pay for unused leaves, or allow employees to carry these over to the new year. Adding to these are more specific leaves that must be stipulated on contracts, which include:

- Maternity & parental leave: Female employees now have 60 days of maternity leave, with 45 days at full-pay and 15 days at half pay. This is also no longer dependent on the length of the employees' service. Both mothers and fathers are also entitled to an additional five-day parental leave within the first six months of their child's birth.
- Bereavement leave: These are set at five working days.
- Study leave: Employees who have at least two years of service with a company now have a 10-working day study leave, if they're a student in one of the country's certified national institutions.



End of Service payments

On the termination of their employment, UAE employees are entitled to End-of-Service gratuity (ESG) payments. Payments are calculated based on salary and duration of employment. For example:

- 21 days' pay for each year of service up to five years.
- 30 days' pay for each year of service beyond five years.

ESGs are pro-rated and are capped at two years' salary. They can be paid in AED or another currency chosen by the employee and stipulated in the employment contract. This must be paid within 14 days. If an employee resigns and has rendered at least one full year of service, they are entitled to a full ESG payment.

In the event of an employee's death, their employer must pay ESGs to their direct family. In terms of contract renewals, employers can now opt out of extending their employee contracts without having to pay ESGs.

Health insurance

Health insurance is mandatory in the UAE. It is the responsibility of the employer to provide adequate insurance for all employees. This must include cover for urgent and non-urgent care, as well as tests, treatments, and examinations.

D. Unemployment Benefits

The new UAE labour laws outline an unemployment scheme that provides citizens with income for a period during unemployment. Those without employment can receive 60% of their basic salary upon losing their jobs, if they're subscribed to the scheme. There are two categories:

- Those with a basic compensation of AED 16,000 below need to pay a monthly premium of AED 5. Their monthly unemployment compensation will not exceed AED 10,000 per month.
- Those with a basic salary exceeding AED 16,000 must pay an AED 10 monthly premium, and their unemployment benefits will not go beyond AED 20,000 a month.

Employees may pay the premium on a monthly, quarterly, bi-yearly, or annual basis. They can also avail themselves of additional benefits depending on their insurance provider. This new scheme is available for UAE employees, except for investors, domestic workers, contractual/temporary workers, juveniles, and pension receiving retirees who are working again.

E. Medical, Visas and Emirates IDs

Anyone intending to live and work in the UAE requires a visa. Obtaining a visa is a somewhat involved process comprising the following steps:

1. Apply for an entry permit: The first step is to apply for a UAE entry permit. This is issued by the Ministry of Labour (MoL) and is valid for 14 to 90 days, depending on your reason for visiting and your nationality. You are permitted to extend your visa twice, for 30 days each.



While you are permitted to leave and re-enter the UAE on an entry permit, it is advised against. Doing so may cause delays and complications with your visa application.

2. Get an Emirate ID: Prior to applying for a residence visa, you'll first need an Emirate ID. Submit your entry permit and your passport (the original & a copy) to the Emirates Identity Authority Center. There, you'll get your photo and fingerprints taken for your ID. This will serve as your official form of identification during your stay in the UAE.

3. Apply for a UAE residency permit: These are necessary to work and reside in the UAE and must be applied for during the validity of your entry permit. You may apply for either a permanent or temporary residency permit, the latter usually being valid for one to three years. Once you have your own residency permit, you can apply for the same for your immediate family.

Changes to the UAE visa system

As part of the application, you will need to accomplish a medical check in one of the UAE's government hospitals. There have been major changes to the country's visa system this year, covering simpler requirements and more benefits for holders.

For one, there are now 10 visa types that cover various needs in tourism, business, and education. Entrepreneurs may be interested in the business exploration visa, which allows for easy entry to explore possible investment ventures without needing a UAE-based host or sponsor.

Golden Visa

Outside of the 10 entry visa types is the Golden Visa, which is aimed at attracting talents to boost the UAE's investment and business environment. The Golden Visa targets skilled professionals, investors and entrepreneurs, scientists, outstanding students and graduates, humanitarian pioneers, or frontliners. It offers 10 years of renewable residents with no need for a sponsor if the applicant is a non-resident.

Green Visa

The UAE also offers a five-year Green Visa, which allows holders to sponsor themselves for five years without needing a company sponsorship. Green Visas also offer five-year residency sponsorships to family members. Investors, partners, highly skilled workers, self-employed professionals, or freelancers can apply for a Green Visa.

Visas for dependents

Once you hold a residency visa, you can sponsor your dependents for their visas too. Dependents could include your children, your spouse, your parents, or any domestic staff such as a nanny or a driver. For a dependent visa to be issued, the sponsor must be a current UAE resident and meet the minimum salary criteria.



As a male UAE resident, you can sponsor your wife and children providing you meet the minimum salary threshold of AED 4,000 or AED 3,000 plus accommodation. If you're a female resident in Abu Dhabi, you can sponsor your husband and children if you're in engineering, teaching, healthcare, or medicine – and if your salary is no less than AED 10,000 or AED 8,000 plus accommodation. In Dubai, you may still sponsor your family even if you're not in the specified fields, provided that you meet the AED 10,000 salary minimum and have permission from the DNRD.

To sponsor your parents, you must earn a minimum salary which varies by emirate, pay a deposit for each parent and be able to prove that you are their sole support.



F. Human Resources and Recruitment

Any employee hired to work in the UAE must be suitably eligible and qualified to do so. Before recruiting a new employee, employers must ensure that the candidate:

- Holds all required competencies, certifications, and qualifications to hold the role in the UAE
- Satisfies the conditions of UAE residency
- Is of good character with no criminal convictions

On the employer's side, another noteworthy inclusion under the new labour law is with regards to anti-discrimination. Employers are prohibited from discriminating based on gender, sex, religion, age, and national origin. They must also provide equal pay for women, and protect employees against harassment, bullying, and violence.

In addition, private employers must have at least 2% of their workforce be Emirati if they have more than 50 members. Similarly, banks and insurance places must have a 4% and 5% local employment percentage, respectively.

When hiring, preference must be given to UAE nationals. If there are no suitable UAE nationals to fill the role on offer, priority is then given to nationals of other Arab counties. If there are still no suitable candidates, it can be offered to workers from other countries.

Finally, all new starters must be afforded a probation period lasting no more than six months. Should an employee underperform during this period, employment can be terminated with two weeks notice.

G. Business Development

The UAE is home to many business incubators, accelerators, and startup hubs, aimed at supporting business development. These include government funded schemes, such as:

- **Area 2071** – An initiative by the Dubai Future Foundation, designed to nurture global talent.
- **Hub71** – An Abu Dhabi-based programme which helps startups access venture capital.
- **Fazaa Center for Business Incubators and Accelerators** – Provides support, training, qualifications, and consultancies to Emirati entrepreneurs.

Private initiatives are also present, such as:

- **in5** – Launched by TECOM, in5 supports startups with mentoring, networking events, and investment opportunities.
- **Goodforce Labs** – Supports businesses working in sustainable development of sectors including food and agriculture, education, finance and lifestyle.
- **Bedayat** – A Dubai-based startup incubator that provides training and opportunities to entrepreneurs in the emirate.

Many free zones in the UAE also offer business development services, including bookkeeping assistance, corporate sponsorship, marketing support, office solutions, and tax accounting.





Compliance and Regulation

A. Regulatory Compliance

Regulatory compliance guides organisations as they strive to attain their goals.

By putting a well-thought regulatory framework, the UAE has maintained its economic competitiveness, investment, and financial environment, successfully attracting local and foreign businesses while creating a balanced, flexible, and sustainable future.

B. Tax

The UAE is home to one of the most attractive tax environments in the world. The tax rate on both personal and corporate tax remains one of the lowest in the world.

Corporate Income Tax

On 9 December 2022, the United Arab Emirates' Ministry of Finance (MoF) released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses to enact a new corporate tax (CT) regime in the UAE.

The new CT regime will become effective for accounting periods beginning on or after 1 June 2023, where UAE businesses will be subject to a 9% CT rate.

Historically, businesses in the UAE enjoyed a 0% corporate income tax rate. However, to reaffirm its commitment to meeting international standards for tax transparency and preventing harmful tax practices, the UAE chooses to start implementing the 9% CT regime, which remains one of the lowest tax rates in the world.



UAE Corporate Tax Summary:

- 0 per cent for taxable income up to AED 375,000
- 9 per cent for taxable income above AED 375,000

Corporate Tax will apply to:

- All businesses and individuals conducting business activities under a commercial licence in the UAE.
- Free zone businesses (The UAE CT regime will continue to honour the CT incentives currently being offered to free zone businesses that comply with all regulatory requirements and that do not conduct business set up in the UAE's mainland.).
- Foreign entities and individuals only if they conduct a trade or business in the UAE in an ongoing or regular manner.
- Banking operations.
- Businesses engaged in real estate management, construction, development, agency and brokerage activities.

Exemptions from Corporate Tax

- Businesses engaged in the extraction of natural resources are exempt from CT as these businesses will remain subject to the current Emirate level corporate taxation.
- Dividends and capital gains earned by a UAE business from its qualifying shareholdings will be exempt from CT.
- Qualifying intra-group transactions and reorganizations will not be subject to CT, provided the necessary conditions are met.
- An individual earnings salary and other employment income, whether received from the public or the private sector.
- Interest and other income earned by an individual from bank deposits or saving schemes.
- A foreign investor's income earned from dividends, capital gains, interest, royalties and other investment returns.
- Investment in real estate by individuals in their personal capacity
- Dividends, capital gains and other income earned by individuals from owning shares or other securities in their personal capacity.

Customs Tax

Customs tax is levied at 5% on goods valued at over AED 1,000. However, in 2023, Dubai Customs posted Notice No.5 of 2022 highlighting some changes made to customs duty on goods bought internationally.

Effective 01 January 2023, shoppers importing goods into Dubai from outside the Gulf with a value of over AED 300 will have to pay five per cent import customs duty. On the other hand, tobacco products, e-cigarettes and vaping liquids are subject to a higher customs duty at the rate of 200 per cent in addition to the "sin tax" which is applied also to sugary drinks.



VAT

Since 2018, the UAE introduced 5 percent VAT on most goods and services. In the UAE, you must register for VAT in the UAE if your taxable supplies and imports exceed AED 375,000.

The UAE has made some major changes to its existing VAT rules effective 01 January 2023. Here are some of the amendments made for businesses to take note:

- Sellers must issue invoices for any importation service on which reverse charge is applicable. These invoices must be kept by taxpayers for their record.
- Registered persons who make taxable supplies are allowed to apply for an exception from VAT registration if all of their supplies are zero-rated or if they no longer make any supplies other than zero-rated supplies.
- Sellers issuing a tax invoice, even if tax is not due, must pay the tax amount to the Federal Tax Authority starting in 2023.
- Taxpayers would be required to submit a disclosure in case of error or omission in the original VAT return for zero-rated supplies or VAT-exempt supplies or goods under reverse charge.
- Setting a 14-day period to issue a tax credit note to settle output tax, in line with the time frame set for issuing tax invoices.
- As part of changes to the UAE VAT law, the maximum administrative fine would be reduced to 200 percent of the tax amount instead of 300 percent

C. Unemployment Insurance Scheme

Introduced in 2023, the Unemployment Insurance Scheme was created to provide financial support to employees if they lose their job as a result of termination by their employers. The financial support will be given in exchange for a monthly insurance premium paid by the worker during his employment.

The scheme applies to all workers in the private and federal sectors except:

- Investors, business owners who own and manage their businesses themselves
- Domestic workers
- Temporary employees
- Juveniles under the age of 18
- Retirees who receive a pension and have joined a new employee

Everyone included in the legislation's scope must start registering for the scheme beginning January 1, 2023.

Categories of the unemployment scheme:

- **Category 1** - Workers with a basic salary of AED 16,000 or less will need to pay a monthly insurance premium of AED 5, i.e. AED 60 annually. The compensation for this category must not exceed a monthly amount of AED 10,000.
- **Category 2** - Workers with a basic salary exceeding AED 16,000 will need to pay AED 10 per month, i.e. AED 120 annually. The compensation for this category must not exceed AED 20,000 monthly.

To be eligible for the compensation, the worker must have been paying the monthly premium for at least 12 consecutive months. Failure to register will result in a penalty of AED 400, while employees who fail to register and do not pay any contributions for more than three months will be fined an additional AED 200.



D. Family Companies Law

To further strengthen the business sector, the UAE government has implemented a new family business law to ensure family business growth.

The law applies to all family-owned companies in the country, and the owners who own the majority of the shares in the family business decide to register it in the unified register as a family company per the provisions of the law. In addition, the rule also applies to all commercial companies except for public and solidarity companies.

Through the following provisions, the new Family Companies law aims to help families diversify their activities while ensuring the success and longevity of their family business:

- A family-owned business may take any form of company stipulated in the Commercial Companies Law, including a one-person company.
- The law establishes a set of mechanisms for managing the family business, whether by the director or the board of directors, with clarification on the most important terms of reference and obligations of the director and how to dismiss him.
- Formation of a committee in each emirate called the “Family Business Dispute Resolution Committee,” pursuant to a decision by the Minister of Justice or the head of the local judicial authority. This is due to the fact that disputes are one of the main reasons that lead to the termination of family businesses.
- The law clarifies that in the event of bankruptcy or insolvency of one of the partners in the family business, the procedures and controls in force in the insolvency and bankruptcy laws in force in the country must be followed.
- The law grants sufficient flexibility for the family business to have any number of partners.
- The law states that a family business does not cease to exist due to the death, interdiction, bankruptcy or insolvency of one of the partners.
- Shares in the family business may not be assigned except in accordance with the conditions stipulated in the law.
- A partner in the family business has the priority right to buy the shares of the other partners in the event of the bankruptcy of one of the fellow partners.



E. New Commercial Companies Law

To mark the UAE's 50th anniversary, the Government has introduced major legislative changes to accelerate further the country's global position as a top trade and commercial hub. Among these changes is the issuance of Federal Law by Decree No. 32 of 2021 on Commercial Companies ("New Law"), which took effect last 2 January 2022.

Introduction of SPAC and SPV

Special Purpose Acquisition Company (SPAC): These companies come under the larger head of public joint-stock companies. SPAC is any company that is used for acquiring and merging companies. The Securities and Commodities Authority (SCA) will give the changed laws for regulating and implementing SPACs under the New Law.

The SPAC was introduced along with regulations regarding the split of Joint Stock Companies to provide greater flexibility to public offers, spin-offs, mergers, and demergers.

Special Purpose Vehicle (SPV): SPVs are companies formed to separate the assets and responsibilities of a financing transaction from the parent company's assets and obligations. These 'vehicles' will be used in bond issuances, debt capital, market transactions, and credit transactions.

The SPV's structure will be similar to the Dubai International Financial Centre's (DIFC) Prescribed Companies, which can be utilised as an investment holding company in larger transactions, financing, or asset holding arrangements. Accordingly, the SPV will also be governed by the SCA.

Minor amendments to LLCs: Under the new amendment, Limited Liability Companies have received minor provisions, including:

Memorandum of Association (MOA): Dispute resolutions such as arbitration, negotiation, etc. It must now be stated specifically in the MoA to address any business-related disagreements between the company and the shareholders, Chairman, or managers.

Powers of the Manager: The term of a manager may be prolonged for up to six (6) months if his/her term expires without being replaced.

General Assembly Meetings: During a general assembly meeting, a substitute person can represent a shareholder, given that they are not managerial staff. In addition, the period for notice to summon a general assembly will now be extended to a minimum of 25 days.

The quorum in an adjourned meeting of the general assembly will now also be considered valid regardless of the number of partners present in the meeting; and whether the memorandum of association stipulates otherwise.



Statutory Reserves: The statutory reserve required for LLCs has been cut from 10% of net profits down to 5%, with such deduction to be discontinued if the reserve reaches half the capital and subject to the partners' discretion.

Minor amendments to certain provisions related to PJSCs

Guidelines pertaining to Public Joint Stock Companies (PJSC) have also received the following changes as stated in the New Law:

Requirements for contribution by the founders: The New Companies Law has eliminated the minimum and maximum percentages of capital that founders of a PJSC may contribute in order to purchase new shares at a public offering.

The founders are no longer required to subscribe to a minimum of 30% and a maximum of 70% before the invitation to the public subscription. They may now subscribe to new shares up to the percentage specified in the prospectus and subject to the requirements of the SCA.

Subscription period: The New Companies Law now allows subscriptions to remain open for a period to be specified in the offering prospectus, provided this does not exceed 30 working days. If all of the shares are not subscribed for within the specified period, an application can be made to the SCA to extend the public subscription further.

Removal of caps in nominal value of shares: The value of PJSC's shares can now be specified. As a result, you are no longer limited to a minimum of AED 1 and a maximum of AED 100.

Amendments to the requirements for conversion to a PJSC: The New Law has removed the criteria requiring a 10% net operating profit within the two financial years preceding the application for conversion.

Issuing Discounted Shares: A PSJC can now issue shares at a discount if the market price of the shares drops below the nominal value, subject to SCA permission and the adoption of a special resolution.

Sale of Part of Public Joint Stock Company Shares during Conversion: The proportion of shares that can be offered for sale while converting from a private joint-stock company to a public joint-stock company is no longer limited. The SCA will now determine the proportion of the total sale shares and new shares being issued as part of an IPO on conversion.

Changes to Founders Share Trading Rights: The founders of a PJSC are no longer restricted from selling their shares after the converted business is listed. Moreover, the founders of a PJSC are no longer confined from trading their shares after the converted business is listed.



Moreover, the founders of a PJSC are no longer confined from trading their shares after the converted business is listed.

Division of a PJSC:

Under the New Law, a PJSC can divide certain of its assets, liabilities, rights, and obligations. The two divisions are:

Horizontally - in which the same shareholders own directly the shares of the resulting company pro-rata to their shareholding in the parent company; or

Vertically - in which the shareholders of the parent company own the new shares through the new division subsidiary.

F. Economic Substance Regulation (ESR)

Introduced in 2019, the Economic Substance Regulation (ESR) requires local businesses located within the UAE - including those situated in free zones - that engages in any of the defined 'relevant activities, to maintain and demonstrate an adequate economic presence" in the UAE. These businesses must file an annual Notification and an Economic Substance Report – via the Ministry of Finance's e-platform. Any business carrying out the relevant activities must file regardless of whether these activities generated revenue in the UAE. Take note, ESR notification and reporting are two separate filings and an annual obligation for licensees that are within the scope of the ESR.

Notifications

A maximum period of 6 months is granted from the end of the fiscal year. Companies must provide the regulatory authorities with economic substance notifications, including preliminary information about the activities. This notification is a prerequisite for submitting an economic substance report.

Economic Substance Reports

A maximum period of 12 months is granted from the end of the financial year – end.

The below table outlines the upcoming deadlines for a selection of FY ends:

FY End	Filing Deadlines	
	Notification	Report
31 Mar 2022	30 Sep 2022	31 Mar 2023
30 Jun 2022	31 Dec 2022	30 Jun 2023
30 Sep 2022	31 Mar 2023	30 Sep 2023
31 Dec 2022	30 Jun 2023	31 Dec 2023



Relevant Activities

- Banking Business
- Insurance Business
- Investment Fund management Business
- Lease - Finance Business
- Headquarters Business
- Shipping Business
- Holding Company Business
- Intellectual property Business ("IP")
- Distribution and Service Centre Business

Failure to adhere to the Regulations can result in penalties, spontaneous exchange of information with the Foreign Competent Authority (as defined in Article 1 of the Regulations), as well as other administrative sanctions, such as the suspension, revocation or non-renewal of the business' trade license or permit.

Non-submittal of a timely notification or report will attract penalties ranging from AED 20,000 - AED 400,000.

G. Ultimate Beneficial Ownership (UBO)

On 24 August 2020, the United Arab Emirates (UAE) Cabinet issued Cabinet Decision No. 58 of 2020 on Regulating the Beneficial Owner Procedures (the Regulations), aimed at further increasing the financial transparency in the UAE. The resolution outlines the requirement for UAE businesses to disclose details of their beneficial owners to regulate the minimum commitments of registered and legal persons in the UAE.

The provisions of this resolution are applicable to registered and legal persons – who are licensed or registered in the UAE – including free zones.

Generally, this provision stipulates the following:

- The requirements of identifying and verifying the beneficial owner
- Details the licensing or registration of legal persons
- The requirements of registering and filing the beneficial owner, significant shareholders, partners, and nominee directors with the relevant authority - unless exempt; maintaining a registry; and notifying the authority of any changes within 15 days.

These submissions must be accompanied by supporting documents that prove the accuracy of beneficiary and shareholder details.

Companies registered with the Department of Economic Development (DED) must submit beneficiary statements and shareholder registrations – known as mandatory submissions – to the DED at the earliest opportunity.



The Regulations do not apply to companies that are directly or indirectly wholly owned by the federal or local government or their subsidiaries, as well as companies who are registered in the financial free zones in the UAE, namely the Abu Dhabi Global Market and the Dubai International Financial Centre.

What constitutes a UBO?

UBOs are individuals who own, have control, or have voting rights with at least a 25% shareholding in the company.

It also includes anyone with the right to dismiss the majority of directors and managers. If such a person does not exist, the UBO is any person who exercises significant control over the company. These include:

Nominee directors and managers

Directors and managers are senior individuals within an organisation but are acting in accordance with the instructions of another person.

Partners and shareholders

Partners and shareholders are classified as per the current UAE Commercial Companies Law. However, UBO requires more information, such as each shareholder's voting rights.

Administrative Penalties

Cabinet Resolution No (53) of 2021 Concerning the Administration Penalties addresses the individual penalties which will be issued upon failure to disclose, register, verify and amend UBO information.

This resolution details violations, fines, and the suspension of licenses due to continued non-adherence.

H. Anti-Money Laundering (AML)

The United Arab Emirates has a comprehensive anti-money laundering law to raise the country's compliance with international regulations and standards.

Underpinning the anti-money laundering system is Federal Decree No. 20 of 2018, which was issued to develop the legislative and legal structure within the UAE with the aim to:

- Combat money laundering & terrorist financing practices, locally and globally
- Strengthen the Anti-Money Laundering legal framework which supports the country
- Counter the financing of terrorist operations and suspicious organisations
- Design the UAE's operational strategy regarding awareness, control, and inspection of relevant activities in business sectors



goAML

The goAML is a platform created by the United Nations Office on Drugs and Crime (UNODC) and released by the Financial Intelligence Unit (FIU). It is one of the UAE strategy to combat various types of financial crimes, including money laundering and terrorist financing.

The system helps financial institutions and other designated non-financial businesses and professions (DNFBPs) detect, report, and prevent money laundering and terrorist financing activities. It also enables the Central Bank to analyze suspicious activity reports (SARs) and take appropriate action. All DNFBPs within the UAE must register and report suspicious activities and transactions via the goAML portal.

DNFBPs:

- Real estate brokers and agents,
- Dealers of precious metals and stones,
- Auditors and accountants,
- Company Service Providers, and
- Legal Consultancy Firms (Except for Lawyers, and Notary Publics)

I. Insurance

Company insurance is an important aspect of business in the UAE for several reasons. Firstly, it provides protection for businesses from unforeseen risks, such as property damage, legal liabilities, and loss of income. Secondly, it offers financial security for other uncertainties, such as an employee being injured.

While some insurance in the UAE is mandatory, others are optional. The policies that you will require depend on the nature of your business, the emirate in which you trade, and the number of people you employ.

Common policies include:

- Group health insurance
- Group life insurance
- Workmen's compensation insurance
- Public liability insurance

Group Health Insurance

In the UAE, some Emirates have made it compulsory for employers to cover health insurance for their expatriate employees. But as a business owner, it is also your responsibility to organise health insurance for all of your employees.

Basic health insurance in the UAE usually covers basic medical expenses for illness or injury, including hospitalisation, outpatient consultations, laboratory tests, surgery, and prescription drugs. It does not typically cover dental or vision care or chronic diseases such as diabetes. Benefits and coverage vary depending on the type of policy and the company where you are getting the insurance.



Group Life Insurance

Group life insurance in the UAE is a type of life insurance policy commonly used by employers to provide life insurance protection to their employees. This type of policy provides a lump sum payment to the beneficiaries upon the death of the insured employee and the compensation can be extended to include critical illness and disability.

Workmen's compensation insurance

Workmen's compensation is an insurance policy that covers financial and medical benefits to employees who are injured or become ill due to work related activities. The employer is legally obligated to provide this insurance and is responsible for paying the premiums.

The scope of coverage is usually included for:

- Work-related death
- Permanent total or partial disability
- Temporary total disability
- Medical and repatriation expenses

Public Liability Insurance

Public liability insurance is not compulsory in the UAE. However, it is recommended for any business or individual who carries out any type of public activity. This type of insurance will protect against any claims by third parties against the insured arising out of bodily injury, property damage, or personal injury.

This is a must if your company undertakes the following:

- Regular customer visits or interaction with the public
- Regular off-site work
- Access to client equipment or hold other people's property
- Office premises with a liability toward neighbours



Scaling & Growing Your Business

A. The role of incubators and accelerators

The UAE is made for businesses, with numerous initiatives and programmes within reach for the country's entrepreneurs. Two of the most common are incubators and accelerators.

While the two have their similarities, there are a few subtle differences - the most notable being that incubators do not tend to have a fixed end date, whereas accelerators usually run for a set duration.

Most incubators and accelerators offer a combination of the following services:

- Business support
- Funding opportunities
- Legal advice
- Mentoring
- Networking opportunities
- Training
- Workspace

Accelerator programmes are often overseen by free zones or private groups with funding sourced from investors. On the other hand, most incubators are government-run. These include:

Area 2071

Overseen by the Dubai Future Foundation, Area 2071 is a unique ecosystem that nurtures global talents as they start and grow their business in the UAE. Members of Area 2071 have access to a wide network of strategic partners, entrepreneurs, and investors. The incubator also offers subsidised licensing fees to all startups and entrepreneurs.

Dubai Future Foundation

The Dubai Future Foundation is an innovative ecosystem that includes accelerator programs, incubators, labs, regulatory sandboxes, and knowledge platforms. The purpose of the foundation is to challenge the status quo and design a future-ready city powered by leaders and disrupters.

Hub71

Hub71 is led by the Abu Dhabi government, to help technology startups attract top venture capital funds and investors. Hub71 collaborates with major business stakeholders such as Abu Dhabi Global Market (ADGM), Mubadala Investment Company, and other key business players to foster the next generation of tech innovators and startups.

Fazaa Center for Business Incubators and Accelerators

In July 2020, the UAE launched the Fazaa Center for Business Incubators and Accelerators to provide logistical support, training, qualification, studies, and consultancies to Emirati entrepreneurs. The centre enables them to establish their projects and access services that allow them to overcome the challenges of managing, financing, and marketing entrepreneurial business ventures.

For the above programmes and the rest of the UAE's incubators and accelerators, eligibility criteria may vary. In most cases, businesses must be based in the UAE and be in the early startup or seed phase.

Benefits of joining a startup incubator or accelerator

A strong support system

Accelerator initiatives are not just a great platform to hone a new idea. They also provide entrepreneurs with much-needed business support in what can be precarious early stages.

Most programmes provide startups with legal advice, accounting services, and regulatory assistance, either for free or at a significantly reduced price. These services help to ensure that fledgling businesses are prepared for the challenges that can come with growth.

Identifying skill gaps

Most startups need to hit the ground running, only adding processes, strategies, and personnel as needed along the way. This makes it difficult to identify skill shortages and spot weaker areas of the business in advance.

Joining an accelerator or incubator programme gives entrepreneurs another expert set of eyes observing a business. These experts can highlight skill gaps before they cause an issue, allowing entrepreneurs to hone their skills and procure additional expertise as needed.



Become more attractive to potential investors

Graduating from an accelerator or incubator scheme demonstrates that industry leaders consider a business both viable and investable.

This makes such startups much more attractive to potential investors, as they can have confidence that business plans, strategy, forecasts, and the likes have passed expert scrutiny. The fact that startups have flourished in the collaborative environment of an incubator also shows that the founding entrepreneurs can work with third parties to achieve a common goal of business growth.

Government Support

The UAE government also runs its own programmes aimed at supporting the growth and development of the nation's businesses. These include:

Khalifa Fund for Enterprise Development

The Khalifa Fund targets young businesspeople with creative ideas, coupled with strong administrative and managerial skills. It provides funding for projects that serve the interests of the national economy such as farming, fishing, agriculture and even home-based businesses.

Dubai SME

An agency of the Department of Economic Development in Dubai, Dubai SME offers financing options, as well as advisory and incubatory services to small and medium enterprises. Dubai SME offers services to startups and established businesses.

B. Venture capital funds in the UAE

The UAE is also an excellent location for securing venture capital (VC). VC is provided by private investors willing to fund startups that show significant growth potential. Naturally, VCs expect a return on their investment once growth is achieved.

The UAE surpassed the rest of the MENA region in venture capital funding during the first half of 2022 alone, raising an impressive \$699 billion in investments.

Thanks to this thriving environment, the UAE is home to many programmes designed to help startups match with potential VCs. Popular VCs in the UAE include:

- BECO Capital
- Global Ventures
- ICE Capital
- Jabbar Internet Group
- Oryx Fund
- Wamda



Common mistakes to avoid when raising funds

All new businesses will want funds to help them get started, but the reality is that not every new company is ready for it. To make sure your business and your pitch are appealing to potential investors, there are a few common mistakes that you should avoid.

Going to ground

Meeting and nurturing investors takes time. Very few businesses secure funding at a first or even second meeting. You need to be committed and tenacious.

Be sure to network at every opportunity. Keep potential investors up to speed with current goings-on in your business. They may not be willing to invest right now, but as they see your business develop, they could spot something that changes their mind.

Being too early

Ideally, you want to hit your investors with a great opportunity that doesn't rely on vague promises and developments. That's why your business needs to be in a position where the potential is evident from the moment you ask for investment.

Asking too early can put investors off, which means you'll have to go through the whole process again later down the line - if they give you a second hearing, that is.

... or too late

Asking for an investment too late can be just as big a problem as asking too early. Investors want significant returns, and if you've already realised much of your early growth, they are unlikely to recoup their investments any time soon.

You could be in a position where there is not enough in it for potential investors without staking a claim to a large percentage of your company.



C. Networking

Networking, particularly face to face, is a vital part of doing business in the UAE. Most entrepreneurs in this part of the world do not miss an opportunity to make a new contact – in a coffee shop, the mall, or the airport. On top of this, numerous organised networking events take place every day. These events can be formal such as open days and workshops, or informal such as food tastings and cocktail nights.

You can find networking groups and events via The Dubai Chamber and sites including Eventbrite and Meetup.

How to become a networking natural

Like any business skill, networking takes time to perfect. While you should develop an approach that works for you, following a few simple steps can help you master the craft.

Start small and improve with confidence

Give yourself a small and attainable networking goal and increase the bar gradually. If you made three contacts at the last event – make it four next time. Over time, minor improvements will accumulate and turn your business into a powerful networking machine.

Practice, practice, practice

Networking professionals display a calm, confident and natural energy. Practicing your opening questions and elevator pitch beforehand is an excellent strategy for enhancing confidence and legitimately rewiring your brain to become a better networker. Practically, you're likely to become less stuck for words when approaching someone. It's also less likely you'll shy away from key contacts.

Try social media before events

If you're nervous about face-to-face networking, the internet offers you the chance to network remotely via LinkedIn and other channels. Through social media, you can break the ice and interact with your target contacts before meeting them in person.



Supporting Services for SMEs & Startups

The UAE's supportive business ecosystem goes beyond company formation. Most business consultancy firms, with the help of their strategic partners, offer a wide range of services to help entrepreneurs with everything they need, from pre- to post-launching.

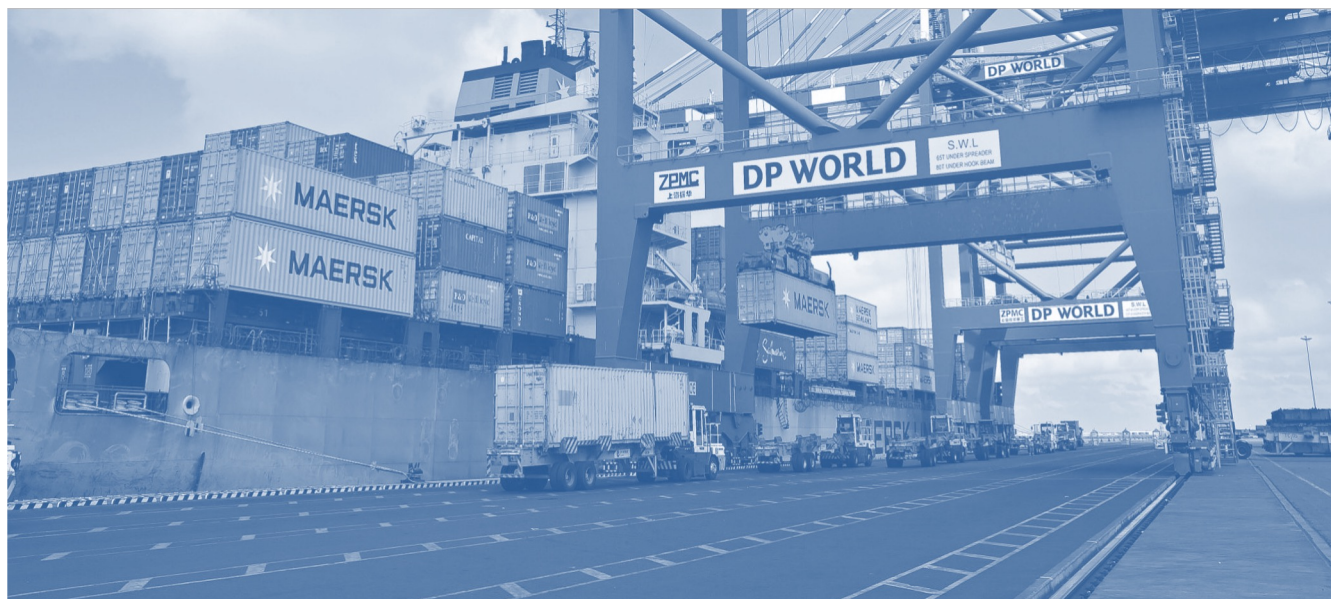
A. Legal Advice

When navigating a new jurisdiction, the last thing an aspiring entrepreneur needs is to fall foul of any legal requirements. Here in the UAE, that could mean failing to register your trade name, omitting activities from your business license, or making a new hire without following the country's clearly defined recruitment and contract processes.

Working with a UAE company formation specialist can help you overcome this by understanding the country's legal system and complying with its laws. Most companies do not just offer legal advice, but also manage some legal processes on your behalf.

Common legal support services offered in the UAE include:

- Drafting legal documents such as contracts, agreements, and deeds
- Providing legal advice on various issues, including corporate law, commercial law, labor law, and criminal law
- Representing clients in court, mediation, and arbitration proceedings
- Assisting with the registration of companies and trademarks
- Handling immigration matters, including visa applications and sponsorship issues
- Assisting with legal compliance and regulatory matters
- Advising on real estate law and property transactions
- Assisting with intellectual property and IP registration
- handling cases related to civil and criminal disputes
- Advising on labor laws and handling labor disputes



B. Logistics

Over the years, the UAE has invested heavily in improving its logistics and infrastructure. This has helped it become an important hub for international trade and commerce. Today, the UAE is home to some of the world's busiest sea- and airports, providing an important gateway throughout countries in the world.

But trading in goods with every corner of the globe is a complex business. And many companies do not have the expertise, time, or inclination to navigate customs forms and other associated paperwork.

For this reason, the UAE is home to a thriving logistics support industry, on hand to help businesses of all sizes import, export, store, and distribute goods both locally and internationally.

Supply Chain Solutions

Logistics companies can support with everything from transportation and warehousing to customs clearance and project management. Other logistics support services include:

- Project logistics
- Freight forwarding
- Cargo services
- Transportation
- Customs documentation
- Warehousing and Distribution solutions
- Freight Forwarding
- Customs Clearance
- Local Transport
- Cross-Border Logistics



C. Insurance

Insurance is one of the essential parts of doing business in the UAE. It does not just prepare your company for any uncertainties but for your employees as well. With the right kind of cover, your business can be protected against loss should anything unexpected happen while remaining in compliance with the law.

To save you time and money, many free zones and company formation agents partner with renowned insurance companies to help UAE businesses secure the right level of cover at the right price.

Common insurance policies for UAE businesses include:

- Group health insurance
- Group life insurance
- Workmen's compensation insurance
- Public liability insurance
- ME office package insurance

D. Tax and Accounting

Tax and accounting services are important in the UAE. With the country's growth comes an increased need for businesses to ensure they comply with the local tax laws and regulations. One of these is compliance with the mandatory annual audits. Annual audits are required for all entities operating in the country. Companies and businesses must have their accounts audited by a licensed auditor, which must be completed by the end of the financial year.

The objective of an audit is to verify the information published in the various financial statements independently of a business including:

- Revenues
- Expenses
- Cash flow
- Profit and loss
- Assets
- Liabilities
- Equity

The UAE Federal Trade Authority also has the right to perform a tax audit on any person or business to ensure compliance with federal taxation laws. In this case, you are required to submit your annual returns to the FTA via the eServices portal for verification. A face-to-face meeting with the FTA may also be required.

To ensure that your accounts are in order, it is a good idea to make use of bookkeeping and accounting services offered by free zones and company formation agents.

**Common services include:**

- Payroll
- Bookkeeping
- Preparation of financial reports and statements
- Audit preparation
- Tax and financial advice
- Client and supplier correspondence
- Production of balance sheets, income statements, general ledger listings, and more

E. Concierge Services

Concierge services are designed to make life easier for local and foreign investors so that their businesses run more efficiently.

Services can range from office management, document handling, event planning, virtual assistant services, travel, and lodging assistance, setting up meetings, and more. They can also assist with legal matters, financial management, and marketing solutions.

Aside from this, many concierge services can also assist with tasks associated with relocation to the UAE, such as help finding accommodation, personal admin, and advice on settling into a new country.



F. Payment Gateway

Having a payment gateway is an integral part of a support for SMEs and startups as they help gain the trust of your customers by providing a fast and secure payment experience.

Payment gateways also provide a seamless payment for your customers, removing all barriers to purchasing from your website. Many solutions also process payments faster than in-house solutions, so the money is immediately in your hands.

Many free zones and company formation agents partner with payment gateways to offer simple and cost-effective solutions to their clients. These include:

- Amazon Payment Services
- 2Checkout
- Checkout
- PayPal
- Stripe
- Telr

Security is everything to modern customers, and payment gateways offer an unrivaled level of security that independent merchants can't match.

G. Media and Marketing

Effective media and marketing campaigns play essential roles in business because they help to communicate and promote products and services that can increase brand awareness and drive sales. As they say, your offer is often only as good as your promotion in the competitive business world.

For this reason, many free zones and company setup agents offer marketing support as part of their value-added business services. Marketing support can take many forms, from branding and design to strategy, content creation, and social media management.

Some marketing providers even specialise in helping entrepreneurs new to the UAE to find and engage with their first customers. Whatever type of support you require, from digital marketing to traditional print and signage, you will find it in the UAE in abundance.

H. Sales and Business Development

To support these businesses startups and SMEs growth in the UAE, many organisations are offering outsourced sales support. This often goes beyond reaching to potential customers, building relationships, and closing deals.

Many companies offer assistance with customer analytics, go-to-market strategies, lead generation and nurturing, market research, and support drafting RFPs. Outsourcing your sales function in this way allows you to save on staffing costs, get instant access to expert skill sets, and scale your support as needed.



I. HR Solutions

Another function that is often outsourced by small and medium sized businesses in the UAE is HR. Thanks to standardised employment contracts, mandatory benefits, visa and repatriation requirements, and many other factors, HR processes out here can be very particular.

In the UAE, play a crucial role in attracting and retaining top talent, managing employee relations, and ensuring compliance with UAE labor laws which can be quite complex. This includes understanding and adhering to regulations related to working hours, overtime pay, and termination procedures.

For this reason, many businesses hand over the recruitment and management of staff to outside providers. As well as dealing with hiring, training, and dispute resolution, many HR provides can also handle payroll and employee benefits.

Services provided by HR solutions companies in the UAE include:

- Absence management
- Appraisals and performance review
- Company policies
- Contracts and employee handbooks
- Disciplinary handling
- Pensions
- Record keeping
- Recruitment
- Training and development
- Wellness initiatives

J. Technology and Support

In today's digital age, businesses rely heavily on technology to operate and compete effectively, most especially during the early-growth stage of your business. This could range from simple advice on the right tech setup for your needs to a complex implementation of equipment, devices, telephony systems, and much more.

The right tech setup dedicated for you will depend on your business's location, size, and activities. Many organisations outsource IT support to assist in building an e-commerce platform or to equip an entire shell and core office from scratch. While some require dedicated in-house resources, while others need help with installation and deployment.

Common technology support services include:

- Business continuity and disaster recovery solutions
- Business telephone systems
- Cybersecurity solutions
- Hardware procurement and installation
- Tech support



Relocation & Family

When starting a business in the UAE, entrepreneurs are not only faced with a long corporate checklist. They must also tackle the personal admin that comes with relocating to a new country. The good news is that much like the UAE's company formation procedure, its relocation processes are also time tested by millions of entrepreneurs.

What's more, the UAE offers one of the highest standards of living in the world, with excellent schools, infrastructure, and healthcare that's readily available for the country's vast expatriate population.

A. Schools and Universities

There are over 200 international schools in the UAE, with most found in Abu Dhabi, Dubai, Sharjah, and Ras al Khaimah.

While many offer the International Baccalaureate Diploma, you can also find schools that follow the Australian, British, French, German, Indian, and USA curriculums. Fees for international schools can vary wildly from around AED 10,000 to over AED 100,000. In Dubai, the average fee per student is approximately AED 26,000. Since 2001, expatriate students have also been permitted to attend UAE public schools based on merit and approval. However, as Arabic is the language of instruction for all subjects, this can be a barrier to foreign nationals.

The UAE's standard of higher education is well-regarded, ranking in the top 20 in the world. The country is also home to three universities in the world's top 350 – Khalifa University, United Arab Emirates University, and American University of Sharjah.

Expatriate students can enrol in UAE universities on a student visa, provided they can pay the required fees and meet the entry criteria.



B. Real Estate Property

Buying property anywhere in the world is a complex undertaking, and the UAE is no different. However, with the proper support, expatriates can purchase a range of residential properties throughout the Emirates. Rules and regulations differ from emirate to emirate. In Abu Dhabi, expatriates cannot own land but are entitled to ownership of floors and apartments through four systems.

Ownership

"Expatriates are granted ownership deeds of residential units for 99 years, which allow them to fully dispose of the apartments and villas they buy (land is not included)."

Musataha

"Expatriates can own residential units for a period of 50 years, renewable by the agreement of the parties for a similar period. Musataha contracts entitle the owner to enjoy the use, construction or alteration of the property within the specified period."

Usufruct

"Expatriates can own residential units for 99 years. The usufruct contract entitles the owner to enjoy the use of the property and its facilities without being able to change it."

Long-term Lease

"Long-term lease is given for an initial period, not less than 25 years."

Expatriates are free to purchase property in this manner in nine designated zones. These are Yas Island, Saadiyat, Reem, Mariya, Lulu, Al Raha Beach, Sayh Al Sedairah, Al Reef and Masdar City.

Meanwhile, Dubai only allows foreign ownership of property in freehold areas. Expatriate residents may purchase freehold ownership rights over a property "without restriction, usufruct rights, or leasehold rights for up to 99 years."

C. Healthcare services

Overseen by the Ministry of Health and Prevention (MOHAP), the UAE's healthcare system ranks among the best in the world.

The Emirates is home to state-of-the-art facilities and healthcare experts across a wide range of fields, offering world-class personal care. It is held in such high esteem that the UAE is the most popular location in the Middle East for medical tourism. Over 500,000 people travel to Dubai every year to access our healthcare system.

Expatriates are free to use both public and private healthcare. To access the public system, they are required to have a public health card issued by MOHAP. However, as English is more widely spoken in the private system, this is the most common choice for non-Emirati residents.



The exception to this is in emergency cases, as many private hospitals do not deal with trauma and other injuries requiring immediate attention. Healthcare in the UAE can be costly, but mandatory health insurance helps to mitigate the expenses. Health insurance is provided by employers and entitles the insured to a range of standard and emergency treatments.

Before moving to the UAE, expatriates will be required to undergo several tests and present these during their application. These include an AIDS test, a pulmonary tuberculosis test, and other procedures that will depend on the expatriate's nature of work upon arriving in the UAE.

D. Driving License

If you intend to drive in the UAE long term, you will need a local driving license, regardless of whether you have passed your test in another country.

If you already hold a driving license from one of the following countries, no further test is required. However, you will need to produce a letter from the relevant consulate, translated into Arabic, confirming the validity of your license:

Australia, Austria, Bahrain, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Kuwait, Netherlands, New Zealand, Norway, Oman, Poland, Portugal, Qatar, Romania, Saudi Arabia, South Africa, South Korea, Spain, Sweden, Switzerland, Turkey, United Kingdom, USA.

If your license was issued in any other country, you will need to pass a UAE theory and practical driving test to be issued with a local license.

Converting your existing driving license

To convert an existing driving license from an approved country, you will need to submit your passport, residence permit, original license, and eye and health test results to the Roads and Transport Authority (RTA) or equivalent in your local emirate.

Obtaining a new driving license

If you do not hold a driving license anywhere in the world, you are free to apply for one in Dubai. You are required to take at least 40 driving lessons with an approved driving school before passing the theoretical and practical tests set by the RTA. Fees for lessons and tests are usually in the region of AED 5,500.

As part of this process, you will need to submit your:

- Emirates ID
- Residency permit
- Passport
- Eye and health test results

THE UAE **BUSINESS SETUP** GUIDE

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