

**COUNTRY GUIDE**

# UNITED ARAB EMIRATES (UAE)

Following the completion of treaties with the UK, six crucial states of the Persian Gulf - Abu Dhabi, Ajman, Al Fujayrah, Ash Shariqah, Dubayy, and Umm al Qaywayn - merged to form the United Arab Emirates (UAE) in 1971. A year later, the state of Ra's al Khaymah joined the emirates. Before the discovery of oil in the 1950s, the region was mainly sustained by fishing, pearling, and nomadic farming. Since then, the UAE has grown into one of the most prosperous nations in the region and one of the most competitive in the world today.


**INVESTMENT CLIMATE**

The UAE's market-oriented economy, openness to international business, and its strategic location provides an attractive opportunity for businesses looking to enter or expand their operations in the Middle East. Since the implementation of free zones, the UAE has been able to diversify its economy and attract businesses from a wide range of sectors.

**MODERN INFRASTRUCTURE**

Due to the government's vision to modernize the country, the UAE has developed one of the most advanced infrastructures in the world. Cities like Dubai and Abu Dhabi have become sprawling, futuristic metropolises.

**FOCUS ON TECHNOLOGY**

In 2019 the UAE launched Hub71, a government-sponsored program aimed at attracting and developing technology start-ups. The \$272M program hopes to further the country's bid to future-proof its oil, trade, and tourism-dependent economy.

**STABILITY**

Due to the country's immense oil industry, its drive to develop into a modern nation with low levels of poverty, and its pursuit to advocate for political reform, the UAE has enjoyed political and economic stability despite the turmoil occurring throughout the region. As a result, the UAE has become a major player in regional affairs.

**POPULAR DESTINATION FOR VISITORS**

The UAE has heavily promoted tourism to the country. In 2018, Dubai was ranked as the most visited city by foreign tourists in the world. Despite the strict enforcement of their modest dress code and their more conservative views, UAE receives high-end travelers looking to shop for luxury goods and experiences.


**Geography**

**Location:** The UAE is a small country located in the Middle East. It borders the Gulf of Oman and the Persian Gulf to the north and east, and is between Oman and Saudi Arabia to the east and south respectively.



**Area:** 83,600 sq km

**Time zone:** Gulf Standard Time (GMT+4)


**Population**

9,992,083 (*July 2020 est.*)


**Language(s)**

Arabic (official), English, Hindi, among others


**Economy**

Main industry is comprised of petroleum and petrochemicals. Other minor industries include: fishing, commercial ship repair, aluminum, construction materials, handicrafts, textiles, etc.


**Capital City**

Abu Dhabi


**Currency**

United Arab Emirates Dirham (AED)


**Political structure**

Federation of monarchies


**Legal system**

Mixed legal system of Islamic (sharia) law and civil law

This information is not intended to provide legal advice or serve as a substitute for legal research to address specific situations.

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# Main Types of Legal Entities

	UAE LIMITED LIABILITY COMPANY (LLC)	BRANCH	FREE ZONE LIMITED LIABILITY COMPANY (FZ-LLC)	FREE ZONE BRANCH (FZ-BRANCH)
<b>Share capital</b>				
<b>Minimum paid-up</b>	No minimum requirement	N/A	Varies depending on FZ company will be registered in	N/A
<b>Maximum authorized</b>	No maximum	N/A	No maximum	N/A
<b>Usual currency</b>	UAE Dirham (AED)	UAE Dirham (AED)	UAE Dirham (AED)	UAE Dirham (AED)
<b>Permitted currencies</b>	No restrictions	No restrictions	No restrictions	No restrictions
<b>Domiciliation</b>				
<b>Registered address</b>	Required, must be owned or leased by company	Required, must be owned or leased by company	Required, must be owned or leased by company	Required, must be owned or leased by company
<b>Directors</b>				
<b>Minimum number</b>	One	One general manager	One	One general manager
<b>Minimum local</b>	No requirement	No requirement	No requirement	No requirement
<b>Corporate directors</b>	No requirement	N/A	No requirement	N/A
<b>Statutory</b>				
<b>Annual filing</b>	Required	Required	Required	Required
<b>Company secretary</b>	Not required	Not required	Required	Not required
<b>Annual general meeting (AGM)</b>	Required	N/A	Required	N/A
<b>Beneficial owner reporting</b>	Required, but not available publicly	Required, but not available publicly	Required, but not available publicly	Required, but not available publicly
<b>Re-domiciliation</b>	Allowed	Allowed	Allowed	Allowed
<b>Financial administration</b>				
<b>Audit required</b>	Required	Required	Required	Depends on the Free Zone
<b>Filing of annual return</b>	Not required as no corporate taxes collected	Not required as no corporate taxes collected	Not required as no corporate taxes collected	Not required as no corporate taxes collected
<b>Tax</b>				
<b>Tax rates</b>	0% (except for certain industries)	0% (except for certain industries)	0% (except for certain industries)	0% (except for certain industries)
<b>VAT</b>	5%	5%	5% (except for certain FZs where VAT is waived)	5% (except for certain FZs where VAT is waived)
<b>Tax treaties</b>	Negotiated with 80+ countries	Negotiated with 80+ countries	Negotiated with 80+ countries	Negotiated with 80+ countries
<b>Other taxes</b>	No other corporate taxes levied	No other corporate taxes levied	No other corporate taxes levied	No other corporate taxes levied
<b>Government fees</b>				
<b>Registry fee</b>	Depends on type of business being conducted	Depends on type of business being conducted	Depends on FZ company will register in	Depends on FZ company will register in
<b>License fee</b>	Depends on type of business being conducted	Depends on type of business being conducted	Depends on FZ company is in	Depends on FZ company is in

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# Main Types of Legal Entities

	UAE LIMITED LIABILITY COMPANY (LLC)	BRANCH	FREE ZONE LIMITED LIABILITY COMPANY (FZ-LLC)	FREE ZONE BRANCH (FZ-BRANCH)
<b>Incorporation process</b>				
<b>Summary</b>	<ul style="list-style-type: none"> <li>➤ Company name reservation</li> <li>➤ Must obtain preliminary approval from the licensing authority</li> <li>➤ Additional approvals may be required depending on the type of business that will be conducted</li> <li>➤ Execution of the memorandum of association before a notary public in the UAE</li> <li>➤ Leasing of office and registration with the relevant authority</li> <li>➤ Final registration with the licensing authority</li> <li>➤ Additional approvals may be required by other government departments depending on the nature of the LLC's activities.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Trade name reservation</li> <li>➤ Must obtain preliminary approval from the licensing authority</li> <li>➤ Agreement with local agent executed before a notary public in the UAE</li> <li>➤ Initial approval from the MOE</li> <li>➤ Leasing of office and registration with the relevant authority</li> <li>➤ Final registration with the licensing authority</li> <li>➤ Submit bank guarantee to the MOE and issuance of the final commercial registration certificate</li> <li>➤ Additional approvals may be required by other government departments depending on the nature of the branch's activities</li> </ul>	<ul style="list-style-type: none"> <li>➤ Submit application to the relevant free zone and obtain its initial approval</li> <li>➤ Execution of the memorandum and articles of association before the free zone official</li> <li>➤ Leasing of office and registration with the relevant free zone</li> <li>➤ Opening of bank account and depositing relevant share capital (depending on free zone)</li> <li>➤ Final registration with licensing authority of the free zone</li> <li>➤ Additional approvals may be required by other government departments depending on the nature of the FZ-LLC's activities.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Submit application to the relevant free zone and obtain its initial approval</li> <li>➤ Leasing of office agreement and registration with the relevant free zone</li> <li>➤ Final registration with the licensing authority of the free zone</li> <li>➤ Additional approvals may be required by other government departments depending on the nature of the FZ-Branch's activities.</li> </ul>
<b>Time</b>	1-3 weeks	1-3 weeks	1-3 weeks	1-3 weeks
<b>Other</b>				
<b>Are shelf corporations available?</b>	Shelf companies not recognized in this jurisdiction	Shelf companies not recognized in this jurisdiction	Shelf companies not recognized in this jurisdiction	Shelf companies not recognized in this jurisdiction

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# CT Service Offerings – United Arab Emirates



## Global Transactional Services

- Due diligence searches
  - Certificate of Good Standing (or equivalent)
  - Health check services
  - Liens/charges
  - Litigation
  - Bankruptcy
- Document retrieval
  - Articles of Incorporation
  - Memorandum of Association
  - Chamber of Commerce Extract
- Authentication & legalizations
- Board changes
- Company searches
- Incorporations
- Liquidation of entities
- Process agent appointments
- Translation services
- Global Entity Management

## Corporate Secretarial Services

- Annual compliance
  - Statutory filings
  - Annual board resolution drafting
  - Corporate minute book management
- Domiciliation/Registered Address
- Director Services and Legal Representation

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To learn more about how CT can help you better manage your global compliance needs, contact a CT representative at 855.444.5358 (toll-free U.S.).

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