



ANDERSEN[®]

DOING BUSINESS IN THE UAE

A PERSPECTIVE FOR INDIAN INVESTORS

2024 - 2025

February 2025

Foreword

Mr. Faizal Kottikollon

Chairman UIBC-UC, Chairman KEF Holdings

The UAE-India bilateral relationship has flourished in recent years, marked by growing trade, investment, and people-to-people exchanges. In light of increased demand for Indian businesses expanding into the UAE, the UAE India Business Council UAE Chapter (UIBC-UC) has partnered with Andersen to publish a ***Doing Business in the UAE: A Perspective for Indian Investors 2024 - 2025***. This comprehensive guide provides Indian investors with clarity on navigating the UAE's business environment, covering essential topics such as free zones, legal frameworks, tax policies, and registration procedures.

This Handbook highlights the advantages of free zones, which offer benefits like tax exemptions and 100% foreign ownership. It also explores the UAE's legal landscape, blending Sharia Law, Civil Law, and Common Law, and explains how businesses can navigate these complexities.



“

With the UAE's favorable business environment and strategic location, this resource will help Indian businesses make informed decisions for successful expansions.

”

A particular focus is placed on Ras Al Khaimah's prominent free zone RAKEZ, which offers rapid registration and full ownership. Aligning with UIBC-UC's mission to promote India-UAE trade and investment, the Handbook provides essential information and aims to streamline regulatory processes and support businesses across various sectors such as technology, manufacturing, and renewable energy. With the UAE's favorable business environment and strategic location, this resource will help Indian businesses make informed decisions for successful expansions.

Ultimately, the Handbook strengthens economic ties between India and the UAE, empowering investors with essential knowledge to navigate the market. This collaboration with Andersen reinforces a shared commitment to advancing bilateral business relations and positioning the UAE as a strategic hub for Indian investment.

Foreword

H.E. Major General (Retd.) Sharafuddin Sharaf

Vice Chairman UIBC-UC,
Vice Chairman Sharaf Group

United Arab Emirates and India are “Fortunate” and “Blessed” that citizens of both countries fully trust to invest in each other’s country’s projects and business. The road to infrastructure for trade is built on rock solid confidence between both the nations. This trusted infrastructure ensures that all aspects of trade are well designed for robust growth, including the trade treaties, tax treaties and other aspects related to international trade including payments and settlements. This huge trust factor has now resulted in joint knowledge sharing and knowledge development in various sciences which will only enhance the future growth platform.



“

The road to infrastructure for trade is built on rock solid confidence between both the nations [UAE and India]. This trusted infrastructure ensures that all aspects of trade are well designed for robust growth

”

Foreword

Anurag Chaturvedi

CEO, Andersen UAE

The United Arab Emirates has rapidly emerged as a leading destination for business, investment, and innovation. With its progressive regulatory framework, strategic location, and investor-friendly policies, the UAE continues to strengthen its position as a global hub for trade and entrepreneurship. This evolution has been fueled by economic diversification, financial sector reforms, and a commitment to fostering a pro-business environment.

This Handout, *Doing Business in the UAE: A Perspective for Indian Investors 2024 - 2025*, serves as a comprehensive guide for entrepreneurs, investors, and corporate leaders navigating the UAE's legal and regulatory landscape. Covering the regulatory framework, incorporation process, taxation, and business structures, this publication offers practical insights for businesses looking to establish or expand in the region.

Focus is made to the UAE-India investment relationship as a key driver of cross-border trade and economic growth featuring insights from members of the UAE-India Business Council.



“

As the UAE transitions into a more structured tax regime, with corporate tax, VAT, and evolving compliance requirements, businesses must adapt to new financial and regulatory obligations.

”

However, it will be very insightful for other investors from other parts of the globe beyond just India, as it largely focuses on the general investment environment in the country. As the UAE transitions into a more structured tax regime, with corporate tax, VAT, and evolving compliance requirements, businesses must adapt to new financial and regulatory obligations. Understanding free zones, onshore vs. offshore structures, and economic reforms is crucial for long-term success. Additionally, the growth of banking, fintech, and venture capital ecosystems presents new opportunities for startups and enterprises.

I commend my team at Andersen UAE for their dedication in producing this detailed and insightful resource. Whether you are launching a startup, expanding a business, or exploring investment opportunities, this paper will equip you with the knowledge and strategic direction to succeed in the UAE's business environment. For investors from India, this publication will provide key insights to guide you in making the best use of the UAE-India investment relationship, and Andersen UAE is here to assist you throughout the process.

About Andersen

Who We Are

Andersen UAE is a leader in tax and advisory services, offering comprehensive solutions across a wide range of industries. Known for our commitment to quality, we offer a comprehensive suite of services, including corporate tax, transfer pricing, VAT, excise tax, customs, M&A, and deals advisory.

By combining advanced technology with industry expertise, we deliver efficient, and compliant strategies tailored to the needs of businesses worldwide. With hands-on involvement from our partners, we maintain the highest standards of service, driving successful outcomes and fostering long-lasting client relationships across the globe.



About UIBC - UC

UAE-India Business Council UAE Chapter

UIBC-UC is the official joint chamber established on February 18, 2023, under the patronage of UAE's Ministry of Foreign Affairs and India's Ministry of External Affairs. The objective of the Council is to support the goals of CEPA in increasing non-oil trade in the UAE to \$100 billion and attracting \$75 billion in investments from the UAE to India by 2030. With 18 top Indian and Emirati organizations as founding members, the Council represents over \$1 trillion in assets under management.



UIBC-UC has played a critical role in facilitating one of the largest FDI projects in Jammu & Kashmir, including Emaar's 'Mall of Srinagar' and is serving as a key partner in projects such as the Bharat Mart, ground breaking for which was done by H.H. Sheikh Mohammed bin Rashid Al Maktoum (Vice President and Prime Minister of the UAE & Ruler of Dubai) and Shri Narendra Modi (Hon. Prime Minister of India) in 2024.

Additionally, the council is a knowledge partner for a Joint India-UAE hospital, a project announced by Hon. Prime Minister of India, Shri Narendra Modi, during his visit to the UAE in February 2024. UIBC-UC envisions a future defined by unparalleled collaboration, innovation, and prosperity, ushering in an era of sustainable economic growth for both the UAE and India.

UIBC-UC Founding Members



Contents

FOREWORD	2
ABOUT ANDERSEN & UIBC-UC	5
ABBREVIATIONS	11
1. THE UAE AND INDIA INVESTMENT RELATIONSHIP	12
The Investment Relationship Between the UAE and India – A Perspective of - H.E. Major General (Retd.) Sharafuddin Sharaf, the Vice Chairman of UIBC and the Vice Chairman of Sharaf Group	
2. THE LEGAL FRAMEWORK OF THE UAE	14
The Nature of the Legal System in the UAE The Court System and Dispute Resolution	
3. IDENTIFYING A LOCATION TO INVEST	15
The Concept of Free Zones and Mainland Understanding Free Zones The Concept of Mainland Onshore Versus Offshore The Different Emirates in the UAE Emirate of Ajman Emirate of Abu Dhabi Emirate of Dubai Emirate of Fujairah Emirate of Sharjah Emirate of Umm al-Quwain	
4. RAS AL KHAIMAH: EMERGING INTEREST IN THE EMIRATE	19
The Topography of Ras Al Khaimah Ras Al Khaimah Economic Zone Ras Al Khaimah International Corporate Centre	
5. MAKE IT IN THE EMIRATES: INTEREST IN MANUFACTURING ACTIVITIES	21
The Campaign	
6. CHOOSING THE FORM OF BUSINESS STRUCTURE IN THE UAE	22
Sole Proprietorship or Establishment Civil Company Limited Liability Company Public Shareholding Company or a Public Joint Stock Company Private Joint Stock Company Limited Partnership Company Family Business Branches of Companies Representative Office	

Contents

Trust	
Foundations	
7. REGISTRATION PROCEDURES	24
Requirements for Registration	
Requirements for a Lease	
Business Activities	
Regulatory Authorities and Regulated Activities	
Company Officers	
Deregistration and Winding Up	
Intellectual Property Rights	
Land Ownership	
8. COMPANY CORPORATE COMPLIANCES	26
Annual and Periodic Corporate Compliances	
The Requirement to Audit Company Statements	
Financial Reporting Under FATCA and CRS	
Data Privacy and Protection	
Fines and Penalties	
Ensuring Compliance with the UAE Regulatory Compliance Requirements	
9. EMPLOYEE - EMPLOYER RELATIONSHIPS	29
The Role of the Ministry of Human Resources and Emiratization	
Employment and Visas	
Emiratization	
Salary Payments and Minimum Wage	
Social Security and Insurance	
10. FINANCE AND BANKING	31
Bank Accounts	
Raising Capital	
Bank Financing	
Institutional and Strategic Investments	
Forms of Capital	
Types of Capital Contribution	
Repatriation	
11. VALUE ADDED TAX	33
The Concept of VAT	
Imposition of Value Added Tax	
VAT Rates	
VAT Treatment in Designated Zones	
Input Tax Credit Under VAT	
Eligibility Criteria for Input Tax Recovery	
Non-Recoverable Input Tax	
VAT Grouping	
Eligibility Criteria for VAT Grouping	
Implications of Forming a VAT Group	
Advantages of VAT Grouping	
Compliance Requirements	
Consequences of Non-Compliance	

Contents

12. CORPORATE TAX IN THE UAE	36
Direct Taxes - Overview and Scope	
Effective Date of UAE CT Law	
Scope of UAE CT Law	
Tax Rates	
Exempted Entities	
Exempted Income	
Free Zone Tax Regime	
Fiscal Unity (Tax Group) Regime	
Taxable Income Computation	
Special Reliefs	
Taxation of Unincorporated Partnerships	
Taxation of Family Foundations	
Transfer Pricing Framework	
Transitional Rules	
Anti-abuse Provisions	
Tax Treaty	
Pillar Two Rules	
Individual Taxation	
13. ECONOMIC SUBSTANCE REGULATIONS	45
Overview and Scope	
Purpose of ESR	
Repeal of the ESR Requirements	
14. EXCISE TAX	46
Overview of Excise Tax in the UAE	
Excise Goods	
Tax Rates	
Exceptions to Registration	
Designated Zone	
Compliance Requirements	
Consequences of Non-Compliance	
15. CUSTOMS	48
Customs Procedures and Regulatory Framework	
Procedures in the UAE	
Duties and Taxes	
Documentation for Clearance	
Compliance and Risk Management	
Inspections and Compliance	
Audits and Compliance	
Facilitation and Smart Technology	
WHAT LIES AHEAD	50
WE ARE HERE TO SUPPORT	51
ACKNOWLEDGEMENT	52

Abbreviations

ADCCAC	Abu Dhabi Commercial Conciliation and Arbitration Centre	ICC	International Chamber of Commerce
ADGM	Abu Dhabi Global Markets	IFRS	International Financial Reporting Standards
ADR	Alternate Dispute Resolution	IFZA	International Free Zone Authority
BEPS	Base Erosion and Profit Shifting	ISIC	International Standard Industrial Classification for All Economic Activities
CEPA	Comprehensive Economic Partnership Agreement	JAFZA	Jebel Ali Free Zone
CIGAs	Core Income-Generating Activities	LLC	Limited Liability Company
CRS	Common Reporting Standards	MENA	Middle Eastern and North African
CT	Corporate Tax	MFO	Multiple Family Office
DAFZA	Dubai Airport Free Zone	MNE	Multinational Enterprise
DFSA	Dubai Financial Services Authority	MOF	UAE Ministry of Finance
DIAC	Dubai International Arbitration Centre	MoHRE	Ministry of Human Resources and Emiratization
DIFC	Dubai International Financial Centre	MoIAT	Ministry of Industry and Advanced Technology
DMCC	Dubai Multi Commodities Centre	NIE	Net Interest Expenditure
DTAA	Double Taxation Avoidance Agreement	OECD	Organisation for Economic Co-operation and Development
DWTC	Dubai World Trade Centre	PE	Permanent Establishment
DZ	Designated Zone	QFZP	Qualifying Free Zone Person
EBITDA	Earnings Before Interest, Tax Depreciation and Amortization	RAK	Ras Al Khaimah
EDB	Emirates Development Bank	RAK ICC	Ras Al Khaimah International Corporate Centre
ESR	Economic Substance Regulations	RAKEZ	Ras Al Khaimah Economic Zone
EU	European Union	SCA	Securities and Commodities Authority
FATCA	Foreign Account Tax Compliance Act	SFO	Single Family Office
FSRA	Financial Services Regulatory Authority	SFO DMCC	Single Family Office Dubai Multi Commodities Centre
FTA	Federal Tax Authority	SHAMS	Sharjah Media City Freezone
FTC	Foreign Tax Credit	SPCFZ	Sharjah Publishing City Free Zone
FTZ	Free Trade Zone	SRTIP	Sharjah Research Technology and Innovation Park
FZ	Free Zone	TP	Transfer Pricing
FZP	Free Zone Person	TRC	Tax Residency Certificate
GAAR	General Anti-Avoidance Rules	UAE	United Arab Emirates
GCC	Gulf Cooperation Countries	UBO	Ultimate Beneficial Owners
GDP	Gross Domestic Product	UIBC – UC	India Business Council - UAE Chapter
GDPR	European Union General Data Protection Regulation	VC	Venture Capital
GloBE	Global Anti-Base Erosion	WHT	Withholding Tax
GMT	Global Minimum Tax		

THE UAE AND INDIA INVESTMENT RELATIONSHIP

01



Sheikh Mohamed bin Zayed Al Nahyan, President of the United Arab Emirates, meets with Narendra Modi, Prime Minister of India, during a reception at the Presidential Airport in Abu Dhabi, United Arab Emirates, February 13, 2024. Mohamed Al Hammadi/UAE Court. REUTERS.

The UAE is a strategic investment for investors and businesses across the globe including those from India. The UAE and India share a long history of trade relations that have continued to grow over time. As one of India’s largest trading partners in the GCC, the trade relationship between UAE and India is one of the most dynamic and fast-growing in the region, with both countries benefiting from a complementary economic and commercial partnership. India and the UAE signed the CEPA in 2022 with the hope that it would boost bilateral trade between the two nations and lower barriers to trade and investment as both nations sought to expand cooperation in key factors. Through the CEPA, the two nations have recorded significant milestones.

- **Trade Volume:** India is the UAE’s second-largest trading partner, and the UAE is India’s third-largest trade partner. The total trade between the two countries has been increasing steadily in recent years.
- **Investment Cooperation:** The UAE and India have been working to boost mutual investments. UAE investors have strong interests in India, particularly in sectors like real estate, infrastructure, technology, and renewable energy. Indian companies have also made substantial investments in the UAE, especially in information technology, healthcare, and manufacturing.
- **Key sectors:** Technology, construction, manufacturing, retail, healthcare, and food industries are key sectors where Indian companies have a significant presence in the UAE.

The Investment Relationship Between the UAE and India – A Perspective of - H.E. Major General (Retd.) Sharafuddin Sharaf, the Vice Chairman of UIBC – UC and the Vice Chairman of Sharaf Group.

In highlighting the significance of the relationship between the UAE and India, the experience of - H.E. Major General (Retd.) Sharafuddin Sharaf, the Vice Chairman of UIBC – UC and the Vice Chairman of Sharaf Group offers perspective.



Sharafuddin Sharaf,
H.E. Major General (Retd.)
Vice Chairperson of UIBC – UC and the Vice Chairman of Sharaf Group

“ The United Arab Emirates is an extremely welcoming country for Indian companies [...] the UAE is a large consumer base for India and offers an untapped opportunity for UAE companies & India’s huge production and consumption platform complements UAE’s strengths. The UAE economy is based on very strong fundamentals of best infrastructure for inland, air and sea transportation, and is a constant innovator of ideas, talents, and new sciences, with seamless connectivity and collaboration extending to the Mediterranean and Africa.

”

In the experience and wisdom of H.E. Major General (Retd.) Sharafuddin Sharaf, trade between the UAE and India is booming, citing some of the following as his key reasons and observations: -

- **Strong bilateral relations and G2G agreements with very robust communications including Income Tax Treaties between both countries:**

The February 2024 visit of Indian Prime Minister Shri Narendra Modi to the UAE was followed by the signing of a key bilateral investment treaty along with agreements covering fintech and digital infrastructure projects, including Rupee & Dirham based trade exchange. The bilateral investment treaty is a key enabler for further promoting investments in both the countries.

- **CEPA agreement provides the framework for manufacturing and trade opportunities:**

The UAE – India CEPA is helping business groups in the UAE and India in an exceptional manner. There has been a growth in bilateral trade and exports and new industries are being set-up in the UAE and India after CEPA, and as a result the countries are enjoying preferential bilateral agreements on tariffs between both the countries. For India, the CEPA has presented an opportunity to improve the domestic manufacturing market by incentivizing the production of electrical machinery, pharmaceutical, cereals, fisheries, fruits, vegetables, etc., and giving the country easier access to the Middle Eastern and African regions. For the UAE, the agreement has presented an opportunity for local firms to tap into India, one of the fastest-growing major economies in the world.

- **The strong development of domestic economies broadly throughout the GCC along with growth in youth populations:**

This will be a big trigger for economic growth in both the countries.

- **Emphasis on Advanced Research in Sciences and Engineering:**

The investments between UAE & India have gone beyond the traditional fields of trade & commerce into coordinated joint research and actions in the field of medicine, agro-science, space research, tech research, fin tech, higher education, etc., ensuring that not only people but, people with their knowledge, with their money, with their scientific know how & innovation are now freely interacting between both the countries

- **Development of Shorter supply chains to ensure minimal disruption in trade and supplies:**

UAE can prove to be the best hub for ensuring supply chain connectivity between India and the GCC region. It has the best connectivity and infrastructure both in terms of shipping and air connectivity both for people and cargo between India and the region.

The main objective is to ensure reduction of logistics cost for both production inputs and production outputs, to make Indian exports competitive in the global markets.

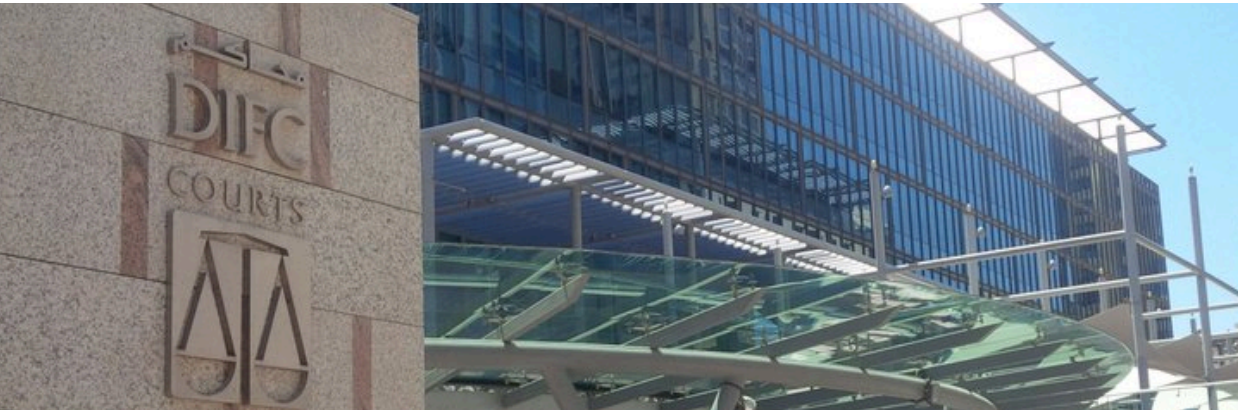
- **Opportunities for advanced industries based on local natural resources and strengths of local markets in GCC and India:**

India can truly become the best regional partner to the UAE for food security, industrial security and at the same time, promoting health and education between both the nations.

- **Taxation:**

Since the governments around the world have agreed on a global framework for corporate tax, in all cases a corporate entity or person will be subject to tax one way or the other in the country of domicile.





The Nature of the Legal System in the UAE

The legal system in the UAE is multifaceted, incorporating elements of various legal systems. Depending on the territorial jurisdiction in question with the country, the UAE applies Sharia Law, Civil Law, and Common Law which collectively govern areas like civil or criminal relations, commercial transactions, civil procedure, corporations, intellectual property, immigration, maritime, industries, banking and employment among other sectors.

The Constitution is the supreme law of the country regulating the distribution of power including the law-making mandate amongst the federal authorities: the Federal Supreme Council, the UAE President and Vice President, the UAE Council of Ministers, the Federal National Council and the Federal Judiciary.

Each of the individual Emirates, Abu Dhabi, Ajman, Dubai, Fujairah, Ras al-Khaimah, Sharjah, and Umm al-Quwain, exercises legislative control over certain aspects within their localities. Federal laws, however, take supremacy over all the other laws. Other bodies such as the freezones authorities, government departments, ministries and several statutory bodies are permitted to enact their own legislation or frameworks (regulations, cabinet decisions, guidelines among others) in areas other than those that have been exclusively reserved to the larger federal state or to the individual Emirates. Depending on the delegated mandate, the bodies can also legislate on matters where the state or the Emirates have not yet exercised legislative power.

Many of the judicial bodies within the state adopt civil law and sharia law. DIFC in Dubai and ADGM in Abu Dhabi are specifically the only two jurisdictions within the UAE that follow the English common law, which allows the two jurisdictions to apply the law of precedents where decisions of higher courts are binding on the lower courts. RAK ICC is also usually considered one of the jurisdictions applying common law through its partnership with ADGM and the DIFC.

As recent as July 2023, there have been press statements that Dubai may be considering adopting common law for all its freezones as part of the Dubai Economic Agenda D33, however, this has not yet come to fruition. Some freezones like DMCC have had partnerships where companies within the free zone can use DIFC courts, allowing them to avoid the sharia or common law system. Investors hoping to invest in the country will therefore have the liberty to determine which system should apply to them depending on where they situate their businesses or the nature of their legal disputes.

The Court System and Dispute Resolution

The UAE offers several options for dispute resolution with modes including ADR and court litigation. The country's laws allow each emirate to establish their own judiciary, but they also have the option to merge with the federal court system if they desire. Dubai, Ras al – Khaimah and Abu Dhabi have their own autonomous courts while Sharjah, Ajman, Fujairah and Umm Al Quwain are merged into the federal system. Both at the emirate level and at the federal level, the courts established include the Courts of First Instance, Courts of Appeal and Courts of Cassation (the highest court in the Emirates) or the Federal Supreme Court (the highest court at the federal level, which is also the constitutional court of the country). As indicated, DIFC and ADGM apply common law systems, and this is also practiced in different and additional courts established within these two freezones that are modeled on English law, giving them the mandate to resolve civil and commercial disputes arising within the respective freezone. There are also specialized courts focusing on distinct matters like commercial disputes, criminal law, labour disputes, personal status courts for family disputes (or the inheritance courts), rental dispute committees, and the enforcement divisions. Apart from the conventional dispute resolution system, the UAE also allows disputing parties to apply modes of ADR with arbitration being the most common form. The widely used arbitration centres in the UAE include the ADCCAC, the DIAC and the ICC. Other available forms include negotiation and mediation.

IDENTIFYING A LOCATION TO INVEST

03



Business in the UAE will be regulated by any of the several jurisdictions available within the country. In deciding to register the business, many considerations should be had, some of which have been stipulated in this publication, which include the choice of jurisdiction and the choice of business form.

The Concept of Free Zones and Mainland

The businesses environment in the UAE is largely segmented into either freezones or mainland, and the decision to situate a business in any of the available locations will depend on a variety of factors.

Understanding Free Zones

A free zone is an economic area that is defined by a location or by geographical delineations, with a juristic personality in the freezone authority.

The freezones authorities have the mandate to regulate the conduct of business within its jurisdiction, with the power to register and deregister companies including govern several commercial aspects that are not reserved to the federal government.

For instance, while freezones may regulate business operations covering registration and deregistration, insolvency and bankruptcy proceedings are reserved for the federal state apart from ADGM and DIFC that have their own insolvency laws. The rules governing a particular freezone do not extend to businesses

outside of that zone or to any other jurisdiction, except where a special arrangement has been made between the different jurisdictions.

The establishment of free zones is an initiative by the government of the UAE to diversify the economy and attract more foreign investment to the UAE.

A free zone can be established at any time provided that justification for it has arisen. In July 2024 for instance, the emirate of Sharjah established the Sharjah Communication Technologies Free Zone to attract businesses in the telecommunications and technology sectors.

Setting up a business within a particular freezone may provide benefits that are not available if the business is set up in an area that is not a freezone. Some freezones described as designated freezones may even offer more benefits that other freezones do not offer.

Freezone benefits may include special tax and foreign ownership provisions, easier, flexible and faster incorporation processes, 100% repatriation of capital and profits, strategic locations and customs benefits.

Over 40 freezones exist in the different emirates, with Dubai taking the largest share of the freezones. The other emirates have about 5 freezones each or less. ***Refer to the brief on the respective emirates for the names of the free zones.***

Several freezones are known to attract particular businesses. DIFC and ADGM for example are known to attract businesses involved in financial services including investments and fund management, while Dubai Healthcare City will mainly attract businesses in the health sector.

The main business attracted to a particular freezone will sometimes be determined from the name of the freezone. Consider the following examples for guidance. International Humanitarian City, Dubai Maritime City, Sharjah Publishing City, the Sharjah Research, Technology, or the recently established Sharjah Communications and Technology Freezone and Innovation Park or the Ras Al Khaimah Maritime City. It is, however, possible to have other business activities conducted in a particular freezone even when the main business for the zone is specific, provided that that business activity is available within an activity list circulated by the respective jurisdiction.

While each freezone offers its own unique strengths over the other, some of the popular freezones within the UAE for businesses include DAFZA, JAFZA, Dubai South, DMCC and the DIFC, Meydan Free Zone and the IFZA in Dubai, ADGM, Masdar City Freezone and twofour54 in Abu Dhabi, SRTIP, SHAMS and SPCFZ in Sharjah, Ajman Freezone in Ajman, RAKEZ in Ras Al Khaimah, Fujairah City Freezone in Fujairah and the Umm Al Quwain Freezone in Umm Al Quwain.

The Concept of Mainland

Mainland or alternatively onshore is not restricted by area and geographical dimensions within the state. It covers all the areas that are not regulated by the freezones. Entities registered in mainland are regulated by the federal government under the relevant department within the Ministry of Economy of Trade in each Emirate through the mandate dictated by a federal decree.



KEF Holdings was one of the first Single Family Offices to be set up in DIFC in the year 2012 when the concept was still new and not evolved. The company has had good experiences with having his business registered in a freezone. DIFC has helped the company in getting connected to ideas and enabling faster execution.

“ From 2012 to today, we have experienced various ups and downs in our businesses as well as the global markets, but DIFC has always been supportive of all our initiatives. Being in the same zone as most of our private bankers and other investors helps build our investment strategy on global trends and keep refining them as markets evolve. Being positioned in DIFC gives us access to high quality talent and resources, which would otherwise be a challenge for our other businesses [...] has granted us easy access to funds, investors as well as regulators comes at no extra cost. Learning and growing, not only for our businesses, but also for our multi-cultural teams has been our mantra for success and DIFC makes it possible.

Mr. Faizal Kottikollon
Chairman of UIBC - UC and Chairman of Kef Holdings



Dubai International Financial Centre (DIFC): A premier freezone fostering global business opportunities, offering 100% foreign ownership, tax efficiency, and a robust regulatory framework—an ideal gateway for investments in the UAE.

Businesses in mainland can also operate in freezones without certain restrictions applicable to companies from other freezones. Restrictions if any in respect to trading are limited. An investor may, however, decide to structure their businesses in such a way that they have a presence in both the freezones and the mainland. Each of the emirates has a department within the Ministry that handles business registrations. Mainland entities will be regulated by Federal Decree.

Onshore Versus Offshore

The concept of mainland within the UAE is synonymous with onshore entities. The UAE, however, also recognizes the possibility of setting up an offshore entity which arises where a business is registered but not allowed to carry out any business activities within the country. Within the country, an offshore entity may however be allowed to hold bank accounts, hold shares in other companies and even acquire and own real estate. Offshores entities may be registered in RAK ICC and JAFZA.

The Different Emirates in the UAE

The country is made up of 7 emirates, with Ajman being the smallest and Abu Dhabi the largest. Each emirate is unique territory offering a different preference over the other emirates, and the decision to invest in any of the emirates will depend on the interests of the investor. As highlighted in this publication, the UAE is made up of the emirates of Abu Dhabi, Ajman, Dubai, Fujairah, Ras al-Khaimah, Sharjah, and Umm al-Quwain.

Emirate of Ajman

Of the seven Emirates in the UAE, Ajman is the smallest with a population of about 417,695 as of 2024 with a land mass of about 259 square kilometers. It is located between the Emirates of Sharjah and Umm Al Quwain. Ajman is characterized by rugged Hajjar mountain range and is considered to be more traditional as compared to the other emirates, specifically Dubai and Abu Dhabi. About 95% of the population of Ajman lives in Ajman City, which is the more modern version of the Emirate. At the end of 2019, the GDP of Ajman was estimated at AED 32 billion, with the construction, building and real estate sectors contributing 31.9 per cent of the GDP. Manufacturing and the trade sector each contributed 18.8 per cent of the GDP at the time. The GDP exceeded AED 36 billion by the end of 2023. Tourist attractions in the region include the Ajman Museum, Masfout Castle, Masfout Gate and the Red Fort.

Free Zones in Ajman

- 1. Ajman Free Zone

Emirate of Abu Dhabi

Abu Dhabi is the largest of the 7 emirates occupying 84 per cent of the country’s land mass and has 200 islands, and a coastline stretching 700 km. The total area of the Emirate is 67,340 square kilometers. In 2023, the population was recorded to be 3.8 million with a GDP of AED 310 billion.

It is also the capital of the UAE. An estimate of 46 per cent of the population is employed in white collar jobs, while the majority, 54, were employed in blue collar jobs. There are over 441,410 residential units and 313,145 non-residential units in the emirates by the end of 2023. Abu Dhabi is home to world’s largest solar energy fields and also has the Arab world’s first nuclear energy plant. Tourist attractions in Abu Dhabi include Louvre Abu Dhabi, Guggenheim Abu Dhabi and Sheikh Zayed National Museum.

Free Zones in Abu Dhabi

- 1. Abu Dhabi Airports Free Zone
- 2. Abu Dhabi Global Market
- 3. Khalifa Industrial Zone – Abu Dhabi
- 4. Masdar City Free Zone
- 5. Twofour54

Emirate of Dubai

Dubai occupies an area mass of 4,114 square kilometers and is the second largest emirate with a population of about 3.5 million people as of 2021, contributing a GDP of about AED 307.5 billion as of 2022. The population in 2024 is estimated to be at 3.79 million people. The numbers for Dubai are comparable to the numbers from Abu Dhabi despite the difference in land mass demonstrating the preference for Dubai. The emirate of Dubai shares boundaries with Abu Dhabi and Sharjah and is a largely preferred because of its cosmopolitan lifestyle, wide options for jurisdictions to set up and tourist attractions including Dubai Museum, Hatta Heritage Village, Burj Khalifa, the Dubai Mall, Palm Jumeirah among other attractions.

Free Zones in Dubai

- 1. Dubai Airport Free Zone
- 2. Dubai Cars & Automotive Zone
- 3. Dubai CommerCity
- 4. Dubai Design District
- 5. Dubai Development Authority
- 6. Dubai Healthcare City
- 7. Dubai Industrial Park
- 8. Dubai Internet City
- 9. Dubai International Academic City
- 10. Dubai International Financial Center (DIFC)
- 11. Dubai Knowledge Park
- 12. Dubai Maritime City
- 13. Dubai Media City
- 14. Dubai Multi Commodities Centre
- 15. Dubai Outsource City
- 16. Dubai Production City
- 17. Dubai Science Park
- 18. Dubai Silicon Oasis
- 19. Dubai Studio City
- 20. Dubai Textile City
- 21. Dubai World Trade Centre
- 22. Dubai World Central (Dubai South)
- 23. Expo City, Dubai
- 24. Gold & Diamond Park
- 25. International Free Zone Authority
- 26. International Humanitarian City
- 27. Jebel Ali Free Zone
- 28. Meydan Free Zone

Emirate of Fujairah

Fujairah is located along the Gulf of Oman, Sharjah and Ras Al Khaimah measures about 1,450 square kilometers with a population of about 256,256 people. It is largely a fishing economy, and the land is irrigated by rainwater from Hajar mountains. It is the only emirate in the UAE that has access to the Indian ocean offering major shipping routes.

It is home to some of the largest shipping companies in the world. The terrain has rugged mountains, valleys, waterfalls, oases and wide sandy beaches, hot, cold and mineral hot springs. It has a more moderate climate than the emirates of Abu Dhabi and Dubai. As of 2014, its GDP contribution was AED 14.1 billion and by the end of 2023, the figure had risen to AED 72 billion.

Free Zones in Fujairah

- 1. Fujairah Creative City
- 2. Fujairah Free Zone

Emirate of Sharjah

Sharjah is the third largest emirate in the UAE with a population of 1.8 million people and measures a total of 2,590 square kilometers. It is known for its picturesque landscapes and seascapes. It is home to many educational institutions. Its GDP is estimated to be worth AED 136.9 billion by the end of 2022 and by the end of 2023, the figures were more than AED 145.2 billion.

Its GDP is estimated to be worth AED 136.9 billion by the end of 2022 and by the end of 2023, the figures were more than AED 145.2 billion.

Free Zones in Sharjah

- 1. Hamriyah Free Zone
- 2. Sharjah Airport Free Zone (SAIF)
- 3. Sharjah Healthcare City
- 4. Sharjah Media City (Shams)
- 5. Sharjah Publishing City Free Zone
- 6. Sharjah Research, Technology & Innovation Park
- 7. Sharjah Communication Technologies Free Zone

Emirate of Umm al-Quwain

The emirate of Umm al-Quwain is the second smallest emirate after Ajman and has a population of about 49,159 people. It is located between Sharjah and Ras Al Khaimah. Common activities in the emirate include fishing with the exportation of sea food.

It is located along the vital trade route between the Middle East and India. Revenues also come from hotels, parks, tourism, fisheries and general trading activities and the Umm al-Quwain free zone.

Free Zones in Umm al-Quwain

- 1. Umm Al Quwain Zone



Port of Fujairah: A key hub along the Gulf of Oman, connecting global shipping routes and supporting the UAE's diverse economy. It stands as the only UAE port with direct access to the Indian Ocean, enabling strategic maritime trade.

RAS AL KHAIMAH: EMERGING INTEREST IN THE EMIRATE

04



As previously highlighted, Dubai and Abu Dhabi are the two most popular or sought after Emirates in the UAE, particularly because of the two financial freezones ADGM and DIFC or as a result of the diversity of freezone options. Dubai alone has more freezones than any other emirate making it easy to choose a preference out of the many available alternatives.

There is however emerging interest for other Emirates, with some businesses particularly interested in setting up in the Emirate of Ras Al Khaimah. The Emirate is also a growing tourist destination for visitors.

The Topography of Ras Al Khaimah

Geographically, Ras Al Khaimah measures about 1,684 square kilometers, making it the 4th largest emirate in the UAE with a population of more than 400,000 people as of 2023. It borders the territories of three Emirates Umm Al Quwain, Fujairah and Sharjah, and Oman, a GCC country.

Among its attractions include sand dunes that measure about 64 kilometers, 1,000 archaeological sites and is home to many fishing villages. One of the key activities of the Emirate has been fishing, however, lately the economy is diversifying. The Emirate is growing as a tourist destination with more than 1.22 million annual visitors in 2023, making it one of the fastest-growing tourist destinations in the UAE.

This has partly been achieved following the Emirate's vision to become a regional leader in sustainable tourism by 2025 as part of its Balanced Tourism roadmap that was launched in 2022.

Some of the attractions have been in new hotels, roadshows, trade fairs, media events, hiking events. It is home to two Guinness World Records for its New Year's Eve fireworks and drone display. It has seen a rise in hotel supply attracting major brands attracting key players in hospitality.

The Emirate was in fact recognized by Time magazine as one of the World's Greatest Places of 2022 and from CNN Travel as a top destination for 2023 with the Ras Al Khaimah Tourism Authority ranking as one of the Top 10 Great Places to Work in the Middle East in 2022.

Global expatriates took part in a survey which was conducted by InterNations and they ranked Ras Al Khaimah. According to the report, Expat City Ranking 2024 resulting from the survey, the emirate is one of the best global cities for expatriates to live in and work while complementing the emirate's cost of living, ease of administration, affordable housing and easy of settling in, from a poll of more than 12,000 expats.

The Emirate ranked closely to Dubai and Abu Dhabi, with each occupying the top 3 slots of the expat essentials index, demonstrating the attractiveness of the Emirate.

Ras Al Khaimah Economic Zone

As a business hub, the Emirate offers alternatives within the mainland and freezone jurisdictions for business set up, with an emerging attraction towards the emirate.

The two most popular freezones in RAK include the RAKEZ and the RAK ICC. It has however elsewhere been argued that RAK ICC is not a free zone but simply an offshore corporate registry. That notwithstanding, it offers a registration alternative to the other jurisdictions in the country.

RAKEZ is particularly unique because it offers a diversity of business alternatives through its parks. Parts of RAKEZ are segmented into the business park, industrial park, technology park, aviation park, academic zone and a media zone. Unlike other freezones in the UAE which may be specific to particular businesses or isolated business activities, RAKEZ is remarkably diverse allowing for multiple options with more than 50 industries.

This particularly makes RAKEZ one of the largest freezones in the UAE. Through its registration processes, RAKEZ facilitates the issuance of licenses in the following categories: industrial, commercial, educational, e-commerce, individual/professional, general trading, media and service licenses, all of which allow 100% ownership by foreigners without the need for a local partner. The freezone also offers special packages for women entrepreneurs with incentives to support businesses owned by women.

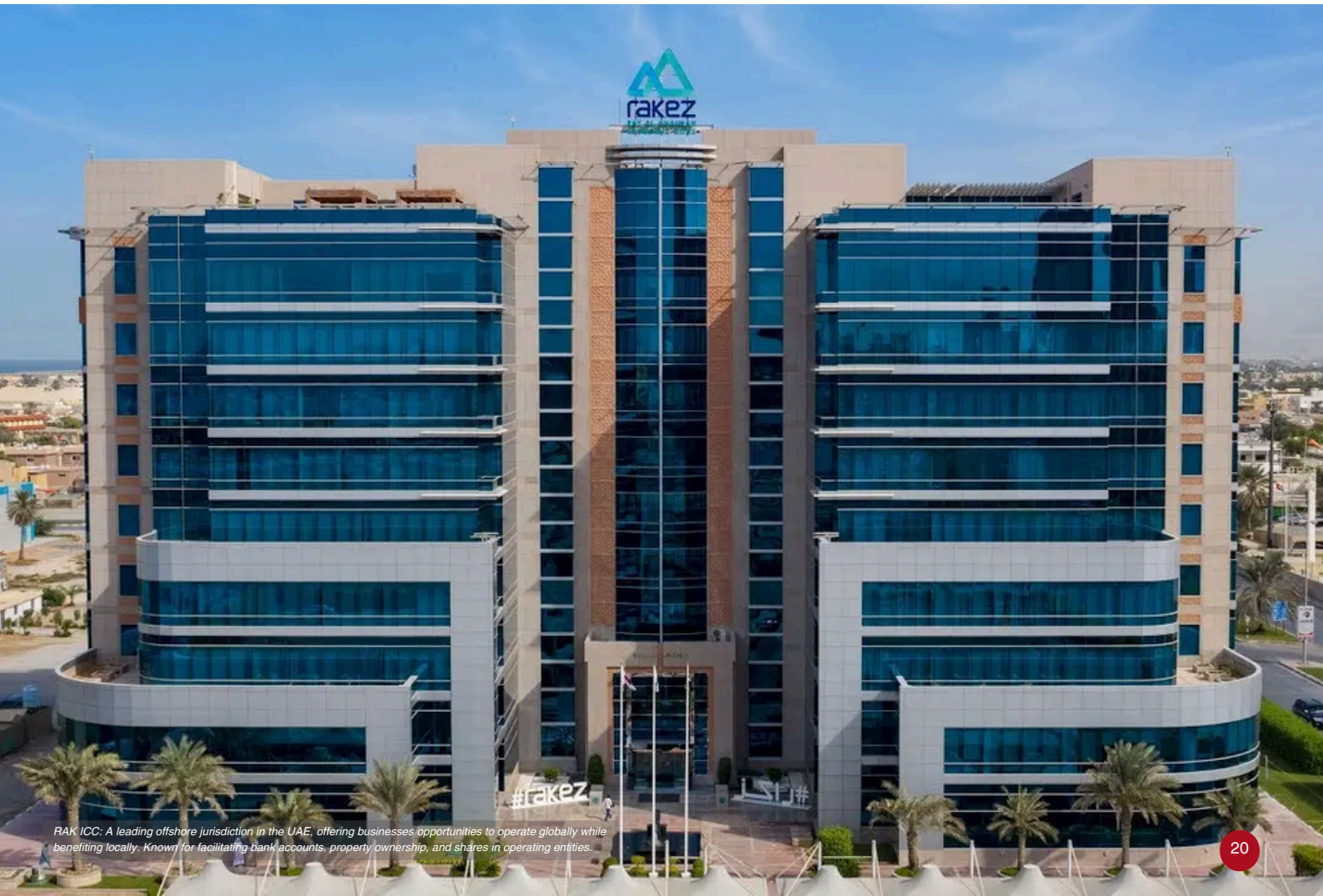
RAKEZ provides fast registration processes and offers connectivity and access to logistical hubs, which give businesses the opportunity to transport goods within the UAE and to international markets. It also offers warehousing facilities.

Ras Al Khaimah International Corporate Centre

RAK ICC on the other hand, is one of the few jurisdictions in the UAE that recognize the concept of “offshore”. Together with JAFZA Offshore, the two jurisdictions have dominated the offshore space in the UAE, facilitating the local registration of businesses that intend to operate outside the borders of the UAE, while at the same time enjoying select benefits within the country such as opening and operating bank accounts, owning properties and shares in operating entities.

Offshore entities are not authorized to conduct any business activities within the UAE unless they have been permitted to do so by the relevant authority. In partnership with RAK ICC, it is now possible for offshore entities registered within RAK ICC to benefit from the licensing regime of RAKEZ.

An offshore entity will be registered, however, it will be accompanied with special permits allowing it to conduct commercial, services, E-Commerce, Media and Educational services within the RAKEZ and RAK ICC jurisdictions.



RAK ICC: A leading offshore jurisdiction in the UAE, offering businesses opportunities to operate globally while benefiting locally. Known for facilitating bank accounts, property ownership, and shares in operating entities.

MAKE IT IN THE EMIRATES: INTEREST IN MANUFACTURING ACTIVITIES

05



The Campaign

The UAE is actively promoting manufacturing activities. For investors with specific interests in the manufacturing industry, the country is an attractive destination.

The government of the UAE in June 2022 launched the “Make it in the Emirates”, an extension of the “Brand UAE” campaign launched in 2017 by the Ministry of Industry and Advanced Technology and Emirates Development Bank, to promote and encourage companies to develop and manufacture goods within the country.

The campaign was launched in the wake of the COVID 19 pandemic and is expected to play a key role in achieving the country’s Operation 300bn, a 10-year strategy of the government aimed at increasing the contribution of the industrial sector the country’s GDP from AED 133 billion to AED 300 billion by 2031.

The sectors identified within the manufacturing industry are expected to enable the country’s strategic objectives of Supply Chain Competitiveness and Resilience, Technology & Innovation Development, Economic Diversification, Sustainable Employment, Strategic Industrial Investments and Value Added Manufacturing. Opportunities in the manufacturing activities promoted in the Make it in the Emirates Campaign are available in the following sectors: Energy, General Mechanical Equipment and Materials, Electrical Equipment and Electronics,

Heavy Industries, Defence Equipment, Weapons and Accessories, Pharmaceuticals, Petrochemicals & Chemical Products, Civil, Structural, Building materials, Equipment and Supplies, Medical Consumables, Aviation, Data, Telecommunication Equipment & Systems and Food, Beverages & Agricultural Technology.

A Make it in the Emirates Forum is convened annually encouraging people in the interest sectors to discuss how to achieve the objectives. Investments in manufacturing businesses have enabled the country reduce reliance on oil revenues.

By the end of 2024, the government of the UAE reported that the country was diversifying with non – oil revenue in the country is estimated to grow by 4.7%, driven mostly by tourism, real estate, foreign direct investment and spending on capital projects.

In the first half of 2024, non – oil foreign trade was recorded to be worth USD 380 billion. The contribution of non-oil exports to total trade reached 18.4 percent rising from 16.4 percent at the end of the first half in the year before. The growth in non-oil revenue has particularly grown from trade with the top 10 partners of the UAE including Turkey, India, Saudi Arabia, Iraq, the US, Kuwait and Qatar. India is therefore a significant partner in meeting the economic targets of the country.



CHOOSING THE FORM OF BUSINESS STRUCTURE IN THE UAE

06

The UAE allows for a variety of corporate structures to be set up which investors can choose from depending on their individual preferences. The notable options include Sole Proprietorship or Establishment, Civil Company, Private Joint Stock Company, Public Shareholding Company or Public Joint Stock Company, Limited Partnership Company, Government Liaison Office, Representative Office, Branch of Foreign Company, Trust, Foundations among other options. The forms can be established in any jurisdiction except where such a business is not provided for. For instance, not all jurisdictions recognize the concepts of offshore entities, trusts or foundations, while freezones are mainly know to register limited liability companies.

Note that the legal forms below are common to both mainland and freezones. Freezones, however, will have unique features to identify the structure based on the freezone. RAKEZ for instance will require that the names of Limited Liability Companies maintain the extension “FZ-LLC” or LLC–FZ for Meydan Freezone both to mean Free Zone Limited Liability Company, but mainland companies may only end with LLC. The extension FZE for Free Zone Establishment or Free Zone Company (FZCO) is also common for businesses operating in JAFZA or IFZA.

The rules for naming the businesses vary from jurisdiction to another. Note that the word “Establishment” may have different meanings as it may be used to refer to business in general or sole proprietorship. It is always therefore important to consider the context.

Sole Proprietorship or Establishment: A sole proprietorship, sole establishment or simply establishment (subject to the context of use) is a form of business that is owned 100% by one natural person (to be distinguished with the concept of single person LLCs). While the owner of an establishment is a natural person, there are instances where the owner of an establishment has been a juristic person, however, widely, the concept of an establishment is one that is owned by a natural person. In some jurisdictions, an establishment is the equivalent of operating under a business name, where no legal personality is created.

With this legal form, the establishment will not have a corporate legal personality and as such, it will not be distinct from its owner. All liabilities of an establishment will be borne by the owner of the establishment. An establishment is to be distinguished from a one-person limited liability company, which will be a limited liability company with only one shareholder.

Civil Company: A civil company is a corporate structure that is made up of two or more individuals who come together to provide professional services. The professionals who may set up civil companies may include lawyers, engineers, accountants and consultants. This structure requires that a local service agent is appointed where the partners will not be nationals of the UAE, however, such a person may not acquire any interest in the company, unless the partners decides that he or she will acquire such an interest.

At least one of the shareholders of the civil company must be a professional in the line of business that the civil company will be operating.

Limited Liability Company: A Limited Liability Company (LLC) is a company with several partners, but the number should not be less than (2) two and not more than (50) fifty. Each of the partners shall only be liable to the extent of their share in the capital. It may be owned by a natural person or a juristic person, or both, but the owner of the capital will only be liable for the obligations of the company to the extent of the capital set out in the constitutional documents of the company. Where the limited liability company has one shareholder, a natural or juristic person, in mainland or as an FZE or a similar name in the free zones, it will be described as an LLC–OPC standing for Limited Liability Company–One Person Company. When it comes to mainland, the Decree law requires that the capital of a limited liability company must be paid up in full at the time of incorporation and deposited with a bank operating within the state or evidence of the availability of funds presented.

Public Shareholding Company or a Public Joint Stock Company: A Public Joint Stock Company is a company whose capital is divided into equal and negotiable shares, with a minimum share capital of AED 30 million. The company allows for the purchase of shares through public subscription, however, like limited liability companies, a shareholder will only be liable to the extent of their capital contributions. The founders will be required to subscribe to part of the shares of the company shares while the remaining shares shall be offered for public subscription. Every Public Joint Stock Company is required to have a trade name and may not carry the name of a physical person unless the company's object is to invest in a patent registered in the name of such person or if the Company owns a trade name or has obtained the right to use such name. In all cases, the expression "Public Joint Stock Company" or initialed PJSC must be added to the name of the Company. A minimum of 5 persons is allowed to incorporate a public company. No limit on the maximum exists.

Private Joint Stock Company: A Private Joint Stock Company is a company that has at least two shareholders. The issued capital of the company shall not be less than AED 5 million and has to be paid in full. A private joint stock company, like other limited liability companies, is restricted from offering its shares for purchase by the public. A shareholder is only liable to the extent of their contribution. As an exception, where the shareholder is a juristic person, the Federal Decree allows instances when a private joint stock company may have only one shareholder, however, whenever this happens, the name of the company will bear the expression "Sole Proprietorship–Private Joint Stock Company".

Limited Partnership Company: A Limited Partnership Company is a company that has one or more joint partners, with the capacity of traders. The partners will be liable, severally and jointly, for the partnership's obligations. Where there are silent partners in the partnership, they will not be liable for the partnership's obligations except to the extent of their contribution to the partnership's capital. Silent partners do not have the capacity of a trader.

Family Business: The concept of family businesses is also growing in the UAE. Under this arrangement, members of a

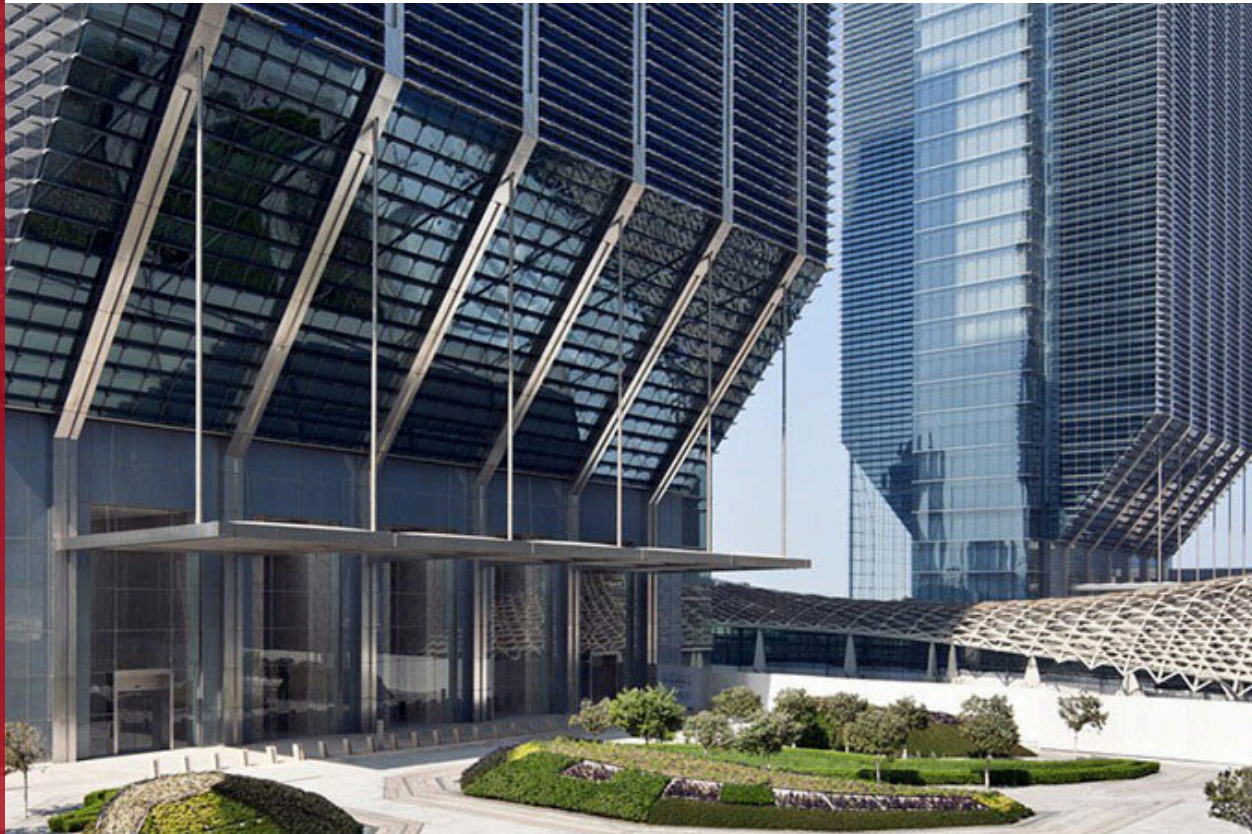
single household (Single Family Office-SFO) or several households (Multiple Family Office-MFO) can set up businesses for the management of wealth, assets, investment, succession, governance, financial and legal affairs of their families. Shareholders of an SFO must be the lineal descendants of the family and there is no restriction on the possible number of family generations. Family offices can employ non-family members and enjoy zero income and corporate. Some freezones like the DWTC set the capital requirements for an SFO available in liquid assets to be AED 500,000, with DMCC requiring that the name of a Single Family Office must bear the expression "SFO DMCC". DIFC on the other hand imposes a minimum net asset value of USD 50,000,000 for a family office.

Branches of Companies: A company incorporated elsewhere may also choose to set up its branch in the UAE. The branch may take the following forms: 1) a branch of a local company (where a company registered within the UAE decides to establish a branch within the country); 2) a branch of a company based in the other emirates (where a company registered in one emirate decides to establish a branch in another emirate); 3) a branch of a GCC company (where a company incorporated in another country within the GCC decides to establish a branch within the UAE) and lastly; 4) a branch of a foreign company (where a company incorporated in any other country other than the UAE decides to set up a branch with the UAE). A branch of a foreign company will be required to appoint a local service agent together with providing a bank guarantee of AED 50,000 for the period of the license. This guarantee cannot be retrieved or used as operating capital.

Representative Office: A representative office is mainly set up to promote the business of a foreign company and to introduce its products to UAE businesses. Such a business cannot import, export or distribute in the UAE. It only conducts promotional business for the parent company's products and offerings. A representative office similarly to a branch will need to appoint a local service agent, and have a bank guarantee of AED 50,000. Branches of foreign companies and representative offices will be expected to register with the Ministry of the Economy.

Trust: Similarly to a sole proprietorship, a trust is not a corporate entity. This is a structure where a person (described as a settler) through a trust deed transfers his or her assets to another (a trustee) to undertake the responsibility of owning and managing the assets of the settler according to the interests of the beneficiaries of the settler. The settler may also include the settler himself. The DIFC, ADGM and Mainland are the only freezones that have specific regulations governing trusts in its jurisdiction. The Mainland also has a framework in place to recognize the registration of trusts in the different Emirates

Foundations: A Foundation is a legal entity that is set up by a founder, who also provides the initial assets of the foundation to be managed by a foundation council. It does not have shared holders but enjoys separate corporate status and can be used for wealth structuring, asset protection, employee schemes, charitable institutions among other considerations. Foundations in the UAE can be established through the frameworks DIFC, ADGM and RAKICC. The requirements for registration in the different freezones will differ.



REGISTRATION PROCEDURES

07

Requirements for Registration

Registration of businesses is conducted by the different jurisdictions, which means that each of the freezones and the Departments of Economy in each emirate have the mandate to register businesses within their jurisdictions. All the processes are similar with each freezone operating through an online system that eventually results into an online portal account for the different registered accounts. The accounts may be operated by the respective companies or by representatives or free zone partners. Entities in the UAE may also be set up through the process of domiciliation which allows entities like those set up in India to continue their life cycle and transfer their business to the UAE as if they were an old entity, without having to register from the start.

When the company is registered, it will be issued with incorporation documents including certificates of incorporation or formation, and licenses. The nomenclature for the license depends on the jurisdiction and the nature of the license being applied for. The application process may be completed in 30 days, shorter or longer depending on the fulfilment of application requirements.

The delays will most likely arise in cases of complex UBO structures, whether or not the shareholder is a corporation or natural person, companies with several shareholders, translation for company documents, regulatory approvals especially for regulated activities and the requirements for attestation by the embassies and the foreign ministries.

Fees payable vary depending on the type of business activities chosen, the jurisdiction of choice, required number of employees, office location and size amongst other considerations. The registration is renewed every year.

Requirements for a Lease

Businesses within the UAE are required to have a lease to operate in a particular location. At the time of registration or at the time of renewing a license, the Registrars will always require proof of a lease.

While the lease is mandatory, some freezones like IFZA however offer e-commerce licenses where the requirement of an office is not mandated, however, virtual licenses will be limited to particular business activities. The offering will therefore vary from one jurisdiction to another.

Business Activities

At the point of registering a business, the promoters are required to identify at least one business activity out of the several possible business activities. Investors will be presented with a list of business activities, which vary from one jurisdiction to another.

A minimum of 1 business activity can be chosen with a maximum of 3 for some jurisdiction or 6 or 12 for others, and all activities will always be reflected on the license.

The activities are inspired by the ISIC code for activities. If a company selects a particular business activity based on the applicable codes, it will be illegal to deal in the business activities that are not reflected in the business license and any violations will attract penalties. It is therefore recommended that the company identifies their key activities required, and where an activity is not provided for in its existing license, the company may need to amend its license to add or abandon a particular activity on the list. Some business activities may be reserved for only UAE nationals. There may also be restrictions imposed on percentages for ownership. Activities of strategic importance are restricted and include areas of security, defence and military, banks, exchange bureaus, financial institutions and insurance activities, currency printing, telecommunications, Hajj and Umrah services, Holy Quran Recitation Centers and services related to fisheries. In cases where a company is structured as a branch, the business activities of the entity in another country like India must be the same activities for the branch in the UAE.

Regulatory Authorities and Regulated Activities

Some activities are regulated requiring the approval of the different regulatory authorities to engage in such business. Within DIFC and ADGM for instance, there are two authorities DFSA in DIFC and the FSRA in ADGM that regulate financial services in the two freezones. Businesses that are not in these freezones but offer financial services will be regulated by the UAE Central Bank, the SCA or a combination of the two financial freezones or any of the other regulators.

The regulator will all depend on the nature of the services being offered by the businesses. An entity regulated by DIFC that offers financial services will, for instance, be required to have a license from DIFC, and another from DFSA to specifically offer any regulated financial services.

Outside of the above regulators, several activities will require special clearance and permits from ministries and departments if the activities to be conducted by the businesses are from any of the following services: safety and security issues, defence, health services, transport and logistics services, food business, energy, telecommunications, civil aviation, Islamic affairs, postage services, sports industry, insurance, real estate, legal affairs, accreditation services, ambulance services, marine activities, taxation and accounting services.

Company Officers

Each company in the UAE will be required to appoint officers to manage the operations of the business. The compulsory requirements will be the appointment of the manager whose name will always appear on the company license, and the appointment of the directors who will constitute the board of directors. Companies may also be required to appoint a secretary, and it may be possible for an individual including a shareholder to be a manager, a director, and secretary of the same company. The day-to-day management of the company will always be conducted by the board of directors and the manager. The manager is usually empowered by the company through board or shareholder resolutions or powers of attorney.

Deregistration and Winding Up

The process to deregister and wind-up business in the UAE varies from jurisdiction to jurisdiction, however, in many cases, especially where a company is solvent, the process will be much simpler. The process will usually require the appointment of a liquidator to foresee the process, the cancellation of licenses and permits, asset liquidation if there are assets to liquidate, cancellation of any tax registration certificates and the filing of a liquidation report. In some instances, however, freezones have devised quicker ways to deregister a business without going through the entire process of liquidation. This usually involves the process of license cancellation, and the issuance of a certificate of deregistration.

Intellectual Property Rights

The UAE follows internationally recognized frameworks and procedures when it comes to the protection of intellectual property rights. Businesses will therefore be able to benefit from the rich legal framework in the country to protect their interests in any trademarks, copyrights, patents, industrial designs, trade secrets and other intellectual properties.

Land Ownership

Dubai is a lucrative area for property investments. Investors and businesses are able to acquire property in the form of freehold or leasehold. They have the opportunity to buy land and residential units through many of the available land tenures. The land tenures will usually vary depending on the location of the property.

The Decision to Invest in the UAE

Before taking the decision to invest, businesses should consider some of the above factors. For some investors like Mr. Faizal Kottikollon, Chairman of UIBC-UC and Chairman of Kef Holdings, or its investment arm, Kef Investments, his inspiration for investment is research. Kef Holdings is a global investment portfolio with more than a decade experience in the field. It has an Investment Committee that is charged with the decision making to determine all investments that the company makes.



Mr. Faizal Kottikollon

Chairman of UIBC - UC and
Chairman of Kef Holdings

“

This Committee is supported by an able and experienced global investments team with their market information, analytics, trends and overall global outlook, before we make any decisions [...] each and every one of our investments is carefully researched and validated. To execute this we follow an investment policy that guides investment decisions. We do perform an independent stress test for our overall portfolio every year, in order for us to understand the portfolio's ability to withstand a steep fall in the market, just like what happened after Covid in March-2020. All these steps form the backbone of every investment decision that we take, and hence a detailed due diligence and information gathering happens before taking the decision, as we consider it important to take an informed decision rather than simply following the market.

”

COMPANY CORPORATE COMPLIANCES

08



Annual and Periodic Corporate Compliances

Depending on the nature of licenses issued, the business and the jurisdiction, businesses within the UAE are required to comply with a set of corporate compliances usually satisfied monthly, quarterly, bi-annually or annually. Tax-related compliances are highlighted in the subsequent sections on taxes.

For companies, some of the most common compliances include lease renewals, license renewals and other incidental renewals like establishment/immigration cards, confirmation statements. Other compliances include updating the registers of the shareholders, directors, and ultimate beneficial owners, data protection, holding of meetings for both boards and shareholders, renewal of visas, payments for utilities, auditing, FATCA and CRS compliance, ESR and tax related compliances.

The different regulatory authorities usually offer the companies in their jurisdictions a grace period to renew their licenses or to complete any of the required compliances. Beyond those timelines, businesses will usually be expected to pay penalties for non-compliance.

The Requirement to Audit Company Statements

Some companies in the UAE may be required to conduct compulsory audits of financial accounts by auditors authorized to conduct the audits within the UAE or the respective freezone.

Some freezones will mandate that companies, especially LLC conduct audits, while the requirement is optional in some others. In jurisdictions like JAFZA freezones or mainland companies, audits may be compulsory. In some cases, the regulatory authorities may require copies of these audit reports to be submitted within a particular time frame or upon request. Even where audits are not mandatory for certain jurisdictions, it is advisable to conduct the audits because the reports will be useful when determining taxable income, and the tax authority may ask for copies of the reports for consideration.

The audit will usually cover the financial year of a company and will be conducted for the concluding period. A financial year in the UAE varies from entity to another, however, the most common periods include 1st January to 31st December, 1st July to 30th June, and in many cases involving subsidiary – parent relationships, companies with a presence in the UAE and in India have adopted the period of 1st April to 31st March since the financial year in India covers the same time frame. Other periods are acceptable and will be determined by the company itself.

In defining the applicable financial year, the freezones and mainland have guided that the first financial year of a company will not exceed 18 months and should not be less than 6 months. The company can therefore structure its affairs in a way that defines the preferred financial year period. The subsequent year after the first year will begin on the date the previous financial year ended for a duration of 12 months.

Financial Reporting under FATCA and CRS

In an effort to ensure that the country follows international standards in respect to tax obligations and transparency, the UAE follows two main international laws including the US FATCA and the CRS of the OECD states. Both instruments require that certain businesses described as reporting financial institutions regulated by the Central Bank and the Insurance Authority, the SCA, ADGM and the DFSA file annual reports about financial accounts held by them with the US in the case of FATCA and non-US states in case of CRS. CRS. India falls within CRS considering that it is a signatory to the instrument. The instruments ensure that account holders comply with their respective tax obligations in countries where they have tax residence or tax paying obligations. The rule widely applies to only financial institutions, however the UAE, through the Ministry of Finance sometimes requires that the compliances are also satisfied by non-financial institutions, such as trading companies or holding entities who may be required to conduct self-assessments and register (or register and file) reports from time to time.

Data Privacy and Protection

The growing technological advancements have caused governments to introduce additional compliance requirements, and one of them relates to data protection. The country has frameworks governing the sharing of data and privacy or the exploitation of the data within the UAE or beyond. The data protection law in the UAE or in any of the freezones with specific regulations on data protection law are modeled around the European Union GDPR, albeit with differences. Periodically, certain businesses will therefore be required to ensure that their processes comply with data protection laws in the country. Some jurisdictions like ADGM and DIFC will require that annual reports in respect to data protection are also filed by companies that process or collect personal data.

Fines and Penalties

In order to ensure compliance with the regulatory frameworks in the UAE, it will be important to observe that a violation of any legal provisions in the UAE will result in the payment of fines by the violating employees, employer, companies or residents. Apart from the fees payable, some of the penalties may include, criminal and civil prosecution, arrests, work ban and deportation for the violators. In some cases, the fines will be cumulative. Actions like delay in license renewals, visa renewals, delay in payment of salaries or failure to meet the corporate compliance requirements above will result into the imposition of fines for the violators. Corporate filings will may also be suspended until fines are paid.

Ensuring Compliance with the UAE Regulatory Compliance Requirements

In order to ensure compliances with the regulatory frameworks within the UAE, some companies like Lulu Financial Holdings have appointed compliance officers within the company to manage day to day operations.

Mr. Adeeb Ahamed, a Board Member of UIBC-UC and Managing Director of Lulu Financial Holdings, has shared valuable insights for prospective investors:



- At LuLu Financial Holdings, we are focused on embedding **digitization** across all our processes, integrating advanced technology into our business operations, and driving fintech innovation.
- The RegTech Team at Lulu Financial Holdings works with the respective **compliance** departments of group companies to understand the continuously-emerging regulatory requirements. They assist the IT Department to design and implement digital products and services in the different group companies.
- Every time there is a **digital product** to be launched, we execute the required technical and risk-related assessments and follow a specific approval process from the regulatory authorities. We strictly adhere to licensing and regulatory requirements, from implementing eKYC and digital customer registration to connecting with government departments for electronic data verification, automating AML/CFT controls, and ensuring seamless completion of our digital services.
- We strictly follow the country-specific **legal** and regulatory framework, international standards (including but not limited to FATF, Wolfsberg Group, Basel Committee and the World Bank), as well as industry best practices. We use the appropriate financial crime risk assessment and partnership scrutiny to select correspondents and associates for our cross-border payments network. Every such addition to our network must always be approved by our regulators.
- We know our **regulatory** framework well, and we follow every line of its requirements. We make sure that the Compliance Departments include every one of its provisions into their compliance program.
- Our IT Department has automated the process of providing **data** and information to regulators. We follow a maker-checker approach whereby, the regulatory reports are produced by mostly robotic processes before the relevant Department verifies and authorizes its distribution to the concerned authorities.
- Our **Anti Money Laundering** platform automatically highlights any suspicion of sanctions, money laundering, terrorism financing, proliferation financing, and financing of illicit organizations and activities. After a thorough investigation, any verified findings are promptly reported to the Financial Intelligence Units as required.
- We utilize a fully digitized and automated workflow for **reporting**, starting from the design and implementation of policies and procedures, to ensuring compliance with regulations. This workflow enables seamless reporting through Management Information Systems (MIS) and provides comprehensive updates to senior management, ensuring both operational efficiency and regulatory compliance.

- Lulu Financial Holdings and its subsidiaries and associated companies have their own, independent internal **audit process**. The internal audit scrutinizes every single function, from customer engagement centers and digital delivery channels to back office and support departments, to identify any gaps with the requirements of the legal and regulatory framework. A full audit report is then prepared with comments on observations and is presented to the senior management for action.
- The internal **audit function** reports directly to the Board. After analysis within the Audit and Risk Committee, a final decision is taken and obligatorily implemented by the company management.
- Additionally, every LuLu Financial Holdings subsidiary and associated company assigns an independent, professional **auditing firm** to execute a statutory audit and an independent AML Risk Assessment of their operations. Their final reports are also discussed in detail by the senior management and the Board’s Committees, and necessary corrective actions are taken.
- In most countries where we operate, both internal and external **audit reports**, as well as decisions approved by the Board, are required to be forwarded to regulatory authorities.

The experience of EFS Facilities Services Group Ltd as highlighted by **Mr. Tariq Chauhan (Board Member of UIBC-UC and Executive Vice Chairman of EFS Facilities Services Group Ltd)** is not far different.



Mr. Tariq Chauhan
Board Member of UIBC-UC and
Executive Vice Chairman of EFS
Facilities Services Group Ltd

He guides that the UAE has established regulatory framework which defines the key regulatory compliance for the private sector consisting of the detailed employment practices to be followed by the organization that provides protection to the employee and employer in obtaining their rights. It is mandatory for an organization to comply with these practices while employing blue and white-collar workforce as it can lead to hefty fines, blocking of the entity’s government portals and cancellation of the licenses. EFS facilities services has embedded all the regulatory compliance in the organization’s human resource policies and procedures to ensure 100% adherence. The company implements a Centralized Government relations and corporate affairs department which allows EFS the following:

- Set overarching policies and standards to ensure alignment with all regional regulations which is monitored of monthly basis by recording in statutory compliance register of the organization.

- Develop guidelines for labor law and employment standards that are applicable across all its operational regions.
- Human resources management system integrates compliance management features. These systems help track employee records, contracts, work hours, and other compliance-related data, reducing the risk of non-compliance.
- Perform all employee related governmental tasks by internal competent team to ensure 100% adherence to process defined by the statutory authorities. This allows complete visibility and control to address any complexities if may come.
- Establish their relationships with the key government departments such as MOHRE, MOEA, which helps the organization receive information on any changes or new regulations announced by the government well on time. it provides sufficient time to prepare and implement in a smooth process.



Mr. Abdulla Naser Al Marzooqi
Board Member of UIBC-UC and
Program Director of Mudabala
Investment Company

With presence in different locations, some businesses like Mudabala Investment Company have chosen the approach to hire talented teams and consultants for each jurisdiction of investment. On top of the UAE for instance, the company has locations in Moscow, New York, London and Beijing. In order to meet the local requirements of each locations and to navigate the specific landscape, **Mr. Abdulla Naser Al Marzooqi, a Board Member of UIBC-UC and Program Director of Mudabala Investment Company** says that the company has “employees who have the necessary expertise for each jurisdiction [...] engage with local law firms and offices to get external counsel”.



Mr. Siddharth Balachandran
Founding Member of UIBC-UC
and Managing Director
Buimerc Corp

“ We engage local law firms and offices to get external counsel [...] Considering the differences in the difference countries, our approach has been to [...] identify, and retain experienced Company Secretaries, corporate law firms and Chartered Accountants, with a high level of credibility”. In deciding to invest in listed and unlisted entities, their approach has also been to “...select established investment bankers and brokers to execute our orders and ... provide added assurance that the regulatory compliances are satisfied... we establish formal relationships with appropriate firms to expedite specific functions outside our core function.



The Role of the Ministry of Human Resources and Emiratisation

Employment relationships within the UAE are heavily regulated. The MoHRE plays a key role in determining who will work for a company and has the responsibility to issue work permits (or labour card) for employees to work in the UAE irrespective of the Emirate. Visa and entry permits will however be handled by the ministry responsible for immigration. The MoHRE also ensures that labour regulations within the country are followed and that the rights of workers are protected.

The employment contract, including the renewal, is in fact a tripartite agreement that will have to be signed by the employer, employee and the ministry.

Employment and Visas

All persons working in the UAE will be required to have work permits in case they are employees of a company, and applications for permits will result in obtaining an Emirates identification card, a residence visa and the work permit.

To obtain permits, employment contracts will be required to show proof of sponsorship for the residence and work. All visas and permits will be attached to the labour card of the company. The total costs for the work visa vary depending on the jurisdiction, the number of years (duration sought), and the categories of employment.

Other types of visas exist, and these include freelance visa, business visa, golden visa, property owner visa, retirement visa, remote work visa, green visa and student visas. The duration for a visa can vary and can be issued for up to 10 years. Investors can therefore explore any of the available visa options to be able to invest in the UAE. All visas are issued by the Federal Authority for Identity, Citizenship, Customs and Port Security which has departments focused on the issuance of visas.

It may be possible that a person working for a particular company has his or her visa sponsored by another person or entity, often affiliated. Some jurisdictions, however, will have some restrictions with others insisting that the visa of the manager must be sponsored by the company that is registered in that particular jurisdiction.

Emiratization

Under the concept of Emiratization, the UAE mandates that businesses employ a certain amount of UAE citizens in the private sector. The requirement of Emiratization provides that for companies that meet certain thresholds should employ a minimum of one Emirati. The ratio of Emirati to be employed will vary depending on the number of employees that the company has. There will be a penalty for businesses that fail to meet this requirement.

This requirement, however, only applies to businesses in particular sectors including information and communications, financial and insurance activities, real estate activities, professional, scientific and technical activities, administrative and support services, education, healthcare and social work activities, arts and entertainment, mining and quarrying industry, manufacturing, construction, wholesale and retail trade, transportation and warehousing, and hospitality services. Businesses outside this list are not mandatorily required to comply with the requirement.

Salary Payments and Minimum Wage

The UAE does not have a minimum wage, however, all the salaries payable will depend on the negotiation between the employer and the employee. Considerations for the figure will usually depend on one's accommodation and living costs.

Payments to employees will always include the basic salary, accommodation and transportation, with some companies preferring to offer bonuses. Payments for salaries may be made directly by the employer to the bank account(s) of the employee.

The country has a system called WPS which requires certain businesses to pay employees through the government system. It is monitored by the MOHRE and the Central Bank of UAE.

The role of the system is to ensure that salaries are paid, that the contractually agreed amounts are received by the employees, and that payments are not delayed by the employers. Payments will be made by WPS agents who include banks.

Social Security and Insurance

Compulsory social security contributions only apply to UAE national employees and the rate is 20% of the employee's gross as per the employment contract. Of the 20%, 5% is deducted from the employee salary, while 12.5% is contributed by the employer and 2.5 percent comes from the government. There are no compulsory contributions for expats.

There is a mandatory requirement for employees to be insured. The premiums for the insurance payable vary, however, depending on the salary of the employee. Employees are also required to take out loss of employment insurance for themselves.





Bank Accounts

It is not mandatory to have a company bank account, however, if a company is considering having one, the procedures and requirements will vary from bank to bank. Some of the information required for an account will be details of the shareholders, turnover information and information about the person who will be the authorized signatory. Any person can be granted powers to be a signatory with authority granted by a power of attorney or a resolution. The bank opening process is a complex one for some banks, while easier for others, and in some cases, bank accounts can take more than a month to open depending on the requirements of the bank. The preferences for a bank will therefore vary from person to person.

Raising Capital

Companies in the UAE have a number of options to raise capital to run their business. The options include shareholder contributions, equity and debt, business incubators, bank loans, family and friends and crowdfunding among the options; venture capital and angel investing. The options therefore range from traditional bank loans to more modern financing options such as venture capital and private equity.

Bank Financing

UAE-based banks, as well as international banks with branches in the UAE, offer a wide array of financial products that can support companies in raising capital.

These financial products include term loans, working capital facilities and trade finance solutions. When seeking bank financing in the UAE, companies are typically required to present the following documents to demonstrate their financial standing and ability to service the debt:

- **Business Plan:** A comprehensive business plan that outlines the company's objectives, market analysis, revenue generation model, and growth strategy. This plan must demonstrate the company's ability to generate sufficient cash flow to meet its debt obligations.
- **Financial Projections:** Detailed financial forecasts for at least three to five years, including projected income statements, balance sheets, and cash flow statements. The projections should illustrate the company's capacity to manage loan repayments and ongoing financial obligations.
- **Audited Financial Statements:** Banks often require the submission of audited financial statements. These statements must be prepared in accordance with International Financial Reporting Standards (IFRS).
- **Collateral:** Depending on the nature and size of the loan, banks may require collateral in the form of fixed assets, real estate, or other forms of security. A clear description of the collateral offered, along with its valuation, is typically needed.

- **Credit History and Bank Statements:** Companies must provide detailed credit reports and bank statements that demonstrate a history of financial prudence, sufficient liquidity, and a track record of managing debts. Interest rates and loan terms are determined based on several factors, including the company's credit rating, debt-to-equity ratio, and perceived level of risk. The terms of any loan, including repayment schedules, grace periods, and interest rate structures, are generally negotiated on a case-by-case basis, reflecting the risk profile and specific needs of the borrower.

Institutional and Strategic Investments

The UAE has positioned itself as a dynamic hub for VC and Private Equity investment, particularly in sectors experiencing high growth. In addition to traditional VC and Private Equity firms, large institutional investors and government-related entities are playing an increasingly prominent role in providing growth capital, particularly in strategic sectors. These include sovereign wealth funds, holding companies, and government-backed entities. Large institutional investors provide opportunities for businesses to secure substantial funding, and at the same time, offer the ability to enter new markets, including the UAE and beyond. Investments are increasingly being directed towards technology, healthcare, sustainability, and consumer-focused industries, which have demonstrated strong growth in the UAE market.

- **Traditional VC** firms in the UAE predominantly target early-stage businesses that demonstrate significant growth potential. These firms provide financing to startups during their seed or Series A rounds.
- **Private Equity Firms** generally focus on larger investments aimed at expansion, growth capital, and buyouts.
- **Sovereign Wealth Funds** are involved in strategic, large-scale investments that align with national economic priorities.

- **Holding Companies** manage diversified portfolios across various sectors, with a particular focus on long-term growth and economic diversification.
- **Government-Backed Entities** manage significant capital reserves and target high-potential sectors such as healthcare, infrastructure, green energy, and digital transformation.

Forms of Capital

When setting up operations in the UAE, companies must comply with capital contribution requirements, which vary depending on the company's legal structure and its location—whether in a free zone or on the UAE mainland.

Types of Capital Contribution

- **Cash Contributions:** The most common form of capital contribution, where funds are transferred to the company's bank account. The exact amount required will depend on the company's legal structure and business activity.
- **In-Kind Contributions:** companies can also contribute assets such as equipment, property, or intellectual property, depending on the nature of the business. In-kind contributions can be valuable for capital-intensive businesses such as manufacturing or technology firms.
- **Shareholder Loans:** In some cases, shareholders may provide loans to the company, which can be repaid over time.

Repatriation

The UAE does not impose repatriation restrictions on profits or capital for businesses within the UAE. All repatriations, however, may need to be outside of the UAE and will need to be subjected to the jurisdictions of the recipient.





VALUE ADDED TAX (VAT)

11

The Concept of VAT

Effective January 1, 2018, the UAE implemented a VAT at a standard rate of 5%. This consumption tax is levied on the supply of most goods and services at each stage of the supply chain, based on the value added at each step.

While end consumers ultimately bear the cost of VAT, businesses registered for VAT are responsible for collecting and remitting the tax to the FTA, thereby functioning as intermediaries in the tax collection process.

Businesses are required to register for VAT if their taxable supplies and imports exceed the mandatory registration threshold of AED 375,000 over the previous 12 months or if they anticipate exceeding this threshold in the next 30 days.

Additionally, businesses with taxable supplies and imports, or taxable expenses, exceeding AED 187,500 but below the mandatory threshold may opt for voluntary registration.

In the UAE, VAT is uniformly applied to tax-registered businesses operating on the mainland and within free zones. However, specific Designated Zones are treated as being outside the UAE for VAT purposes, leading to distinct tax implications.

Imposition of Value Added Tax

VAT is imposed on:

- Every Taxable Supply and Deemed Supply made by the Taxable Person.
- Import of Concerned Goods (Goods that have been imported and would not be exempt if supplied in the State) except as specified in the Executive Regulation of this Decree-Law.

VAT Rates

In the UAE, VAT encompasses three distinct categories:

- **Standard-Rated Supplies (5% VAT):** This rate applies to most goods and services supplied within the UAE, including imports. Businesses are required to charge 5% VAT on these supplies, collect the tax from customers, and remit it to the FTA.
- **Zero-Rated Supplies (0% VAT):** These are taxable supplies subject to a 0% VAT rate. While no VAT is charged to customers, businesses can still recover the input tax paid on expenses related to these supplies.

Examples include:

- a. Exports of goods and services to outside the GCC
- b. International transportation of passengers and goods
- c. Certain educational and healthcare services
- d. First sale or lease of residential buildings within three years of completion
- e. Supply of investment-grade precious metals

- **Exempt Supplies:** These supplies are not subject to VAT, and businesses cannot recover the input tax incurred on expenses related to them. Examples include:
 - a. Financial services
 - b. Residential property rentals
 - c. Supply of Bare land
 - d. Local passenger transport

Understanding these categories is essential for businesses to ensure proper VAT compliance and effective financial management.

VAT Treatment in Designated Zones

- **Supply of Goods:** Transactions involving goods within Designated Zones are generally considered outside the scope of UAE VAT, provided certain conditions are met. Transfers of goods between Designated Zones are VAT-free if the goods are not released, used, or altered during the transfer and the movement complies with GCC Common Customs Law provisions. Conversely, transfers of goods from Designated Zones to the UAE mainland are treated as imports and are subject to VAT.
- **Supply of Services:** Services supplied within or from a Designated Zone are subject to UAE VAT at the standard rate of 5%, as the special VAT treatment primarily applies to goods.

The UAE Cabinet has specified certain free zones as Designated Zones for VAT purposes. Notable examples include JAFZA, DAFZA, Dubai Textile City, Hamriyah Free Zone, Ajman Free Zone, RAK Free Trade Zone.

Input Tax Credit Under VAT

In the UAE, Input Tax Credit refers to the VAT that a taxable person is entitled to recover on purchases of goods and services used for making taxable supplies. This mechanism ensures that VAT is effectively borne by the end consumer, while businesses act as intermediaries in its collection and remittance.

Eligibility Criteria for Input Tax Recovery

To reclaim input tax, the following conditions must be met:

1. **Taxable Person Status:** The entity must be registered for VAT in the UAE.
2. **Receipt of a Valid Tax Invoice:** A tax invoice, as defined by the Executive Regulations, must be obtained and retained.
3. **Intention to Pay Consideration:** There must be an intention to pay the consideration for the supply within six months after the agreed payment date.
4. **Use for Taxable Supplies:** The goods or services acquired should be used or intended to be used for making taxable supplies, including:

- Supplies taxable at the standard rate (5%) or zero rate (0%).
- Supplies made outside the UAE that would be taxable if made within the UAE.
- Specific exempt supplies made outside the UAE that would be exempt if made within the UAE, as outlined in the Executive Regulations.

Non-Recoverable Input Tax

Input tax cannot be recovered in the following scenarios:

- **Exempt Supplies:** Goods and services used to make exempt supplies, such as certain financial services, residential property rentals, and local passenger transport.
- **When input tax is incurred for both taxable and exempt supplies,** businesses must allocate the recoverable portion based on the use of goods or services in taxable activities. This ensures that only the input tax related to taxable supplies is reclaimed, adhering to VAT regulations.
- **Non-Business Use:** Purchases intended for personal or non-business use.
- **Specific Expenses:** Certain expenses, including entertainment costs and non-essential employee benefits, are non-recoverable.

Input tax must be recovered within a specific timeframe, and adjustments are required if the intended use of the goods or services changes after recovery.

VAT Grouping

In the UAE, VAT Grouping allows two or more legal entities to register as a single taxable person for VAT purposes. This mechanism simplifies VAT administration and can offer financial benefits to businesses that meet specific criteria.

Eligibility Criteria for VAT Grouping

Entities wishing to form a VAT group must satisfy the following conditions:

1. **Place of Establishment:** Each entity must have either a place of establishment or a fixed establishment within the UAE.
2. **Legal Status:** All members must be legal persons, such as companies or government entities; individuals (natural persons) are not eligible.
3. **Related Parties:** The entities must be related parties, demonstrating close economic, financial, and regulatory ties.
4. **Control:** One or more of the entities must control the others, either through ownership of voting rights or by other means of control.

Implications of Forming a VAT Group

- **Single Taxable Entity:** The VAT group is treated as a single taxable person, receiving one TRN and submitting a consolidated VAT return for each tax period, whether monthly or quarterly, as applicable.
- **Intra-Group Transactions:** Supplies of goods and services between members of the VAT group are disregarded for VAT purposes, meaning no VAT is charged on these transactions.
- **Joint and Several Liability:** All members of the VAT group are jointly and severally liable for the group's VAT obligations, including any penalties arising from non-compliance.

Advantages of VAT Grouping

- **Simplified Administration:** A single VAT return per tax period reduces administrative workload.
- **Cash Flow Benefits:** Eliminating VAT on intra-group transactions can improve cash flow and reduce the risk of VAT-related penalties.
- **Cost Savings:** Consolidated accounting and reporting can lead to reduced compliance and consultancy costs.

Forming a VAT group can also lead to data coordination challenges, complex audits, and shared liability risks, where errors by one member affect the entire group.

Compliance Requirements

In the UAE, VAT-registered businesses are obligated to comply with specific requirements to ensure adherence to tax laws. Non-compliance can result in substantial penalties as outlined in Cabinet Decision No. 49 of 2021.

- **VAT Return Filing and Payment:** Businesses must submit VAT returns and remit any VAT liabilities for each tax period (monthly or quarterly, as assigned by the FTA by the 28th day following the end of the respective period).
- **Record Keeping:** All businesses, whether registered for VAT or not, are required to maintain comprehensive records, including balance sheets, profit and loss statements, fixed asset registers, payroll records, inventory logs, and detailed accounts of sales, purchases, payments, receipts, revenues, and expenses. These records must be preserved for a minimum of five years from the date of the transaction.

Consequences of Non-Compliance

The FTA is authorized to impose administrative penalties for violations of tax laws. Key infractions and their associated penalties, as per Cabinet Decision No. 49 of 2021, include:

Nature of Offence	Penalty (AED)
Failure to submit a registration application within the specified timeframe	10,000
Failure to submit a deregistration application within the specified timeframe	1,000 per month of delay, up to a maximum of 10,000
Failure to inform the FTA of circumstances requiring amendment of tax record	5,000 for the first offense; 10,000 in case of repetition
Failure to submit VAT returns within the specified timeframe	1,000 for the first offense; 2,000 in case of repetition within 24 months
Failure to settle payable tax within the specified timeframe	2% of unpaid tax immediately; additional 4% monthly penalty after one month, up to a maximum of 300% of the tax due
Failure to display prices inclusive of VAT	5,000
Failure to issue tax invoices or credit notes as required	2,500 per case detected
Failure to keep required records and information	10,000 for the first offense; 20,000 in case of repetition

Adherence to VAT regulations is crucial to avoid these penalties and ensure smooth business operations within the UAE.

CORPORATE TAX IN THE UAE

12



Direct Taxes – Overview and Scope

The UAE has introduced a new federal CT law in alignment with global standards. The certainty of a competitive regime, together with the UAE’s extensive network of double tax treaties, will cement the UAE’s position as a world-leading destination for investment. The UAE’s commitment to meeting international standards for tax transparency and aligning with OECD’s BEPS initiatives fosters Indian investors’ confidence, who have long benefited from the UAE’s tax-friendly environment.

Effective Date of UAE CT Law

The UAE Corporate Tax Law is applicable to taxpayers’ financial years beginning on or after 1 June 2023.

Scope of UAE CT Law

The UAE CT applies to the following taxable persons:

- **Resident juridical persons** (corporate persons), including Free Zone entities/branches in the UAE, are taxed on worldwide income, with Free Zone entities eligible for a beneficial tax rate if conditions are met. This means that for a resident, both the income generated within the UAE and income derived from foreign operations, investments, and other overseas activities are subject to corporate tax in the UAE.

- **Foreign juridical persons** effectively managed and controlled in the UAE are subject to tax on worldwide income.
- **Non-resident persons** are taxed on income attributable to a UAE Permanent Establishment, income earned from immovable property in the UAE (referred as “Nexus”), or certain categories of UAE-sourced income that are not attributable to a PE or nexus subject to WHT.
- **Natural persons** that conduct a Business or Business Activity in the UAE and whose Total Turnover derived from Business or Business Activities conducted in the UAE exceeds AED 1 million within a Gregorian calendar year.

A non-resident juridical person is subject to UAE CT when the Non-resident person:

- has a Permanent Establishment in the UAE or
- has a nexus in the UAE or
- derives a state sourced income.

Whereas a non-resident natural person would be taxable if the natural person derives State Sourced Income or has a Permanent Establishment in the UAE and has a Turnover attributable to their Permanent Establishment that exceeds AED 1 million within a Gregorian calendar year.

Income is considered "State-Sourced" if it meets any of the following criteria:

- Where it is derived from a Resident Person.
- Where it is derived from a Non-Resident Person and the income is paid or accrued in connection with, and attributable to, a Permanent Establishment of that Non-Resident Person in the UAE.
- Where it is otherwise accrued in or derived from activities performed, assets located, capital invested, rights used, services performed, or benefitted from in the UAE.

This includes money earned through selling goods to UAE customers or renting out UAE property; gains from selling shares in UAE companies; interest from loans linked to UAE assets or borrowers are also included.

A Permanent Establishment of a Non-Resident Person can arise in the UAE where:

- There is a fixed or permanent place in the UAE through which the Non-Resident Person wholly or partly conducts its Business;
- A person habitually exercises authority to conduct a Business or Business Activity in the UAE on behalf of the Non-Resident Person;

State Sourced Income, derived from a Non-Resident Person, that is not attributable to a Permanent Establishment, may be subject to Withholding Tax; however, Withholding Tax is currently levied at the rate of 0%.

Tax Rates

The standard CT rate is **9%** for taxable income above **AED 375,000**, while income below this threshold is taxed at **0%**. Free Zone entities/branches that meet all the necessary conditions may benefit from a 0% tax rate on their 'Qualifying Income' and 9% on the 'Non-qualifying income'. WHT is currently at 0% for certain UAE-sourced income earned by non-residents.

Exempted Entities

The following entities are exempt from CT under specific conditions:

- UAE Government Entity
- UAE Government Controlled Entity
- Person engaged in an Extractive Business in the UAE
- Person engaged in a Non-Extractive Natural Resource Business in the UAE
- Qualifying Public Benefit Entity
- Qualifying Investment Fund
- Public pension or social security fund, or a private pension or social security fund that is subject to regulatory oversight of the competent authority in the UAE
- Juridical person incorporated in the UAE that is wholly owned and controlled by an exempt person
- Any other person may be determined in a Cabinet decision

Exempted Income

The following incomes are exempt; thus, such income and related expenditure shall not be taken into account in determining the taxable income:

- Dividends and other profit distributions received from a resident juridical person.
- Dividends and other profit distributions received from a participating interest in a foreign juridical person that meet participation exemption conditions. Participation exemption applies if they hold greater or equal to 5% ownerships interest/rights in profits and liquidation proceeds.
- Also, if acquisition cost of ownership interest equals or exceeds AED 4 million. Ownership interest has been held or is intended to be held for a period of at least 12 months or more, and the participation is subject to a tax rate of 9% or more.
- Any other income from a participating interest that meet participation exemption conditions. This applies to holdings in both Resident and Non-Resident Participations for gains or losses on the transfer, sale, or other disposition, foreign exchange gains or losses, and impairment gains or losses in relation to a Participating Interest.
- Income of a foreign PE where election is made, and certain conditions are met.
- Income derived by a non-resident person from operating aircraft or ships in international transportation that meets certain conditions.

Dividends received from UAE-resident companies are classified as Exempt Income without any additional conditions. Whereas dividends from foreign entities qualify as Exempt Income only if the Participation Exemption requirements are met.

For individuals, whether resident or non-resident, dividends earned from personal investments fall outside the scope of taxable Business or Business Activity, making them non-taxable.

If an individual receives dividends as part of a business activity, the dividends from UAE entities remain exempt, while dividends from non-UAE entities are exempt if the Participation Exemption conditions are satisfied.

The conditions for participation exemption are based on the rationale that investors with a significant degree of control or influence and commitment to longer-term investments should be eligible for tax relief on repatriated earnings.

The conditions also serve to ensure that the exemption is not exploited for shifting profits from investments in low-tax jurisdictions.

Key Takeaways for an Indian Investor

- UAE entities that are owned by Indian investors will be subject to UAE CT at 9% on their taxable income exceeding AED 375,000. It can be eligible for a beneficial tax rate of 0% if it is a free zone entity and satisfies the relevant conditions.
- An Indian entity that is effectively managed and controlled from the UAE will also be subject to UAE CT.
- If an Indian investor/entity has a PE in the UAE, the income attributable to the PE will be taxed in the UAE.
- Income earned by an Indian entity from immovable property in the UAE will be subject to UAE CT
- WHT rate is currently kept at 0%.

Free Zone Tax Regime

The UAE has over 40 FTZs, most of which are situated in Dubai. To recognize the continued importance of Free Zones, the UAE Corporate Tax rules enable Free Zone Entities and branches (collectively referred as FZPs) to benefit from a 0% Corporate Tax rate on their Qualifying Incomes subject to meeting the prescribed conditions. Non-qualifying Incomes will be taxed at 9%.

For a FZP to be considered as a QFZP under UAE Corporate Tax Law, certain conditions must be met. These conditions include:

- Maintains **adequate substance** in FZ/DZ.
- Derives **qualifying income** from relevant transactions as referred above.
- The QFZP does **not elect to be subject to the regular CT rate**
- Complies with **TP provisions** of the arm's length principle and maintains prescribed TP documentation.
- Non-qualifying Revenue should not exceed the **de minimis requirements** i.e., the non-qualifying revenue derived by the QFZP in a tax period does not exceed **5% of the total revenue of the QFZP** in that tax period or **AED 5 million**, whichever is **lower**.
- QFZP should **prepare and maintain** audited financial statements.

To qualify, income must be sourced from the following categories:

- **Transactions with other Free Zone Persons:** Provided these Free Zone Persons are the Beneficial Recipients, and the transactions do not involve Excluded Activities.
- **Transactions with other than Free Zone Persons related to Qualifying Activities:** Provided certain activities (list of Qualifying activities are specified) performed from within the prescribed geographical areas of a Free Zone (or a Designated Zone for distribution activities).
- **Income from ownership or exploitation of Qualifying Intellectual Property** that includes patents, copyrighted software, and rights equivalent to patents that are legally protected and registered. It excludes marketing-related intellectual property like trademarks.

- **Other income sources:** Provided the Free Zone Person meets the de minimis threshold (non-qualifying revenue not exceeding the lower of 5% of total revenue or AED 5 million).

What are qualifying activities?

If a FZP sells services or goods to Non-FZPs, the QFZP can benefit from the 0% Corporate Tax if it derives Qualifying Income from transactions in respect of the following Qualifying Activities:

- Manufacturing of goods or materials,
- Processing of goods or materials,
- Trading of Qualifying Commodities,
- Holding of shares and other securities for investment purposes,
- Ownership, management, and operation of Ships,
- Reinsurance services,
- Fund management services,
- Wealth and investment management services,
- Headquarter services to Related Parties,
- Treasury and financing services to Related Parties,
- Financing and leasing of Aircraft,
- Distribution of goods or materials in or from a Designated Zone, and
- Logistics services

What are excluded activities?

Revenue from Excluded Activities is treated as non-qualifying Revenue for the purposes of the de minimis requirements. The following activities are Excluded Activities:

- Any transactions with natural persons, except transactions in relation to ownership, management and operation of Ships, fund management services & wealth and investment management services that are subject to the regulatory oversight of the Competent Authority in the UAE and financing and leasing of Aircraft.
- Banking activities.
- Insurance activities, other than reinsurance services, and captive insurance-related activities
- Finance and leasing activities, other than ownership, management and operation of ships, treasury and financing services to Related Parties, and financing and leasing of Aircrafts.
- Ownership or exploitation of Immovable Property, other than Commercial Property located in a Free Zone where the transaction in respect of such Commercial Property is conducted with other FZPs.

Another condition to be satisfied by a FZ person to become a QFZP is that the FZ person should maintain adequate substance in the UAE. Broadly, the QFZP shall have:

- **Core Income Generating Activity in FZ/DZ:** Entities to ensure that their core income generating activities are being performed from their respective offices in FZ/DZ, depending on where such activities are required to be conducted. It should have below requirements having regard to the level of the activities carried out.
- **Adequate Number of Qualified full-time employees:** There should be adequate and qualified full-time employees in a FZ/DZ depending on where such activities are required to be conducted in relation to each activity.
- **Adequate assets in FZ/DZ:** There should be adequate assets in a FZ/DZ depending on where such activities are required to be conducted (tangible assets should be physically located in FZ/DZ office) in relation to each activity
- **Adequate operating expense:** Every FZ entity should ensure adequate operating expenses in relation to each activity.

Income derived from a foreign permanent establishment, a domestic permanent establishment, immovable property (except for commercial properties located within a Free Zone and arising from transactions with other Free Zone entities), and intellectual property (excluding qualifying income from qualifying intellectual property) will be directly subject to a 9% corporate tax rate.

These conditions are designed to ensure that businesses in Free Zones have adequate substance and contribute to the UAE's economic growth while benefiting from the tax incentives offered. Where the Free Zone tax benefits are denied, the FZP will be subject to 9% CT and may not be eligible to claim any QFZP benefits for five years, i.e. the current tax year and the subsequent four tax years.

Key Takeaways for an Indian Investor

- For Indian investors interested in leveraging the benefits of UAE Free Zones, it's crucial to understand whether it will be possible to avail the favorable tax rate of 0%.
- Indian investors setting up an entity in a UAE Free Zone should ensure that it has adequate substance in the form of assets, full-time employees, and operating expenses within the relevant Free Zone.
- 0% CT creates a highly attractive environment for Indian investors looking to serve the Free Zone market and collaborate with other Free Zone businesses.
- Indian investors that are planning to engage in manufacturing, processing, or trading/distributing goods can benefit from the 0% CT provision.
- For an Indian investor looking to establish a regional presence, setting up a holding companies and/or a regional headquarters in UAE Free Zones may be advantageous. The UAE's strategic location and tax benefits make it a prime hub for managing investments and regional operations.

Fiscal Unity (Tax Group) Regime

The Corporate Tax Law allows companies with over 95% common ownership to establish a Tax Group by applying to the FTA, subject to other conditions being met (must be resident juridical persons, have same financial year as the parent entity, must not be a QFZP etc.).

Forming a Tax Group can help a Group to significantly reduce its tax compliance burden. However, Groups should perform a detailed analysis of whether to form a Tax Group or not, as forming a Tax Group may not always result in reduced costs.

Pros of Forming a Tax Group:

- In a Tax Group, the parent entity submits a single tax return rather than separate returns for each entity. Similarly, TP documentation requirements apply at a Tax Group level and not an individual entity level.
- Tax Losses of one member entity can be offset against the profits of other member entities.
- Inter-company transactions between the entities of the tax group can be eliminated.

Cons of Forming a Tax Group:

- A taxable income threshold of AED 375,000 applies only once to a Tax Group regardless of the number of entities forming the tax group.
- Thin capitalization thresholds are to be considered for the tax group as a whole.
- Separate aggregated financial statements as per IFRS to be prepared at the Parent level.
- If there may be any scrutiny or audit of the tax group, it may lead to scrutiny of all the members of the tax group.

Forming a Tax Group should not be an automatic decision but a strategic financial move. Businesses must weigh the compliance benefits against potential tax disadvantages. Not all industries may benefit equally.

For example, capital-intensive industries with high-interest costs need to consider interest deduction limitations on a tax group basis.

Taxable Income Computation

The CT regime in the UAE offers a streamlined approach to computing taxable income, avoiding the complexities often found in other jurisdictions like India. The UAE CT system simplifies compliance by basing taxable income on the accounting net profit or loss as reported in the business's financial statements, prepared according to IFRS.

Several adjustments, incentives, and special reliefs are applied to this base to arrive at the final taxable income. Below are some key aspects Indian investors should be aware of:

- **Expense Deductions:** The UAE CT Law disallows or restricts deductions for certain expenses, including expenses that are not incurred for business purposes, gifts, donations (that are not qualifying), fines & penalties & illicit payments, dividends or profit distributions to owners, UAE Corporate Taxes and any tax on income imposed outside the UAE, input value-added tax that is recoverable, and entertainment costs up to 50%. Illustrative list of non-deductible expenses
 - Expenses incurred on behalf of a subsidiary without reimbursement
 - Expenses incurred for the family members of shareholders
 - Costs associated with providing clients with sport event tickets, meals, and beverages
 - Gifts given to customers
 - Traffic fines
 - Expenditures intended to influence a customer's employee to secure a contract
- **Interest Capping (Thin Capitalization):** CT Law caps or restricts the quantum of NIE (interest expenditure less interest income) deductible up to 30% of the EBITDA of a taxable person for the relevant tax period, excluding any exempt income or AED 12 mn threshold, whichever is higher. However, interest expenses on loans obtained directly or indirectly from related parties may be non-deductible unless it can be proven that the loan was obtained not to gain a tax advantage. The interest capping is not applicable where the net interest expense does not exceed AED 12 mn for a tax period. Furthermore, Interest capping shall not be applicable to interest expenditure on loans/ debt instrument/ other liabilities, where the agreement has been entered prior to 9 December 2022.
- **Tax Losses:** Tax losses incurred prior to the commencement of the UAE CT regime (i.e., before 1 January 2024) will lapse and cannot be carried forward. However, tax losses incurred after 1 January 2024 can be carried forward indefinitely and may be offset against up to 75% of taxable profits in future tax periods, offering long-term relief. Tax Losses can be carried forward if the same person(s) own at-least 50% ownership interest or the Taxable Person continues to conduct the same/ similar business following change in ownership of more than 50%. Additionally, tax losses can be transferred between group entities, provided there is at least 75% direct or indirect ownership between the transferor and transferee, or through a third party holding that level of ownership in both.
- **Elections to be made:** The UAE Corporate Tax Law allows entities that prepare financial statements using the accrual basis of accounting to elect to account for gains and losses from changes in the value of assets or liabilities on a realisation basis.
 - The rationale is to avoid creating a corporate tax liability when there is no available consideration to cover the resulting tax from gains and losses arising from revaluation or other changes in book value. Taxable persons may choose to recognise gains and losses only when an asset is disposed of, a liability is settled, or another realisation event occurs. This provides flexibility in tax planning and financial reporting. Entities may elect to use either of the following options in respect of the UAE CT treatment of unrealised accounting gains and losses.
 - **Option 1:** The entity can elect to recognize gains and losses on a 'realisation basis' for UAE Corporate Tax purposes for all assets and liabilities that are subject to fair value or impairment accounting.
 - **Option 2:** The entity can elect to recognize gains and losses on a 'realisation basis' for UAE Corporate Tax purposes for all assets and liabilities held on a capital account only.
 - **Foreign Tax Credit:** To mitigate or prevent potential double taxation of foreign-source income, UAE CT law offers foreign tax credit relief. A Foreign Tax Credit allows a Taxable Person to deduct taxes paid under the tax laws of a foreign jurisdiction from the UAE Corporate Tax due on the same income. The foreign tax credit must not exceed the amount of UAE CT due on the relevant income. Any unutilized foreign tax credit cannot be carried forward or back to a different tax period. No refund will be given for unutilized Foreign Tax Credit.

Key Takeaways for an Indian Investor

- The UAE tax regime offers a simplified approach to computing taxable income based on accounting profits, with specific adjustments for disallowed expenses.
- With the introduction of thin capitalization rules, companies relying on debt financing must reassess their capital structure and possibly renegotiate related-party loans to comply with tax law.
- Groups and businesses should track M&A activities carefully to preserve the usability of tax losses.
- The ability to elect for realization-based taxation (under IFRS principles) on certain assets and liabilities gives businesses flexibility in tax planning.
- The UAE and India have a Double Taxation Avoidance Agreement (DTAA) in place that provides a foreign tax credit mechanism. UAE businesses with foreign operations should maximize the FTCs to mitigate double taxation.

Special Reliefs

As per the UAE CT Law, special reliefs refer to specific exemptions, deductions, or concessions granted to certain entities subject to satisfying the conditions as mentioned in the law.

The special relief reduces the taxable income/tax liability of the entities. These reliefs are designed to support particular sectors and encourage specific activities. Below are some of the key special reliefs mentioned under the UAE CT Law.

Small business relief: Small Business Relief is provided to resident small businesses to ease their implementation of the Corporate Tax regime.

- Small business relief is available for tax periods commencing on or after 1 June 2023 to tax periods that end before or on 31 December 2026.
- This relief reduces the compliance burden for small businesses by simplifying requirements for calculating and paying Corporate Tax.
- Businesses with revenue of AED 3 million or less in the current and prior tax periods may elect to use this relief, allowing them to be treated as having no taxable income for that period. However, members of Multinational Enterprise Groups and Qualifying Free Zone Persons are ineligible for this relief.
- Businesses utilizing Small Business Relief are exempt from Transfer Pricing documentation requirements and will be required to file a simplified Tax Return.
- Businesses opting for this relief cannot carry forward tax losses or utilize excess interest expenses disallowed under the General Interest Deduction Rule for the relevant tax period. Additionally, other reliefs, such as the ability to transfer assets at net book value within a Qualifying Group and Business Restructuring Relief, do not apply if Small Business Relief is elected

Transfer within Qualifying group: Subject to meeting the conditions prescribed under the UAE CT law, transfers of assets or liabilities within a qualifying group can be carried out at book values, giving rise to no gains or losses subject to tax.

Business restructuring relief: The transfer of an entire business or an independent part of its business to another taxable persons may not give rise to taxable income, subject to conditions mentioned in the UAE CT Law.

Key Takeaways for an Indian Investor

- The Small Business Relief provides a three-year runway (2023–2026) for businesses to reinvest in growth rather than focusing on tax compliance.
- The Qualifying Group Relief and Business Restructuring Relief should be integrated into M&A strategy rather than seen as standalone tax exemptions/reliefs.

Taxation of Unincorporated Partnerships

An Unincorporated Partnership is a business arrangement without a separate legal personality from its partners, such as general partnerships and limited partnerships

- **Fiscally Transparent Treatment:** By default, Unincorporated Partnerships are considered fiscally transparent. This means the partnership itself is not subject to Corporate Tax; instead, each partner is taxed individually on their share of the partnership's income.
- **Fiscally Opaque Election:** Partners can jointly elect for the partnership to be treated as fiscally opaque, making it a taxable entity under the CT Law.
- **Compliance Requirements:** If treated as fiscally transparent, the partners are responsible for their own tax filings. If fiscally opaque, the partnership itself files tax returns and fulfills tax obligations.

Taxation of Family Foundations

A Family Foundation is a legal entity established to manage and protect family wealth, often for succession planning and asset protection. Family Foundations can apply to the FTA to be treated as fiscally transparent, similar to Unincorporated Partnerships subject to approvals and prescribed conditions. Thus, the founders or beneficiaries are taxed on their share of the foundation's income.

Transfer Pricing Framework

The UAE Corporate Tax Law incorporates the arm's length principle for transactions between related parties and connected persons. The UAE introduced its first comprehensive transfer pricing regulations in line with the OECD guidelines on BEPS. The introduction of transfer pricing law not only impacts the cross-border transactions between entities within a multinational group, but extends to all domestic intra-group transactions between related parties with certain exceptions. Broadly, UAE CT Law defines related parties based on the relationship between natural persons or juridical persons through shareholding (> 50% of ownership interest), control or kinship. Control is defined based on three considerations of ability to exercise voting rights, receiving profits, establishing the board of directors, or exercising significant influence on the conduct of the business.

The threshold for ownership and control is kept at 50% or more for the determination of related parties. Additionally, to underscore the significance of transfer pricing regulations, one of the key conditions for Qualifying Free Zone Persons is ensuring that related party transactions adhere to arm's length pricing. In view of the introduction of TP provisions, it will be vital for the proposed UAE entity to review current business operations to:

- Identify its related parties (UAE as well as non-UAE entities) as per UAE CT Law;
- Identify transactions with related parties subject to TP (inter-company transactions);
- Evaluate characteristics of identified related party transactions; and
- Determine arm's length price for related party transactions.

With the application of TP Guidelines, the entities must comply with the TP rules and documentation consisting of:

Disclosure form: Filed along with the CT return, disclosing information regarding transactions with related parties and connected persons. The materiality threshold for applicability of the Transfer Pricing disclosure form is:

- **Related party transactions:** (a) the aggregate value of related party transactions exceeds AED 40 million, and (b) related party transactions where the aggregate transaction value per category exceeds AED 4 million must be disclosed.
- **Transactions with connected persons:** (a) the aggregate value of transactions with connected persons (including their related parties) exceeds AED 0.50 million, and (b) individual payments or benefits per connected person must exceed AED 0.5 million.

TP documentation (local file and master file) [Annual]: To be prepared and maintained by each taxable person on satisfaction of either of the following conditions:

- Total consolidated group revenue for the tax period exceeds **AED 3.15 billion**, or
- If the revenue of a taxable person for the tax period exceeds **AED 200 million**.

Country-by-Country Reporting (CbCR): As per law, the Ultimate Parent Entity (UPE) of a MNE, that is tax resident in the UAE, and the consolidated revenue of the MNE Group exceed AED 3.15 billion in the financial year preceding the 'financial reporting year' concerned, the UPE must file a CbCR within 12 months after the end of the financial reporting year.

- Any affiliated entity of an MNE that is a tax resident in the UAE shall notify the Competent Authority (i.e., the UAE MOF) whether it bears the capacity of an ultimate or Surrogate Parent Entity (SPE) no later than the last day of the financial reporting year of such MNE.
- If such an entity is neither an UPE nor an SPE, it shall notify the Competent Authority of the identity of the entity submitting the CbCR and its tax residence, no later than the last day of the financial reporting year of such MNE.

Key Takeaways for an Indian Investor

- The introduction of TP regulations in the UAE marks a significant shift in how businesses must approach intercompany transactions, compliance, and tax risk management.
- The key challenge is not just compliance but embedding TP principles into corporate governance, operational strategy, and financial decision-making.
- UAE businesses must shift from a reactive to a proactive TP compliance mindset.

Transitional Rules

As per the UAE CT Law, the transitional rule refers to a set of provisions that guide businesses in transitioning smoothly from a period where no corporate tax was applicable to the time when the UAE Corporate Tax regime becomes effective.

CT Law provides certain transitional rules for business:

- Adjustments to be allowed in taxable income related to gains recognized on the qualifying immovable properties, intangible assets, financial assets and financial liabilities to limit the taxable gain to the gain which arises after the start of the first Tax Period.
- For the purposes of availing this benefit, the prescribed qualifying assets/liabilities must meet the conditions as prescribed in the law. Furthermore, to avail the benefit of the transitional rule, the taxable person must make an election upon submission of their first tax return in respect of each of the qualifying immovable properties, financial assets and liabilities, and intangible assets.
- With regards to transitional rules for transfer pricing purposes, taxable persons' items in the opening balance sheet relating to transactions with Related Parties, such as other group companies, should reflect arm's length market pricing, consistent with the arm's length principle.

Anti-abuse Provisions

GAAR have been legislated in the UAE CT Law GAAR is designed to prevent the misuse of tax laws through transactions or arrangements that are primarily aimed at obtaining a corporate tax advantage without a valid commercial rationale.

The FTA has the power to counteract or adjust any corporate tax benefits gained from such transactions if they are considered abusive.

The rule assesses whether transactions and arrangements were entered into without a valid commercial reason, and their main purpose is to obtain a Corporate Tax advantage that is not consistent with the intention of the law.

Tax Treaty

The UAE has entered a double taxation treaty with 140+ countries and is continually working to expand its partnerships globally. The UAE's adoption of the BEPS Multilateral Instrument in 2018 is a significant step towards aligning its tax treaties with international tax standards.

CT allows the provisions of Double Taxation Agreements to take precedence over the Corporate Tax Law if the terms of the Double Taxation Agreement are inconsistent with the UAE CT law.

Administrative matters (compliance, record keeping, etc.)

S.No	Description	Timeline
1	CT Registration	
	a. UAE Entity	Entities in existence as of 1 March 2024: Various timelines prescribed by the FTA depending on the date of issuance of the license. Entities incorporate after 1 March 2024: Within 3 months from the date of establishment in the UAE.
	b. Non-Resident Entity	Non-Resident Person that has a Permanent Establishment in the UAE <ul style="list-style-type: none"> • Date of existence of PE prior to 1 March 2024 : within 9 Months from date of existence of PE • Date of existence of PE post 1 March 2024 : within 6 Months from date of existence of PE <p><i>The date of existence of PE is when PE is recognized for UAE CT purposes.</i></p> <p>For a Non-resident person that is effectively managed and controlled in the State, the timeline is 3 months from the end of the Financial Year.</p> <ul style="list-style-type: none"> • Non-Resident Person that has a Nexus in the UAE • Nexus prior to 1 March 2024 : within 30 June 2024 • Nexus post 1 March 2024 : within 3 Months from date of establishment of nexus
c. Resident Natural Persons*	31 March of the subsequent Gregorian calendar year	
2	Tax grouping application	Before the end of the relevant tax period.
3	CT return & Tax payment	9 months after the end of the relevant tax period
4	TP disclosure form	9 months after the end of the relevant tax period
5	Local file and Master file	To be prepared and maintained
6	Record keeping	Maintain all records and documents for 7 years from the end of tax period
7	Audit	Revenue exceeds AED 50 million during relevant Tax Period & for a Qualifying Free Zone Person irrespective of the revenue limit.

Key Takeaways for an Indian Investor

- The UAE and India have a DTAA in place that provides for a foreign tax credit mechanism (as detailed above).
- The UAE and India DTAA provides reduced tax rates in India for the following incomes earned in India by UAE recipients
 - Interest: Tax rate in India shall not exceed 5% of gross interest on bank loans and 12.5% of the gross amount in all other cases
 - Royalties: Taxed at a maximum of 10% of the gross royalty amount in India
 - Dividend: Taxed at a maximum of 10% in India
- To claim the benefits under the DTAA, it is necessary to obtain a TRC from the tax authorities. This certificate is essential for proving residency status and eligibility to claim the benefits under the treaty.

Pillar Two Rules

The OECD BEPS Pillar Two framework is intended to ensure that MNE Groups with annual consolidated revenue of or above EUR 750 million pay a minimum tax of 15% in respect of the Excess Profits derived from every jurisdiction they operate in.

The UAE MOF had published Federal Decree Law No. (60) of 2023 (Decree Law), amending certain provisions of UAE CT Law that specifically cater to the implementation of the Global Minimum Tax Rate of 15%.

The amendments cover the insertion of the definition of ‘Top-up-Tax’ and MNE under Article 1 of the UAE CT Law and broadly mean the following:

*A natural person who is conducting a Business or Business Activity during the period January 2024 to December 2024 (Gregorian calendar) or subsequent years and whose total Turnover derived in such a year exceeds the AED 1 million.

- **Top-up-Tax:** It is defined as a supplementary tax imposed on MNEs for the purposes of Pillar 2 Rules issued by the OECD; and
- **MNE:** It is defined as an entity and/or one or more of its member entities that is located in the country or in a foreign territory.

Thereafter, the MOF announced certain amendments on 09 December, 2024, to the UAE Corporate Tax Law that will cover the following aspects:

- 1) Implementation of a domestic minimum top-up tax to be made effective for financial years on or after 1 January 2025; and
- 2) The introduction of the following tax incentives to support growth and innovation:
 - The R&D tax incentive will be expenditure-based, offering a potential 30-50% tax credit, and will be refundable depending on the revenue and number of employees of the business in the UAE.
 - The proposed incentive is expected to take effect for tax periods starting on or after 1 January 2026. (detailed rules are still awaited).
 - A refundable tax credit for high-value employment activities. This incentive is proposed to take effect on 1 January 2025 and will be granted as a percentage of eligible salary costs for employees engaged in high-value employment activities. (detailed rules are still awaited).

Subsequently, the UAE has introduced a supplementary tax in the form of a Domestic Minimum Top-up Tax on MNEs vide Cabinet Decision No (142) of 2024 (the Law) and the supporting legislation, "Cases, Provisions, Conditions, Rules, Controls, and Procedures on the Imposition of Top-up Tax on Multinational Enterprises".

This legislation demonstrates the UAE's commitment to the OECD's Two-Pillar Solution and implementing a global minimum tax of 15% on large MNEs.

The DMTT is likely to apply to MNEs with revenues of or exceeding Euros 750 million in their consolidated financial statement for at least two out of the four preceding years, and such MNEs will be required to pay a minimum tax of 15% in the UAE.

Individual Taxation

The UAE's Corporate Tax Law seeks to create a level playing field between incorporated businesses and unincorporated businesses run by individuals. The Corporate Tax Law applies to the extent they are conducting a Business or Business Activity in the UAE only where the total turnover derived from business or business activities conducted in the UAE exceeds AED 1 million within a Gregorian calendar year.

The Corporate Tax Law does not apply to their employment income, Personal Investment income, or Real Estate Investment income.

For Corporate Tax purposes, sole proprietorships and the natural person running the business are considered one and the same; the natural person conducting the business will be the Taxable Person, not the sole proprietorship itself.

If a natural person resides outside the UAE, and by virtue of the tax treaty they are classified as a non-resident but have a permanent establishment in the UAE and generate turnover above AED 1 million, the income attributable to the permanent establishment would be taxable in the UAE.

For individuals residing outside the UAE, state-sourced income (e.g., dividends from UAE companies, payments from UAE businesses, royalties, or interest from a UAE bank account) may be subject to withholding tax, though the current withholding tax rate is 0%.

Natural persons may also elect for Small Business Relief if eligible. The Tax Period for a natural person who conducts Business or Business Activity that is subject to Corporate Tax, shall be the Gregorian calendar year.

The first potential Tax Period for a natural person is the 2024 Gregorian calendar year. They would need to file their Corporate Tax return before the end of September 2025.

The standard corporate tax rate of 0% on the portion of the Taxable Income not exceeding AED 375,000 and 9% on the portion of the Taxable Income that exceeds AED 375,000 will apply to taxable individuals as well.

ECONOMIC SUBSTANCE REGULATIONS

13



Overview and Scope

The UAE introduced the ESR through Cabinet Resolution No. 31 of 2019, later amended by Cabinet Resolution No. 57 of 2020, and Ministerial Decision No. 100 of 2020.

These regulations were established in response to the UAE's commitment to the OECD Inclusive Framework on BEPS and the EU requirements. The regulations aim to prevent harmful tax practices and ensure that UAE-based entities demonstrate sufficient economic substance.

Purpose of ESR

The primary objective of ESR is to ensure that entities undertaking specific business activities, referred to as "Relevant Activities," are genuinely managed and controlled in the UAE and contribute to the local economy. This helps the UAE align with global standards, promote transparency, and enhance its reputation as a responsible international business hub.

The Economic Substance Regulations are a fundamental component of the UAE's commitment to international tax transparency and responsible business practices. Entities operating in the UAE should ensure full compliance with ESR to avoid significant penalties, protect their business reputation, and align with global standards.

Understanding and adhering to the ESR requirements is essential for maintaining a successful and compliant business presence in the UAE.

Repeal of the ESR Requirements

During the compilation stage of this publication, the requirement for compliance with ESR was repealed vide Cabinet Decision No. 28 of 2024. Accordingly, compliance with ESR is no longer required for financial years starting from 01 January 2023.





Overview of Excise Tax in the UAE

Excise tax in the UAE was introduced on October 1, 2017. This form of indirect tax is levied on specific goods that are deemed harmful to health or the environment.

The intent of Excise Tax is to reduce consumption of these commodities while also raising revenues for the government that can be spent on public services. All businesses that import, produce or release excise goods from a designated zone must consider their registration requirements and compliance responsibilities related to filing and paying Excise Tax.

It is generally levied on goods which are considered harmful to the health of the general public. The aim of excise tax is therefore to discourage consumption of those specific goods by the general public. It is payable by any person engaged in the activities listed above, specifically:

- Importers of excise goods.
- Producers of excise goods.
- Persons releasing goods from an excise tax designated zone.
- Stockpilars of excise goods, in certain cases.
- Warehouse keepers, in certain cases.

Excise Goods

The UAE, Excise Tax is currently applied on the following goods:

- Tobacco and tobacco products.
- Liquids used in electronic smoking devices and tools.
- Electronic smoking devices and tools.
- Carbonated drinks (note that this excludes sparkling water).
- Energy drinks.
- Sweetened drinks.

Tax Rates

The goods which are subject to excise tax in the UAE, and the rates of tax applicable to those goods, are as follows:

- Tobacco and tobacco products – 100%
- Liquids used in electronic smoking devices and tools – 100%
- Electronic smoking devices and tools – 100%
- Carbonated drinks – 50%
- Energy drinks – 100%
- Sweetened drinks – 50%

Exceptions to Registration

The FTA may except a person from registration in the case where they import excise goods into the UAE and the FTA is satisfied that they do not regularly import excise goods. The FTA considers 'regular' importation of excise goods to occur more frequently than once in a 6-month period or when they import the 4th time in 24 months.

In cases of exception from registration, the person (i.e. the traveler or individual) importing the goods will not be exempt from paying the excise tax due on the goods, but only from the administration of registering and filing excise tax returns

Designated Zone

Designated zone is the name given within the excise tax law to an area which is treated as being outside the territory of the UAE for the purposes of excise tax.

In excise tax jurisdictions, such areas can often be known as excise warehouses. This means that goods entering the UAE which are immediately moved to a designated zone are not treated as imported into the UAE at that time.

Instead, a tax point is triggered only when goods are released from a designated zone for consumption in the UAE.

In practice, areas will be approved by the FTA in the course of registering the appointed warehouse keeper or following the completion of the registration of the appointed warehouse keeper.

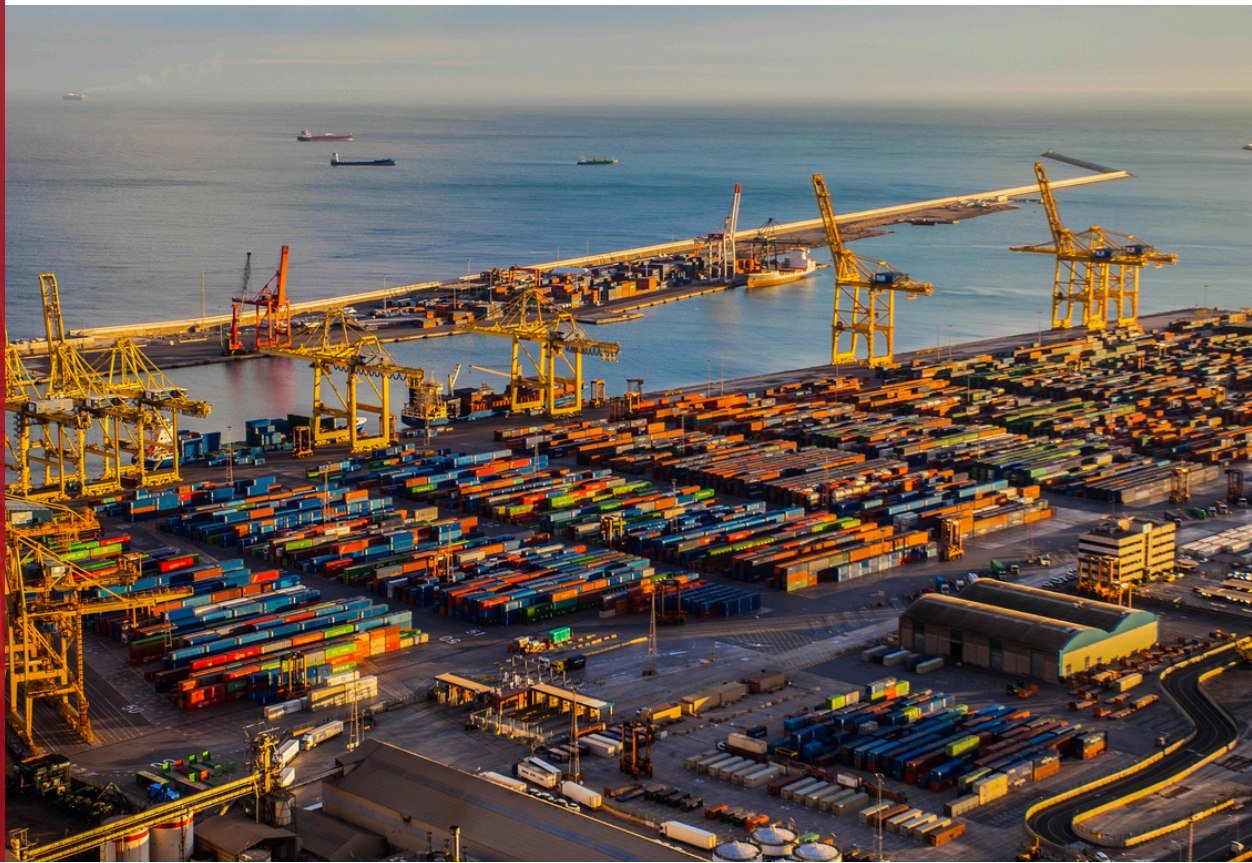
Compliance Requirements

- **Registration:** Businesses involved with excise goods must register with the Federal Tax Authority (FTA) and obtain an Excise Tax Registration Number.
- **Reporting:** Submit periodic excise tax returns detailing the quantity and value of excise goods. Returns are generally filed monthly, with the due date being the 15th of each month.
- **Payment:** Ensure timely payment of excise tax as per the returns filed, using the FTA's online system.
- **Record Keeping:** Maintain accurate records of transactions involving excise goods for a minimum of five years.
- **Adherence to Regulations:** Follow all FTA guidelines regarding the handling, storage, and movement of excise goods.

Consequences of Non-Compliance

- **Financial Penalties:** Fines for late payment, incorrect reporting, or failure to submit returns.
- **Legal Action:** Serious breaches may lead to legal action.
- **Reputational Damage:** Harm to business reputation and relationships with partners and customers.





CUSTOMS

15

The UAE is a major hub for trade and business in the Middle East, and its strategic location between Europe, Asia, and Africa makes it an ideal point of entry to the GCC region and the broader MENA markets. The country has made substantial investments in infrastructure to streamline customs processes, minimize delays, and foster a business-friendly environment. Its customs infrastructure offers a highly efficient and reliable gateway for businesses to reach regional and global markets, making it an ideal base for trading, warehousing, and re-export operations.

The country operates a **Customs Union** within the **GCC**, and this union establishes common customs regulations across the six GCC member states implying that goods that enter or leave the UAE are subject to consistent rules, duties, and procedures. For investors, this particularly creates a stable and predictable environment for cross-border trade.

Customs Procedures and Regulatory Framework

The UAE's customs procedures and regulatory framework are designed to be efficient, transparent, and business-friendly. For businesses looking to import, export, or re-export goods within and beyond the UAE, understanding the country's customs procedures and regulatory framework is essential for ensuring smooth operations, compliance, and cost-effective trade.

Procedures in the UAE

- **Import.** The import process in the UAE is structured to ensure that goods entering the country comply with national regulations, including customs duties, taxes, and specific permits for certain goods.
- **Export.** Export procedures in the UAE are generally straightforward, with most goods not subject to export duties. However, certain controlled items may require specific documentation.
- **Re-Export and Trading Hub.** The UAE's role as a re-export hub offers investors significant opportunities. Goods imported into the UAE can be stored or processed and then re-exported to neighboring GCC countries or to any other regions without incurring additional customs duties. The UAE's re-export capabilities provide investors with access to a broader regional market without the need to pay additional duties on re-exports, making the UAE an attractive base for regional trade.

Duties and Taxes

- **Standard Customs Duty:** The standard customs duty rate is 5% on most goods. However, some goods may be subject to higher rates, such as alcohol, tobacco, luxury items, and automobiles.

- **Customs Duty Exemptions:** Certain goods, such as raw materials used for manufacturing, may qualify for customs duty exemptions. Additionally, businesses in free zones often benefit from customs duty exemptions for goods imported into the zone, provided they are not sold to the UAE mainland.

Documentation for Clearance

Investors and businesses must ensure they have the appropriate documentation for smooth customs clearance. Common documentation includes:

- **Commercial Invoice:** This should clearly detail the goods being traded, including the value, quantity, description, and terms of the sale.
- **Packing List:** A detailed list of how goods are packed, including their weight, dimensions, and packaging method.
- **Certificate of Origin:** A certificate that verifies the origin of the goods, which is important for proving compliance with trade agreements like the India-UAE CEPA or other free trade agreements.
- **Bill of Lading (B/L):** This document serves as proof of shipment and ownership for goods being transported by sea or air.

Declaration: A mandatory electronic declaration, submitted through the UAE's customs platforms, detailing the goods and their value.

Compliance and Risk Management

Customs compliance and risk management are fundamental components of doing business in the UAE, a critical gateway to international trade. Businesses must carefully navigate customs regulations to avoid delays, fines, and legal risks. By implementing best practices such as proper classification of goods, staying informed about regulatory changes, using digital tools, conducting regular audits, and working with customs advisors, businesses can mitigate risks and enhance operational efficiency in their customs operations.

Inspections and Compliance

Customs authorities in the UAE utilize a risk-based system to decide which shipments need to undergo physical inspection. Not all shipments are subject to inspection, but goods with discrepancies in documentation or flagged for higher risk may be inspected.

Key Factors that Could Trigger Inspection:

- Mismatched documentation (e.g., discrepancies in invoices or classification).
- High-risk goods (e.g., pharmaceuticals, chemicals).
- Non-compliance with regulations (e.g., prohibited or restricted goods).

Audits and Compliance

- The UAE customs authorities conduct audits to ensure that businesses comply with customs laws, including correctly declaring goods, paying duties, and adhering to import/export regulations.
- Non-compliance can lead to penalties, delays in customs clearance, or seizure of goods.

Facilitation and Smart Technology

The UAE is committed to improving trade efficiency through smart technologies:

- **E-Customs Systems:** Platforms like Mirsal 2 (Dubai Customs) enable businesses to process customs declarations electronically, reducing paperwork and speeding up the clearance process.
- **Blockchain and AI:** The UAE is integrating blockchain technology into customs processes, increasing transparency and reducing fraud. This is part of the UAE's broader vision to create a more efficient, secure, and digital trade ecosystem.

The UAE's adoption of advanced technologies in customs operations ensures faster clearance times, fewer errors, and more transparency in business transactions.



What lies ahead

This publication has explored the multifaceted dimensions of investing and doing business in the UAE, providing a detailed roadmap for entrepreneurs, investors, and businesses. With topics ranging from the UAE-India investment relationship and the nation's legal framework to the intricacies of taxation, compliance, and workforce management, this guide serves as a comprehensive resource for navigating the UAE's dynamic business environment.

Looking ahead, the insights shared here underline the UAE's position as a global investment hub. Its robust legal frameworks, strategic economic policies, and unique opportunities in free zones, mainland territories, and emerging Emirates such as Ras Al Khaimah present unparalleled growth prospects. Simultaneously, understanding and adhering to corporate compliance, employee relationships, and taxation requirements are essential to achieving long-term success.

For Indian investors, the **UAE represents more than a destination—it is a gateway to global markets and a partner in shared economic aspirations.** By embracing the regulations and opportunities outlined in this guide, businesses can confidently expand their operations, diversify investments, and foster innovation.

As you embark on your journey in the UAE, consider this guide as your starting point, and remember that success lies in both preparation and adaptability. With mutual collaboration, cultural alignment, and a strategic vision, the path ahead is filled with possibilities to build lasting partnerships and achieve transformative growth.

Together, let us shape a future where businesses thrive, relationships deepen, and economic ties between India and the UAE strengthen for generations to come.

We are here to support

UIBC-UC and Andersen in the UAE facilitate the growth of businesses and the creation of sustainable shareholder value. UIBC-UC is open to membership from UAE investors. Through our collaboration, Andersen in the UAE will be at your disposal to address your needs.

They will assist entrepreneurs, managers, private equity funds, and family offices, to whom they offer their comprehensive and scalable range of corporate services, high quality of delivery and independence of judgment, deep sector knowledge, a broad client network, and solid tax and legal expertise with the advantages of a global firm.

Services offered by Andersen



Indirect Tax

- Value Added Tax (VAT)
- Excise Tax and Customs
- Due Diligence and Litigation



Direct Tax

- Corporate Tax C International Tax
- Transfer Pricing
- BEPS: Pillar Two Readiness
- Internal Tax Policy and Governance



Corporate Finance Deals Advisory

- MCA Services
- Business Evaluation and Modelling
- Business Structuring and Tax Planning



Risk Advisory

- Risk Assessment and Identification
- Evaluation, Project Audits & Health Check-Ups
- Internal Control Over Financial Reporting (ICFR)



Legal & Regulatory

- Company Incorporation
- Transaction Advisory
- Due Diligence



Secondment Solutions

- Cost-Effective Expertise
- Seamless Integration
- Reduced Administrative Burden



Technology Solutions

- IT Project Support
- System Implementation
- Cybersecurity



Large Enterprise & Startup Solutions

- Comprehensive Support
- Flexible Staffing Solutions
- Scalable Growth

Acknowledgement

The successful completion of this Handbook, **Doing Business in the UAE: A Perspective for Indian Investors 2024 - 2025** is the result of the collaborative efforts of numerous individuals and organizations, whose contributions have been instrumental in its success.

We extend our heartfelt appreciation to our esteemed partner, **Andersen**, whose expertise and dedication significantly enriched the research and provided insights. We particularly express our gratitude to Anurag Chaturvedi, CEO of Andersen and his team, Prateem Sengupta, Gaurav Chugani, Joel Osekeny, Komal Muthukrishnan, Tejas Kapasi, Navaroj Srinivasan, Rajeesh KP, Amandeep Singh, Hitesh Wadhvani, Alexandra Smirnova, Ann Varghese, Arju Dahal, Myra Rodrigues, Sahil Sharma, Eduardo Alvarez, Gurleen Sethi, and the entire Andersen team for their contributions and invaluable guidance and tireless efforts throughout the development of this Handout. Their unwavering commitment ensured the availability of essential resources and facilitated a seamless execution process.

Furthermore, we express our sincere thanks to the members of the **UIBC-UC**, whose profound insights and steadfast support were crucial in bringing this whitepaper to fruition. Special recognition is extended to Mr. Faizal Kottikollon, Chairman of UIBC-UC and Chairman of KEF Holdings; H.E. Major General (Retd.) Sharafuddin Sharaf, Vice Chairman of UIBC-UC and Vice Chairman of Sharaf Group; Mr. Adeb Abamed, Board Member of UIBC-UC and Managing Director of LuLu Financial Holdings; Mr. Abdulla Naser Al Marzooqi, Board Member of UIBC-UC and Program Director of Mubadala Investment Company; Mr. Tariq Chauhan, Board Member of UIBC-UC and Executive Vice Chairman of EFS Facilities Services Group Ltd; and Mr. Siddharth Balachandran, Founding Member of UIBC-UC and Executive Chairman of Buimerc Corp. Their support and guidance were instrumental in shaping the vision and objectives of this handbook.

We also acknowledge the invaluable contributions of other members of the UIBC-UC team including Mr. Kshitij Korde & Ms. Neha Sahni, whose dedication and professionalism significantly contributed to the development and successful completion of this Handbook.

Lastly, we express our deepest gratitude to all individuals and entities involved in this endeavor. Their collective expertise and commitment have enriched the discourse on doing business in the UAE, underscoring the strength of our partnership and the shared vision for fostering economic collaboration between India and the UAE.



Dubai

402 Arenco Tower,
Dubai Media City

Jafza One, AB 1002,
Jebel Ali Free Zone

Abu Dhabi

103 Sama Tower, Electra
Street, Madinat Zayed, Al
Danah Zone 1

+971 4 243 5666
info@ae.Andersen.com

ae.andersen.com

Dubai

702, 7th Floor, DIFC
Gate Building, East
DIFC, Dubai

+971 50 519 0603
comms@uibcuae.com

uibcuae.com

DISCLAIMER

This information cannot be considered as our recommendation and contains information in summary form. This is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither Andersen in the UAE nor any member firm can accept any responsibility for loss occasioned by any person acting or refraining from action as a result of any material in this presentation. On any specific matter, reference should be made to the appropriate advisor.