



Doing Business in The UAE

A land of opportunities

Key Facts About UAE

- **Economic Facts** - GDP over USD 400 Billion
- **Ease of Doing Business (Ranking)** - Ranking 16th position – World Bank Report 2020; highest in the MENA region.
- **Safety** - World's 2nd safest country in 2021 & 4th best country in the world to live and work
- **Population** - Over 11m People
- **Legal System** - Combination of Shari'a (Islamic Law) and Civil Legislative Law, Modified Personal Status Laws for Inheritance (Non-Muslims)
- **Major Trading Partners** - India, China, USA, Germany, Japan, South Korea.
- **Major Export Products** - Crude Oil, Natural Gas, Re-Exports, Aluminium, Dried Fish, Dates.
- **Major Import Products** - Manufactured goods, Machinery, Foodstuffs, Transportation equipment.
- **Corporate Taxation** - To be Implemented WEF 1 June 2023
- **VAT** - Implemented wef 2018 at uniform rate of 5%
- **Customs Duty** - 5% Import Duty (on general products)



Key Facts about Dubai

Traditional Key USPs of UAE:

- Global Connectivity
 - Ease of doing business
 - Low Utility Cost
 - World Class Infrastructure
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- The commercial capital city of UAE
 - Dubai population is now estimated to reach at 2.92 million in 2021
 - highest per capita incomes in the world
 - No foreign exchange control, quotas or trade barriers
 - Competitive import duty (5%) with exemptions
 - 5% VAT is applicable on goods and services with exemptions
 - A global business focal point
 - State policies permit full repatriation of profit and capital
 - Vibrant and highly efficient economy
 - Most modern infrastructure
 - Presence of major multinational corporations
 - Mixed population from all over the world
 - Stable currency
 - Proximity to the Indian Sub- continent and Europe
 - It has one of the biggest airports in the world
 - Home to the largest man-made port (Jebel Ali port) in the world



Section 1 – Vision and Key Govt Policy Initiatives

- Projects of the 50
- UAE Centennial 2071
- Make it in Emirates

Section 2 – Initiatives targeting Industries and Startups

- Industrial Sector
- Startup Support, Business Incubators and Accelerators

Section 3 – Understanding the web of free-zones and mainland licensing in UAE

- Business in mainland
- Segments eligible and restricted for 100% Foreign Ownership
- Web of Freezones
- Mainland vs Freezones

Section 4 – Taxes and Compliance requirements

- VAT & Excise in UAE
- Economic Substance Regulation
- UBO Declaration
- Corporate Taxation

Vision and Key Govt Policy Initiatives

- I. Projects of the 50
- II. UAE Centennial 2071
- III. Make it in Emirates

PROJECT OF THE 50

PROJECTS OF THE 50 is the new growth strategy of UAE of which 13 initiatives were already announced. These first set of bold strategic projects aims to foster the UAE's new phase of growth, both domestically and internationally and aiding the UAE to embark on an ambitious growth path in the 50 years since its Golden Jubilee.

مشاريع
الخمسين
PROJECTS OF THE 50

Project of the 50

The 'Projects of the 50' is a series of developmental and economic projects that aim to accelerate the UAE's development and transform it into a comprehensive hub in all sectors and establish its status as an ideal destination for talents and investors. 'Projects of the 50' covers several key sectors such as: **economy, entrepreneurship, advanced skills, digital economy, space and advanced technologies.**

First set of 'Projects of the 50'

Second set of 'Projects of the 50' - NAFIS

The UAE Railway Programme

Emirati interplanetary mission 2028

First Set of Project of the 50

The first set of 'Projects of the 50' include:

Modernisation of visa and work permits
New visa schemes include Green visa
Freelancers visa
Economic agreements with eight global markets
Number of TECH Initiatives



Centennial 2071

An Aim to Create Dubai the Most
Technologically Adept City in the World

To make UAE Best Country in the World by
2071



Centennial 2071 – Key Pillars

Future Focused
Govt

Excellent
Education

Diversified
Knowledge Economy

Happy and
Cohesive Society

Its programme includes:

- fortifying the country's reputation
- diversifying the imports and the exports by relying less on oil
- investing in education focusing on advanced technology
- building Emirati values and ethics for the future generations
- raising productivity of the national economy
- enhancing society's cohesion

Make it in Emirates

An open invitation to investors,
innovators and developers

Financial and advisory support from EDB

Variety of services to industrial players



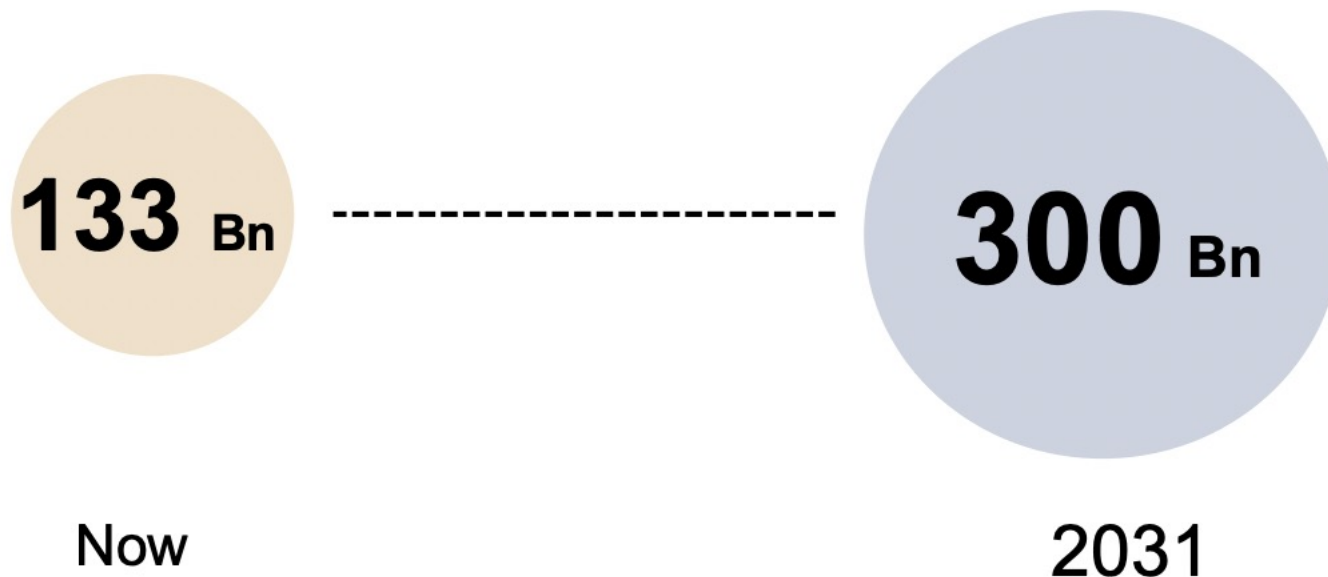
اصنع في الإمارات

MAKE IT
IN THE EMIRATES

“Make it in Emirates”

The UAE Ministry of Industry and Advanced Technology’s comprehensive national program aims to drive industrial growth in the UAE by boosting its GDP contribution from AED133 billion to AED300 billion by 2031. While MoIAT will lead on the strategy, the **Emirates Development Bank** will act as one of its key financial engines.

Industrial value added in AED



Initiatives targeting Industries and Startups

- I. Industrial Sector
- II. Startup Support, Business Incubators and Accelerators

Industrial Sector

Dubai Industry Strategy 2030

National Industrial License



Dubai Industrial Strategy 2030

To boost global competitiveness in the industrial sector, Dubai has launched the Dubai Industrial Strategy 2030.

1 Five Objectives:

Transform Dubai's industrial sector to:

- 💡 be innovation-based
- 🏢 be a home for global businesses
- 🌿 be environmentally sustainable and support a green economy
- حلال adopt Islamic standards to manufacture "Halal" products and contribute to Dubai's goal to become the capital of the Islamic economy.

2 Six Sectors:

There are six industrial sectors have been identified to lead its economic transformation:

- ✈️ Aviation
- 🚢 Ships
- 💊 Pharmaceuticals & Medical equipment
- ⚙️ Fabricated Metals
- 🔧 Machinery & Equipment
- 🛒 Consumer goods

3 Performance indicators:

An additional of
AED 18 BILLION
in real value added
in Manufacturing

Create
27,000
NEW SKILLED JOBS
in Manufacturing

Boost
AED 16 BILLION
in exports

Invest
AED 700 MILLION
in R&D

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National Industrial License

- National Industrial License Industrial projects may apply for a national industrial license provided following conditions are met:

- Total of employees not less than 10
- Total of capital not less than AED 250,000

Benefits of National Industrial license

- Duty exemption to import raw materials and machines.
- Privilege to use "Made in UAE" mark on final product.
- Duty exemption to export products to GCC countries.
- Duty exemption to export products to member countries of Great Arab Free Trade Agreement.

Some of Industrial Free zones in UAE

DUBAI:

Dubai Investments Park (DIP) - DIP is divided into three distinct zones - each setting the benchmark for high quality projects in a well-planned, fully-integrated master community development

Dubai Industrial City (DI) - Dubai Industrial City is an industrial cluster designed to attract and support the growth of light to medium industries

National Industries Park (NIP) - It covers an area of 21 million sq m of land and is considered as the only technology park in the region located between a world-class seaport and an international airport.

ABU DHABI

Khalifa Industrial Zone Abu Dhabi – largest Industrial Zone in UAE (Phase I - 51 sq kms, Overall 417 Kms). Strategic Location next to World class Khalifa Port

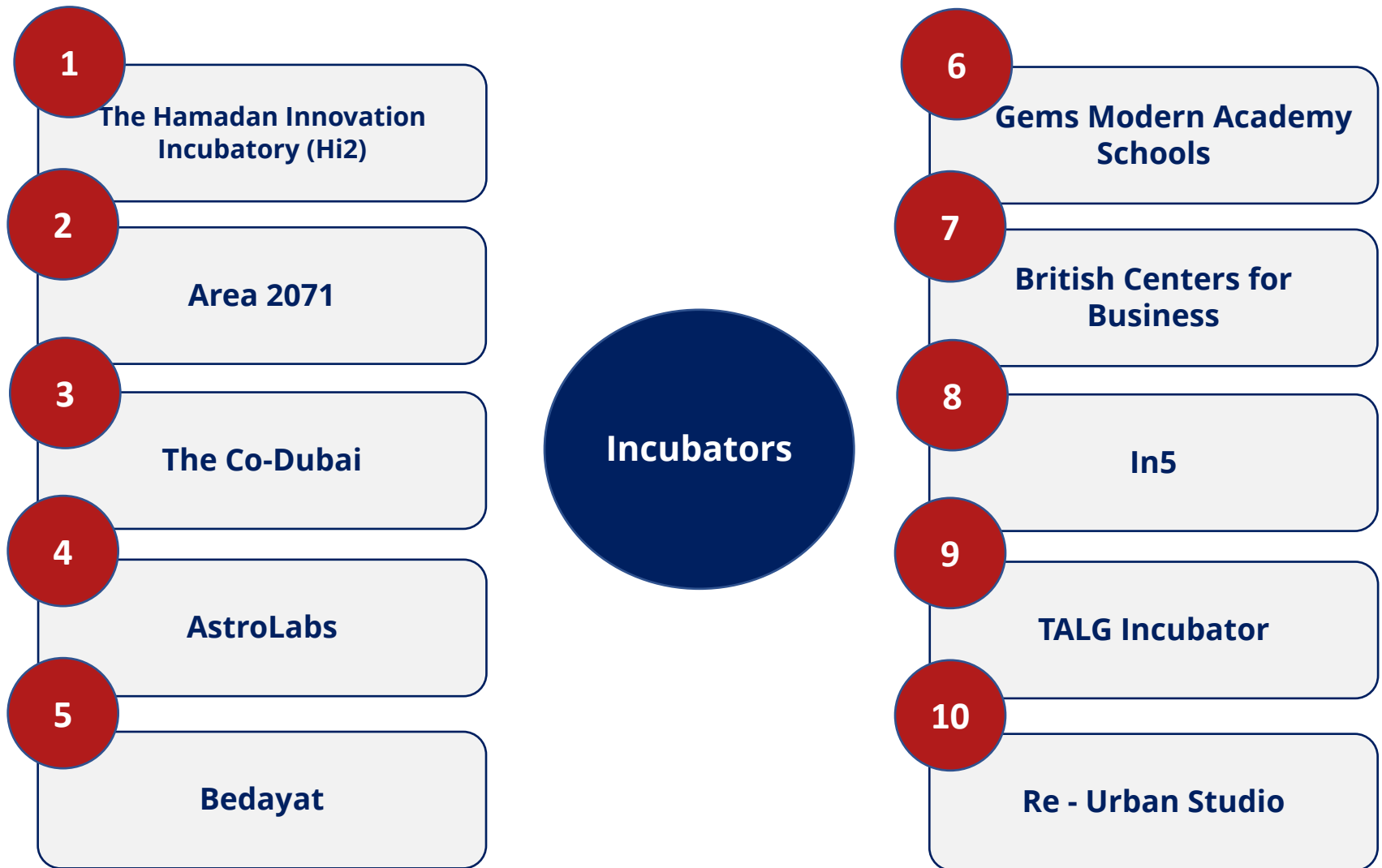
Startup Support, Business Incubators and Accelerators

Incubators and accelerators are being created across various commercial districts, free zones and specialized industry



Various Incubators in UAE

Following are some of the incubators and accelerators certified by Dubai SME



Understanding the web of free-zones and mainland licensing in UAE

- I. Business in mainland
- II. Web of Freezones
- III. Mainland vs Freezones

Business in Mainland

Mainly to do business in the UAE

Two Key Jurisdictions

Dubai Economy -
Dubai

Abu Dhabi DED -
Abu Dhabi



Business in Mainland

The area that acts as an epicentre for most business operations is known as UAE mainland.

Main advantages for companies operating under the Mainland license are:

- No minimum capital requirement for company formation
- The simple and quick registration process
- Flexibility to set up offices and do business anywhere in the UAE
- Ability to take up work from both private and public sectors
- No cap on the number of visas issued (subject to office size)
- Ability to repatriate capital and profits up to 100%
- Flexibility to expand their businesses into different industry

Segments eligible and restricted for 100% Foreign Ownership

Commercial Activities

Manufacturing Activities

Case to Case basis exemption



Segments eligible and restricted for 100% Foreign Ownership

By virtue of revising Article 10 of the Commercial Companies Law 2015, Dubai Economy implemented the following segments **eligible for 100% foreign ownership**:

Activity Type	No. of Segments
Commercial (including trading, hotels, retail, shipping and freight forwarding, Contracting etc.)	562
Manufacturing	500
	1062

Following segments of activities are not offered for 100% foreign ownership, however, Dubai Economy may decide enhanced foreign equity participation of an entity on a **case to case basis**.

Communication	• Wired Telecommunications Services • Wireless Telecommunications Services • Satellite Communications Services • Cable Television Channel • TV Broadcasting Station • Cable TV Satellite Channels Establishing & Managing • Operating & Maintaining Switching & Transmission Facilities • Cable Distribution & Data & Television Signals Operation • Radio Broadcasting Station • Rebroadcasting of International TV Network Programs Services • Satellite Ground Station • Television & Radio Broadcasting Via Encrypted & Open Channels
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Various Business Eligible for 100% FOS (case to case basis)

Banking Exchange Finance Insurance	• Commercial Bank • Islamic Bank • Credit & Finance Bank • Investment Bank • Savings Bank • Wholesale Bank • Digital Wallet for Electronic Payments • Remittance of Local & Foreign Currencies • Financing Operations • Bank Brokers • Financial Instruments Bidding • Money Orders & Travellers Cheques Exchangers • Real Estate Financing • Industrial Financing • Agricultural Financing • Consumer Loans or Consumer Credit • e-Finance • e-Banking • Financial Investigations Services • Life Insurance • Accidents & Civil Liabilities Insurance • Credit & Saving Insurance • Fire Insurance • Motor, Marine, Aviation & Transport Insurance
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Various Business Eligible for 100% FOS (case to case basis)

	• Other types of insurance • Health Insurance • Reinsurance • Insurance Agent • Insurance Actuaries • Reinsurance • Insurance Broker • Theft Insurance • Work Compensation Insurance • Mechanical Failure Insurance • Life Reinsurance • Currencies & Monetary Brokers • Money Exchangers
Hajj and Umrah services	Hajj & Umra Organizing
Commercial Agencies	Commercial Agent Services
Holy Quran Recitation Institute	
Money Printing	• Cheques & Other Security Papers Printing • Banknotes Printing
Fisheries related services	• Fish Catching • Marine Animals Catching • Natural Pearl Catching

Business in Freezone

100% Foreign Ownership

Numerous Options

100% Exemption from Custom Duty

Independent laws and regulation



Benefits of Freezones

Benefits of Free Zones for Foreign Investors



**100%
Foreign
Ownership**



**100%
Repatriation of
Capital and
Profits**



**Fast and Easy
Business Set-up
Procedures**



**Developed
Business
Communities**



**Numerous
Options at
Competitive Costs**



**100%
Exemption from
Customs Duty**



**Independent
Laws and
Regulations**



**Easy Regional,
Global Market
Access**



**Modern and
Sophisticated
Infrastructure**

Web of Freezones with numerous options

Category	Dedicated Freezones
Media	• Sharjah Media City • Twofour54 • Ajman Media City Free Zone • Dubai Production City • Dubai Studio City • Dubai Media City
Technology	• Dubai Silicon Oasis • Dubai Internet City
Finance Hub	• DIFC • ADGM
Trade and Logistics	• Khalifa port free trade zone • Fujairah Freezone
Creative Design	• Creative city free zone • Dubai Design District
Healthcare City	• Dubai Healthcare City
Academic	• Dubai International Academic City
E-Commerce	• Dubai Outsource City

Category	Dedicated Freezones
Commodity Trade	• DMCC
Humanitarian Hub	• International Humanitarian City
Trade	• Ajman Free zone
Maritime	• Dubai Maritime City
Industrial	• KIZAD
Artificial Intelligence	• Dubai South
Economic Activities	• JAFZA
Renewable Energy	• Masdar City Free Zone
Mixed Use	• Dubai Silicon Oasis • SAIF Zone • Abu Dhabi Airport Free Zone • UAQ Free zone • Meydan Free zone and Many More

Web of Freezones in UAE



Mainland Vs Freezone

Business Ownership

Scope of Business

Office Space

VAT & Corporate Tax



Mainland Vs Freezone

Criteria	Mainland	Freezone
Business ownership	Many mainland businesses require 51 per cent local ownership. Since June 2021, more than 1,000 activities can apply for full foreign ownership.	100 per cent full foreign ownership.
Scope of business	Includes inside and outside the UAE.	Only permits the company to conduct business within the jurisdiction of freezones or outside the UAE.
Office space	Size depends on the number of visas required.	Freezones offer a company set-up with or without office space depending on the business activity and the number of employees.
VAT	Applicable on all the sales	Applicable only if selling the goods outside the freezones (Within UAE)
Corporate Tax	9% Headline Corporate Tax rate for taxable income exceeding AED 375,000	FZ businesses will be subject to UAE CT, but the UAE CT regime will continue to honour the CT incentives currently being offered to FZ businesses that comply with all regulatory requirements and that do not conduct business with mainland UAE

Taxes and Compliance requirements

- I. VAT & Excise in UAE
- II. Economic Substance Regulation
- III. UBO
- IV. Corporate Taxation

VAT & Excise in the UAE

Single Rate

Completely Online

Ease and User Friendly

Return filing - Quarterly



VAT & Excise in the UAE

VAT

- Introduced w.e.f. 2018
- Uniform rate of 5%
- On Goods and Services both
- 0% VAT on Export of Goods and Services
- Typically, Quarterly Return Filing (with T/O of up-to AED 150m)
- Only on businesses with Taxable supplies exceeding AED 375,000 pa.

Excise

- 50 per cent on carbonated drinks
- 100 per cent on tobacco products, energy drinks, electronic smoking devices, on liquids used in such devices and tools
- 50 per cent on any product with added sugar or other sweeteners.

Economic Substance Regulation (ESR)

Compliance requirement:

Annually

WHY ESR?

Economic Substance Regulations are set in place to ensure the UAE entities that undertake certain commercial activities are not used to artificially shift profits from high tax jurisdictions to low tax jurisdictions without any genuine economic activity or substance in these jurisdictions.

Economic Substance Regulation – Applicable on 9 Activities

Economic Substance Regulation

As part of the UAE's commitment as a member of the OECD Inclusive Framework, and in response to an assessment of the UAE's tax framework by the European Union Code of Conduct Group on Business Taxation, the UAE issued Economic Substance Regulations (Cabinet of Ministers Resolution No. 31 of 2019), (the "Regulations") on 30 April 2019. After a couple of amendments, the ESR regulations now require UAE onshore and free zone companies and certain other business forms that carry out any of the defined "Relevant Activities" listed below to maintain and demonstrate an adequate "economic presence" in the UAE relative to the activities they undertake ("Economic Substance Test").



Ultimate Beneficial Owner (UBO)

One Time Compliance



Corporate Taxation

Only on profits above AED 375,000 p.a.

Simplified

Worldwide lowest rate

No Personal Tax



Corporate Tax for the business (Year 2023)

- **0% Tax Rate up-to net Income of AED 375,000 p.a.**
 - **9% on Net Income**
 - **Special Concession to Free-zones* (subject to satisfaction of certain conditions)**
 - **No Personal Taxation**
 - **No taxation on Personal "Investment Income"** (Rental Income, Dividends, Income from Debt/Equity Securities)
 - **Not on Capital Gains**
 - **No Withholding Tax**
 - **Mainly targeting Income Derived from a UAE trade or business**
 - **Provisions for Tax Group, C/F of losses**
- ❖ 0% Tax rate for taxable income up to AED 375,000 to support small businesses and startups.
 - ❖ 9% Headline Corporate Tax rate for taxable income exceeding AED 375,000
 - ❖ FZ businesses will be subject to UAE CT, but the UAE CT regime will continue to honour the CT incentives currently being offered to FZ businesses that comply with all regulatory requirements and that do not conduct business with mainland UAE)
 - ❖ UAE CT will not apply to individuals and their personal income
 - ❖ The UAE will not impose non-resident corporate tax or withholding tax on income earned by foreign investors that is not derived from a UAE trade or business;
 - ❖ UAE group companies can form a tax group and file a single (consolidated) tax return for the entire group
 - ❖ The investment in real estate by individuals in their personal capacity should not be subject to UAE Corporate Tax
 - ❖ Individuals will not be subject to UAE CT on dividends, capital gains and other income earned from owning shares or other securities in their personal capacity

Global Corporate Tax Rates

Country	Corporate Tax Rate (%)
Afghanistan	20
Albania	15
Algeria	26
Andorra	10
Angola	25
Antigua and Barbuda	25
Argentina	25
Armenia	18
Aruba	25
Australia	30
Austria	25
Bangladesh	32.5
Barbados	5.5
Belarus	18
Belgium	25
Benin	30
Bolivia	25
Bonaire, Saint Eustatius and Saba	25
Bosnia and Herzegovina	10
Botswana	22
Brunei Darussalam	18.5
Bulgaria	10
Burkina Faso	28
Burundi	30
Cambodia	20
Cameroon	33
Canada	26.5
Chile	27
China	25

Country	Corporate Tax Rate (%)
Congo	28
Congo (Democratic Republic)	30
Costa Rica	30
Croatia	18
Curacao	22
Cyprus	12.5
Czech Republic	19
Denmark	22
Djibouti	25
Dominica	25
Dominican Republic	27
Ecuador	25
Egypt	22.5
El Salvador	30
Estonia	20
Ethiopia	30
Fiji	20
France	26.5
Gabon	30
Gambia	27
Georgia	15
Germany	30
Ghana	25
Gibraltar	10
Greece	24
Grenada	28
Honduras	25
Hungary	9
Iceland	20
India	30
Indonesia	22
Iraq	35

Country	Corporate Tax Rate (%)
Ireland	12.5
Israel	23
Italy	24
Ivory Coast	25
Jamaica	25
Japan	30.62
Jordan	20
Kazakhstan	20
Kenya	30
Korea	25
Kuwait	15
Kyrgyzstan	10
Latvia	20
Lebanon	17
Libya	20
Liechtenstein	12.5
Luxembourg	24.94
Macau	12
Macedonia	10
Madagascar	20
Malawi	30
Malaysia	24
Malta	35
Mauritania	25
Mauritius	15
Mexico	30
Moldova	12
Monaco	33
Mongolia	25
Montenegro	9
Morocco	31
Mozambique	32

Country	Corporate Tax Rate (%)
Myanmar	25
Namibia	32
Netherlands	25
New Zealand	28
Nicaragua	30
Nigeria	30
Norway	22
Oman	15
Pakistan	29
Palestinian Territory	15
Panama	25
Papua New Guinea	30
Paraguay	10
Peru	29.5
Philippines	30
Poland	19
Portugal	21
Qatar	10
Romania	16
Russia	20
Rwanda	30
Saint Kitts and Nevis	33
Saint Lucia	30
Saint Vincent and the Grenadines	30
Samoa	27
Saudi Arabia	20
Senegal	30
Serbia	15
Sierra Leone	30
Singapore	17
Sint Maarten (Dutch part)	35
Slovakia	21

Country	Corporate Tax Rate (%)
Slovenia	19
Solomon Islands	30
South Africa	28
Spain	25
Sri Lanka	24
St Maarten	35
Sudan	35
Suriname	36
Swaziland	27.5
Sweden	20.6
Switzerland	14.93
Syria	28
Taiwan	20
Tanzania	30
Thailand	20
Trinidad and Tobago	30
Tunisia	15
Turkey	20
Turkmenistan	20
Uganda	30
Ukraine	18
United Arab Emirates	9
United Kingdom	19
United States	27
Uruguay	25
Uzbekistan	7.5
Venezuela	34
Vietnam	20
Yemen	20
Zambia	35
Zimbabwe	24

Countries still with 0% Corporate Tax

Anguilla (British Overseas Territory)
Bahamas (Caribbean)
Bahrain (Middle East)
Bermuda (British Overseas Territory)
Cayman Islands (British Overseas Territory)
Guernsey (Channel Islands)
Isle of Man (Between great Britain & Irish Sea)
Jersey (Channel Islands)
Turks and Caicos Islands (British Overseas Territory)
Vanuatu (Oceania)

Thank You

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