

# UAE BUSINESS SETUP GUIDE 2022

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



**creativezone**

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## FOREWORD

Since stepping up efforts to welcome foreign workers in the 1970s, international investment in the UAE has increased with each passing year. Today, the Emirates is home to a varied and thriving business community with expatriates accounting for over 85% of the country's total population.

This long history of accommodating entrepreneurs and business owners from the world over has allowed us to develop robust and time-tested procedures from company incorporation to visa and immigration processes. However, the UAE is a modern and forward-thinking country, therefore procedures are often updated, and regulation introduced or amended. As a result, it can be difficult to find clear and up-to-date information on the most efficient ways to live and work in this part of the world. With this guide, Creative Zone aims to change that.

Here you will find the very latest guidance on setting up in the UAE. We cover everything from company formation, visa processes, and bank account opening to cultural considerations, safety, stability, education, and healthcare.

And this is just the starting point. The 2022 UAE Business Setup Guide also contains all relevant detail on the latest regulation governing businesses in the country, from Economic Substance Regulation and Ultimate Beneficial Ownership requirements to laws regarding anti-money laundering and terrorism financing.

When you are armed with the right knowledge, you are empowered to make smarter, faster decisions. Decisions that can be the difference between success and failure, especially in the early days of startup.

Keep this guide to hand and you will have a world of information at your fingertips. With access to everything you need to know to launch and grow your business and live and work prosperously in the UAE.

Should you have any questions about company formation or any matter relating to doing business in the Middle East, our expert team are always on hand to help. In the meantime, I hope you enjoy this guide and I wish you a long a profitable business journey here in the UAE.



**LORENZO JOORIS**  
CEO, Creative Zone

# The UAE: An overview



## A. A thriving economy: Economic progress of the UAE in the last 50 years

Though it may be the pinnacle of modern architecture, infrastructure, and business, the UAE has humble beginnings. However, trade has always been at the country's heart. The UAE's pearl trade has been thriving since the 1500s, hitting its peak in the 19th century. Many of the country's inhabitants were semi-nomadic, moving from the coast inland with the pearling and date farming seasons.

Many other traders passed through the country, too, to buy and sell gold, spices, and textiles. All of which still flourish in the modern souks of today. The country's economy saw another significant boost in the late 1800s when expatriates were officially granted tax exemption. This led to an influx of overseas workers and business owners entering the UAE. Another trend that has continued to this day.

It would be the 1960s when the UAE truly transformed, however, after the discovery of oil.

With their newfound wealth, the country's rulers set about building a commercial hub in the heart of the Middle East. Dubai, in particular, has transformed from a humble fishing village to one of the most technologically and architecturally advanced cities in the world.

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

Its 0% tax rate on personal and corporate income, world-leading free economic zones, and famed ease of doing business continue to attract the very best business minds. At the same time, developments like the Burj Al Arab, Burj Khalifa and Palm Islands highlight the country's continued ambition to take the spotlight on the world stage.



## B. The importance of SMEs

An economy once dominated by oil is now among the most open and diverse in the world.

Today, oil exports account for just 30% of the country's GDP, with the rest split mainly across construction, manufacturing, real estate, trade and repair, tourism, and professional services.

At the heart of the UAE's economy are SMEs, which account for 94% of businesses in the country and provide jobs for 85% of the private sector workforce. In Dubai, SMEs make up 95% of businesses, employ 42% of the workforce, and contribute 40% to the emirate's GDP.

Overall, SMEs collectively contribute over 50% of the UAE's non-oil related GDP, and this figure is expected to reach 60% by the end of 2021.

Each year, around half a million small and medium-sized businesses set up in the UAE. And with good reason. The country's fast and straightforward company incorporation process, low barriers to entry, and supportive environment give SMEs everything they need to grow.

## C. How the UAE supports SMEs

With SMEs underpinning much of the UAE economy, the country's rulers are committed to strengthening this sector by encouraging entrepreneurship across all industries. It runs a series of initiatives designed to support and empower innovative startups, both pre- and post-launch.

These initiatives include the Mohammed Bin Rashid Establishment for SME Development and the Khalifa Fund, designed to fund, develop, and support small and medium enterprises.

The UAE is committed to unlocking the full potential of the SME sector, providing numerous incentives to drive growth, diversity, flexibility and innovation.

Ultimately, the country's aim is to cement its place as a thriving hub and global business destination for small- and medium-sized businesses. The Ministry of Finance has launched a range of digital solutions to create a business-friendly and encouraging environment for entrepreneurs to achieve this aim.

The MoF also offers all manner of sponsorships, funding, and support at all stages of business development to nurture promising projects and boost businesses to the next level.

These initiatives include:

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

## D. Doing business in the UAE

The UAE is a confederation of seven emirates - Abu Dhabi, Dubai, Sharjah, Ajman, Ras Al Khaimah, Umm Al Quwain and Fujairah. And thanks in no small part to that strategic location, it ranks first for foreign direct investment in the Middle East and Africa region.

The country is famed for being one of the easiest places in the world to do business. With an expatriate population of over 80%, it attracts entrepreneurs and business owners from every corner of the globe.

The corporate culture in this part of the world is open, welcoming, and encouraging. Networking is key in the UAE. Business relationships are seen as less transactional and more long-term and supportive.



Taking the time to nurture relationships is always appreciated. And professionalism is a must. The UAE, and particularly Dubai, may be famous for its attractions, nightlife, and entertainment, but you can only truly assimilate here if you're willing to work hard and are serious about what you do.

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

Regularly ranked highly in the World Bank's Doing Business Index, the UAE is often commended for its robust banking system, stable political system, and well-established business infrastructure.

The country also has a deserved reputation as one of the safest countries in the world, with high quality of life and standard of living. What's more, international investors in the country not only benefit from its 0% tax rate but can also repatriate capital and profit with no restrictions.

## E. The Middle East and the region

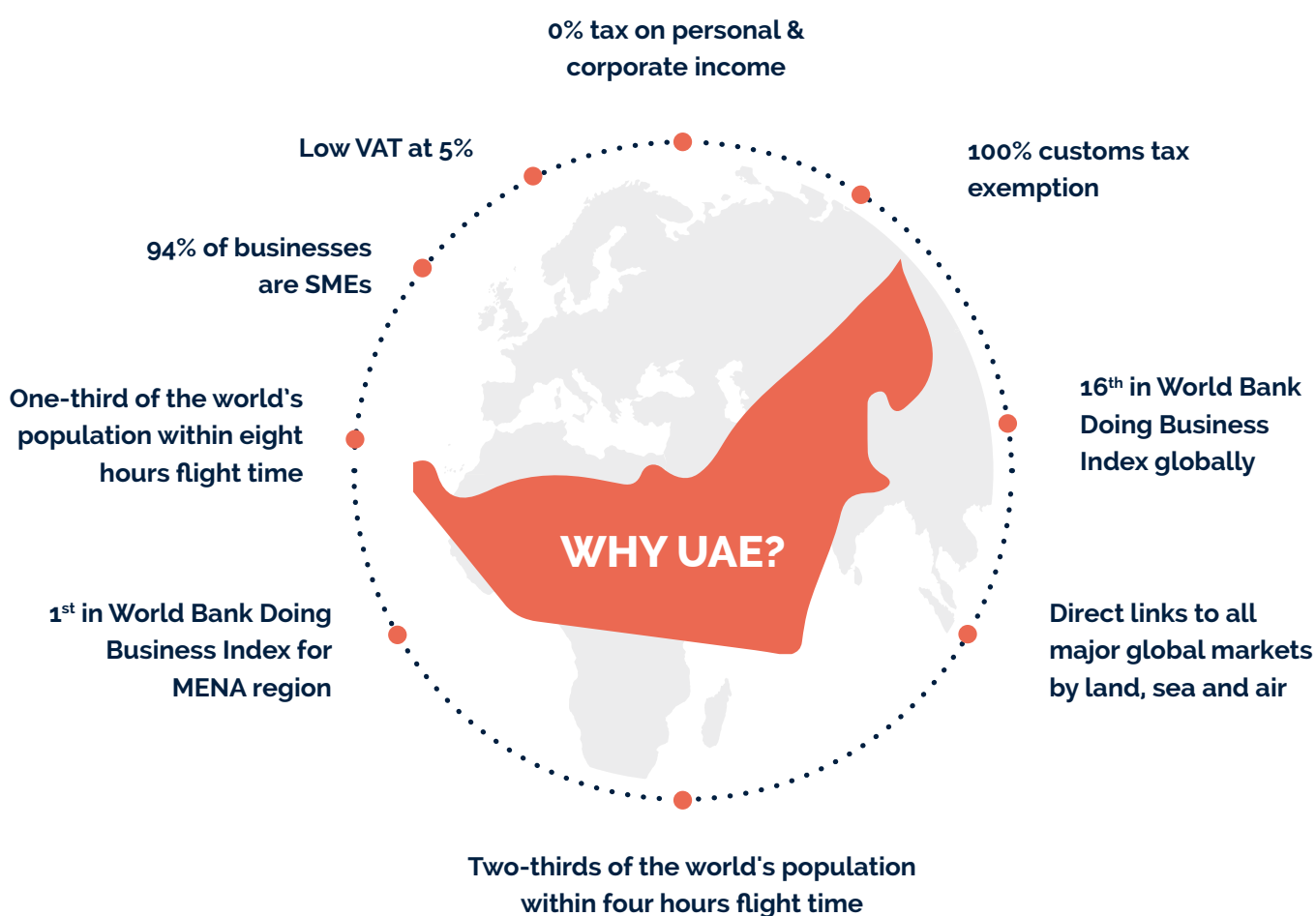
The Middle East and North Africa region (MENA) is one of the strongest and most diverse in the world – accounting for six of the top ten fastest-growing economies.

The region spans over 15sqkm and contains approximately 6% of the world's population, roughly the same as the European Union. The largest economy in the region is Saudi Arabia, followed by the UAE.

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

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

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





## F. Incentives for foreign investors

The UAE is home to such a large expatriate population for good reason. Thanks to streamlined company incorporation, a comprehensive support system, and time-tested licensing, visa, and relocation processes, starting up in the UAE is rarely any more difficult than forming a business in your country of origin.

Foreign investors can immediately benefit from the country's 0% tax rate of both personal and corporate income, as well as its flat 5% rate of VAT. Multiple visa options also make it simple to relocate, whether you are intending to stay for a few months, a few years, or much longer.

Then there are the nation's free zones, covered in more detail in section 2c. When setting up here, foreign investors can take advantage of 100% customs tax exemption, zero currency restrictions, and the freedom to repatriate all capital and profits.

This is all on top of the peace of mind of living and working in one of the most economically and politically stable and secure countries in the world.

### Table of incentives

- 0% tax on corporate and personal income
- 5% flat VAT
- 100% foreign ownership
- 100% customs tax exemption
- Zero currency restrictions
- Capital and profit repatriation
- Ranked Top 20 in 2021 Expat Insider Survey
- Simple visa and licensing processes

## G. The impact of Expo 2020

After a 12 month delay due to the pandemic, October 2021 saw the arrival of Expo 2020 in Dubai. It was the largest event of its kind to be held in the MENA region and had a significant impact on the UAE and its economy.

World expos are a platform to showcase the very best minds in business, technology, culture, science, and more. Over 200 exhibitors participated in Expo 2020 from 191 countries.

Thousands of jobs have been created across construction, tourism and hospitality as a result of the event. And with over 20 million visitors in Dubai over its six-month duration, Expo 2020's economic benefits are set to be long lasting.

Much of this economic benefit is focused in the following areas.

### Investment

The most quoted figure is USD 8bn when it comes to the amount that Dubai is investing in the Expo. But that amount may seem small compared to potential revenues from the event, which have been forecast as up to twice that original investment. In fact, it's worth noting that between the time the Expo was announced, back in 2013, and the year 2031, the event is projected to contribute USD 33bn to the overall economy.

## Real Estate

Expo 2020 gave a considerable boost to government-led projects in Dubai – with improved infrastructure, smart cities, and the District 2020 Expo site itself, which is now set to be transformed with the Expo complete. There are also plans in place to ensure that, long after the Expo, the property market will grow, and market fluctuations can be avoided despite the millions of visitors leaving the emirate.

## Tourism

Expo 2020 was estimated to attract 25 million visitors. By the time the event started, up to 100,000 new hotel rooms were created in several new luxury hotels. The Department of Tourism and Commerce Marketing (DTCM) will be putting on a number of attractions to further boost tourism in the aftermath. In short, all eyes will remain on Dubai.

## H. Overcoming challenges for Start-ups and SMEs

New businesses starting out in the UAE face a series of common obstacles. But with the right guidance and advice, these can be easily overcome.

**Difficulty obtaining clear information:** There are many ways to start a business in the UAE – and many industries in which to trade. As a result, it can be challenging to find clear information that relates to your specific requirements.

By working with a company formation expert, you can ensure that any information you receive is accurate and up to date.

**Managing increased regulation:** As the UAE continues to grow as one of the world's most prestigious business hubs, so too does the level of regulation governing those that work within it.

Vital legislation concerning money laundering, economic substance and tax is often changing. Keeping pace with these changes can reduce complications and help you make better-informed business decisions.

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

**Growing after startup:** Many founders have a great idea but struggle to communicate it with their target audience over the long term. Early market research and a robust go-to-market strategy can help protect fledgling businesses from stalling after launch.

**Thinking too local:** There's no doubt that Dubai is a great place to do business. The local economy is strong and diverse, but it's just one of the benefits of setting up out here. The UAE is also the perfect place from which to trade with vast markets throughout the Middle East, Africa, Asia and beyond.

# Setting up in the UAE



## A. Ten things to consider before starting your UAE business

### 1. Commit

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

### 2. Communicate your USP

You may have a 100% unique business idea. But, in truth, it's unlikely. Instead, you are likely to have a great concept with certain unique features – your USPs. You must know precisely what these are and how you will communicate them to your audience in the clearest way possible. Whatever market you're entering, you need to stand out, and clear USPs are vital in helping you do that.

### 3. Set your goals

Clear and achievable goals are one of the best ways to drive the growth of a new business. On top of your overarching aim to succeed, set smaller targets like X sales within six months or X new clients within 12 months.

### 4. Know your market

As many entrepreneurs can testify, a great business idea is not enough on its own. You need to be sure that its intended audience wants it enough to pay you for it. You can usually ascertain this relatively quickly by conducting market research among your target audience and researching the success of your competitors.

### 5. Choose a startup environment

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

## 6. Ask for help

From the smallest startup to the largest multinational, no business is an island. Every enterprise needs a little help along the way. This could be support with specific functions like finance or sales or the assistance of a business partner or mentor. The key is to identify your weakest areas and plug skill gaps accordingly.

## 7. Explore funding options

Even if you have the funds to get started, cash can quickly run out. Before launching your venture, research suitable funding options such as VC, loans, grants, and sponsorship. If you've already done the groundwork, you can make faster decisions when the time to secure funding arises.

## 8. Plan beyond stage one

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

## 9. Build the right team

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

## 10. Don't make excuses

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

# B. Mainland vs. free zone vs offshore – plenty of options

There are two common options available when setting up in the UAE. These are mainland and free zone setups.

Mainland companies are incorporated onshore and licensed by the Department of Economic Development (DED) or equivalent local municipality depending on the emirate you set up in. You are free to incorporate a mainland company anywhere in the UAE and can trade directly with the local market.

Free zone companies are incorporated within special economic zones. These are self-regulated by the managing authority so there is no requirement to register with the DED or equivalent. Free zone entities can only trade with the local UAE market with the assistance of a local service agent.

Free zones can be found across the UAE, with many catering to specific industries. For example, Dubai Healthcare City is tailored to the healthcare industry, and Dubai Media City to the media industry.

## C. Understanding the differences between free zone and mainland

There are several differences between free zone and mainland companies. Most notably, free zone companies benefit from tax exemptions not available to mainland setups. Mainland companies, meanwhile, can take on government contracts while free zone companies cannot.

Other key differences include:



### Mainland Companies

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

### Free Zone Entities

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



## D. UAE free zones

The UAE is home to many free zones, each offering the following benefits:

- 100% foreign ownership in all cases
- 100% customs tax exemption
- Zero currency restrictions
- Capital and profit repatriation

Many free zones also offer license packages inclusive of visa costs, as well as access to coworking space, office space, warehousing, and more.

Popular UAE free zones include:

### Abu Dhabi

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

### Ajman

Ajman Free Zone  
Ajman Media City Free Zone

### Dubai

Dubai Academic City  
Dubai Airport Free Zone  
Dubai Biotechnology & Research Park (DUBIOTECH)  
Dubai Car and Automotive City Free Zone (DUCAMZ)  
Dubai Design District  
Dubai Gold and Diamond Park  
Dubai Healthcare City  
Dubai Industrial City (DIC)

Dubai International Academic City  
Dubai International Financial Centre  
Dubai Internet City (DIC)  
Dubai Knowledge Village  
Dubai Logistics City  
Dubai Media City  
Dubai Multi Commodities Centre / Jumeirah Lakes Towers Free Zone  
Dubai Outsource City  
Dubai Silicon Oasis  
Dubai Studio City  
Dubai Techno Park  
International Free Zone Authority (IFZA)  
International Media Production Zone  
Jebel Ali Free Zone  
Dubai South  
Dubai Science Park

### Fujairah

Fujairah Free Zone  
Fujairah Creative City

### Ras Al Khaimah

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

### Sharjah

Hamriyah Free Zone  
Sharjah Airport International Free Zone  
Sharjah Publishing City Free Zone  
Sharjah Media City Free Zone (SHAMS)  
Umm Al Quwain  
Umm Al Quwain Free Trade Zone (UAQFTZ)

## E. Legal structures

Mainland and free zone setups are the most popular choices in the UAE. However, they are not the only legal entities available. Other company structures include:

### Sole Proprietorship

This is a mainland setup owned 100% by a single shareholder. In most cases, a sole proprietorship can be 100% foreign owned.

### Limited Liability Company (LLC)

LLCs must be incorporated and owned by more than one shareholder. Up to 50 shareholders are permitted. Like mainland setups, LLCs are free to trade with the local market without the need for a service agent.

### Free Zone Company

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

### Freelancer

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

### Branch Company

A branch company operates as an extension of an existing business. While they are free to trade independently and earn a profit, they remain wholly owned by the parent company and are not a separate legal entity.

The company setup that's right for you will depend on the size, nature, and location of your business.

## F. Timelines, steps and documents required

Providing you seek the help and guidance of an experienced company formation specialist, starting a business in the UAE is very straightforward. You can obtain your trade license in just three steps.

### Step 1: Choose between a free zone or mainland setup

One of the most important considerations when establishing your UAE business is whether to set up in a free zone or in the mainland.

There are many advantages to both. Free zones offer benefits such as a quick and easy incorporation process, ongoing business support and financial incentives such as tax exemptions and zero currency restrictions.

### Step 2: Your company name

Choosing a company name is a hugely important step in establishing a UAE business. There are a few things to keep in mind when making this decision. You must abide by a strict, yet easy to follow, set of naming conventions.

In short, you should avoid any offensive or blasphemous language. Avoid names of well-known organisations and avoid abbreviations if naming your company after yourself – i.e., Dave Mann Consulting, rather than D Mann Consulting. You must also check that your chosen name is available to register.

### Step 3: Your license application

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

## Documents required to obtain a UAE trade license

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

- Attested copy of shareholder and director passports
- Proof of address
- Minimum of three months' bank statements
- Education/qualification certificates (if applicable)
- Certificate of share capital deposit (if required)
- Signed lease agreement or coworking contract (if starting a mainland company)

To work in the UAE, you will also need to apply for a visa and open a corporate bank account. Please see the relevant sections in this guide for more information.

### UAE Business Incorporation Timeline



## G. Banking services

Before you can start trading in the UAE, you will need to open a corporate bank account. This is not always a straightforward process for international business owners due to somewhat strict due diligence regulations. There are 46 licensed banks to choose from when opening your account. These include the big four local banks – Emirates NBD, National Bank of Abu Dhabi, First Gulf Bank and Abu Dhabi Commercial Bank – along with international banks such as HSBC, BNP Paribas and Barclays.

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

- You must have a UAE business license to open a corporate bank account.
- Some banks require shareholders to have a residency visa.
- Most accounts require a minimum balance of anywhere between AED 10,000 and AED 150,000.

If your application is successful, your account is usually opened within two to four weeks.

## Required documents to open a corporate bank account in the UAE

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

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

- A complete account application form
- A signed directors resolution sanctioning the opening of the account
- A copy of your passport and Emirates ID
- Proof of a residency visa (not required by all banks)
- Proof of residence address, from home country if not a resident of the UAE.
- Certified company documents – including share certificates, certificate of incorporation and articles of association.
- A business plan and company profile.
- Bank statements for the past 3-6 month.



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

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

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

## H. Coworking and office space

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

### Coworking

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

Popular coworking services include:

- **myOffice:** With offices in Downtown Dubai and Dubai Marina, myOffice provides state of the art serviced offices and a co-working environment with individual workspaces of various sizes, available on monthly and yearly rental contracts.
- **Nasab:** Located on KOA Canvas in Dubai, Nasab offers work, wellness, and social spaces to entrepreneurs, freelancers, and small businesses. Shared facilities include meeting rooms, printers, scanners, and complimentary tea and coffee.
- **Letswork:** Letswork is an app that connects entrepreneurs and business owners with coworking facilities throughout the UAE. Members get access to desk space, business facilities, wifi, and free parking at various locations across Abu Dhabi, Ajman, Dubai, and Sharjah.
- **Fujairah Creative City:** Based in the emirate of Fujairah, Fujairah Creative City offers a modern and fully serviced business centre and coworking space. It is tailored to the creative industries, welcoming entrepreneurs from Advertising, Events, Marketing, Media, Training, and more.







### Office space

There is plenty of office space available to rent in the UAE mainland and in free zones. There are two common types of setup:

- **Serviced offices:** Usually located in shared facilities, serviced offices offer businesses access to a private office, inclusive of fixtures, fittings, utilities and other business facilities.
- **Shell and core offices:** In this instance, offices are leased as an empty shell. All decoration, interior fittings and design, utilities installation etc. are organised by the leaseholder.

There are many other types of spaces that can be leased on the same terms, including showrooms, studios, factories, and warehouses. In most cases, leases start from 12 months, however, three- to five-year terms are more common.

# Running and operating your business in the UAE



## A. Labour law and employment

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

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

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

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

### Types of employment contract

There are two common types of employment contract in the UAE. Limited contracts, which are only enforceable for a fixed period, and unlimited contracts which are open ended.

Both types of contract must contain the following information as a minimum:

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

Under UAE labour law, employment contracts give employees minimum standards and protections, including:

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

### Standard working hours

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

- Hours must not exceed eight hours per day or 48 hours per week.
- Working hours are reduced by two hours per day during Ramadan.
- Overtime cannot exceed two hours per day, unless in special circumstances.

## B. Employment benefits

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

### Vacation benefits

Employees must be granted two days leave per month after six months' service and 30 days per annum after one year of service.

### Notice periods

Limited employment contracts are automatically terminated on the date of completion unless renewed. Unlimited contracts may only be terminated with an agreed notice period, and only for a legitimate reason.

The minimum notice period is 30 days. However, a longer period can be agreed in advance. The maximum notice period is three months.

### End of service payments

On the completion of their contract, UAE employees are entitled to end of service gratuity (ESG) payments. Payments are calculated based on salary and duration of employment. For example:

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

ESGs are capped at two years' salary.

### Health insurance

As covered in section 4e, health insurance is mandatory in the UAE. It is the responsibility of the employer to provide adequate insurance for all employees. This must include cover for urgent and non-urgent care, as well as tests, treatments, and examinations.

## C. Medical and visas and Emirates ID

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

### 1. Apply for an entry permit

The first step is to apply for a UAE entry permit. This is issued by the Ministry of Labour (MoL) and allows you to legally enter the UAE for two months and remain in the country for up to 30 days. This period can be extended twice during the visa process.

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

### 2. Status change

The next step is to activate your entry permit. This process is known as a status change. There are several ways to do this.

The easiest method is to submit your passport to the UAE immigration authorities. They will stamp and activate your visa and usually return it within a week. This is known as an in-country status change.

If you will be outside the UAE when your visa is issued or intend to leave the country shortly afterwards, you can also perform an out of country status change. In this instance, you would present your permit to immigration on arrival in the UAE. They will then stamp and activate the visa.



### 3. Medical fitness test and Emirates ID

Next, you are required to undergo a medical fitness test. This involves a blood test to check for infectious diseases, a fitness exam, and a chest x-ray.

Having passed your medical test, you can apply for your Emirates ID card. This is a form of identification that allows you to access numerous services in the UAE including banking, utilities, and tenancies. As part of this process, you will need to visit an Emirates Identification Authority office for biometric scanning.

#### 4. Visa stamping

To receive your visa stamp, you will need to submit your passport to Immigration. Your visa is then affixed inside and stamped. This final part of the process usually takes around a week but can take up to 15 days.

#### Visas for dependants

Once you hold a residency visa, you can sponsor your dependants for their visas too. Dependants could include your children, your spouse, your parents, or any domestic staff such as a nanny or a driver.

For a dependant visa to be issued, the sponsor must be a current UAE resident and meet the minimum salary criteria.

As a male UAE resident, you can sponsor your wife and children providing you meet the minimum salary threshold of AED 4,000 or AED 3,000 plus accommodation.

As a female resident, you can sponsor your husband and children providing you work in certain professions – including nursing, engineering and teaching – and meet the minimum salary threshold as set out by each emirate.

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

### D. Human resources and recruitment

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

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

When making a new hire, you must also be sure not to discriminate against any candidates based on:

- Disability
- Marital status
- Nationality
- Race
- Religion
- Sex



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

Finally, all new starters must be afforded a probation period, lasting no more than six months. Should an employee underperform during this period, employment can be terminated at one day's notice.



## E. Business development

The UAE is home to many business incubators, accelerators, and startup hubs, aimed at supporting business development.

These include government funded schemes, such as:

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

As well as private initiatives:

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

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

## Compliance and regulation



### A. Tax

The UAE is home to one of the most attractive tax environments in the world. The tax rate on both personal and corporate income remains at 0%. The only other notable taxes are customs tax and VAT.

#### Customs tax

Customs tax is levied at 5% on goods valued at over AED 1,000 – with the exception of tobacco and alcohol products which are subject to 50% and 100% customs duty respectively.

#### VAT

Value Added Tax (VAT) was rolled out in the UAE on 1 January 2018 at a flat rate of 5%.

You must register for VAT in the UAE if your taxable supplies and imports exceed AED 375,000.

You can also register to pay VAT voluntarily if your taxable supplies and imports exceed AED 187,500.

VAT is collected by a business from its customers and paid to the government. Any VAT paid by a VAT-registered business to its suppliers can be reclaimed from the government.

### B. Economic Substance Regulation (ESR)

Introduced in August 2020, Economic Substance Regulation (ESR) requires onshore companies to "maintain and demonstrate an adequate economic presence" in the UAE.

To ensure this is the case, UAE onshore companies carrying out relevant activities must meet the requirements of an Economic Substance Test. This can be achieved in a number of ways:

- Licensee and relevant activity are directed and managed in the UAE
- Relevant Core Income Generating Activities (CIGAs) are conducted in the UAE
- Licensee has adequate people, premises and expenditure in the UAE

### Complying with ESR

To comply with ESR, organisations undertaking relevant activities must file a Notification and an Economic Substance Report. This must be filed within 12 months from the licensee's financial year-end.

Any business carrying out relevant activities must file regardless of whether these activities generated revenue in the UAE.

Notifications and Economic Substance Reports must be filed via the Ministry of Finance online portal. Failure to file accurately and on time will result in a penalty of AED 20,000.

## C. Ultimate Beneficial Ownership (UBO)

Aimed at further increasing financial transparency in the UAE, Ultimate Beneficial Ownership (UBO) is a Cabinet Resolution outlining the requirement for UAE businesses to disclose details of its beneficial owners. Beneficial owners include all significant shareholders and nominee directors.

Unless exempt, UAE businesses must prepare a register of beneficial owners and file it with the relevant authority.

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

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

Failure to make submissions to the DED could lead to issues with licensing and service interruption. DED-registered companies cannot register trade names, make changes to capital or shareholding, or carry out any other corporate action unless they have completed their mandatory submissions.

### What constitutes a UBO?

UBOs are individuals who own, have control, or have voting rights with at least a 25% shareholding in the company. It also includes anyone with the right to dismiss the majority of directors and managers. If such a person does not exist, the UBO is any person who exercises significant control over the company. These include:

#### Nominee directors and managers

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

#### Partners and shareholders

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

## D. Anti-money laundering

In an effort to increase transparency and comply with regulations in other international jurisdictions, the UAE maintains a robust anti-money laundering system.

Underpinning this system are two laws: No 2/2002 Anti-Money Laundering (AML) and No.1/2004 Counterterrorist Financing (CTF).

These regulations require banks and other financial institutions to adhere to strict Know Your Customer (KYC) guidelines. This means they must verify all customer identification and maintain detailed transaction records for any amount over \$545 for account holders, and \$10,900 for non-account holders.

Customer records must be accurate and help for a minimum of five years.

## E. Insurance

There are several forms of insurance on offer to companies and entrepreneurs conducting business in the UAE. Some are mandatory while others are optional. The policies that you will require depend on the nature of your business, the emirate in which you trade, and the number of people you employ.

Common policies include:

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

### Group health insurance

Personal health insurance is mandatory for all UAE expatriates. But as a business owner, it is also your responsibility to organise health insurance for your employees.

Basic health insurance must include cover for non-urgent medical tests and treatment, outpatient treatment and examination, preventative medicines and immunisation, medicine costs, and emergency care.

### Group life insurance

A group policy will cover all employees under a single master policy. It pays compensation in the event of the death of an employee, and compensation can be extended to include critical illness and disability.

### Workmen's compensation cover

Workmen's compensation insurance covers medical costs and a proportion of loss of earnings in line with UAE federal and labour laws. Cover is usually included for:

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

### Public liability insurance

This is a must if your company undertakes:

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

Typically, public liability insurance covers accidental death or bodily injury of third parties due to negligence. Also, loss or damage to third party property due to negligence, plus legal costs and expenses.



## Scaling and growing your business



### A. The role of incubators and accelerators

The UAE is built for business with numerous initiatives and programmes on offer to the country's entrepreneurs. Two of the most common are incubators and accelerators.

While both share many characteristics, there are a few subtle differences. The most notable being that incubators do not tend to have a fixed end date, whereas accelerators usually run for a set duration.

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

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

Accelerator programmes are often overseen by free zones or private groups with funding sourced from investors. Many incubators are government-run, including:

#### Area 2071

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

### Astrolabs

Since 2013, the Astrolabs Academy has upskilled thousands of alumni and partnered with the largest organisations in the region. From broad-scale enterprise training to managed incubators and accelerators, Astrolabs designs and deploys custom programs for corporates, universities, and government entities.

### Dubai Future Foundation

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



### Hub71

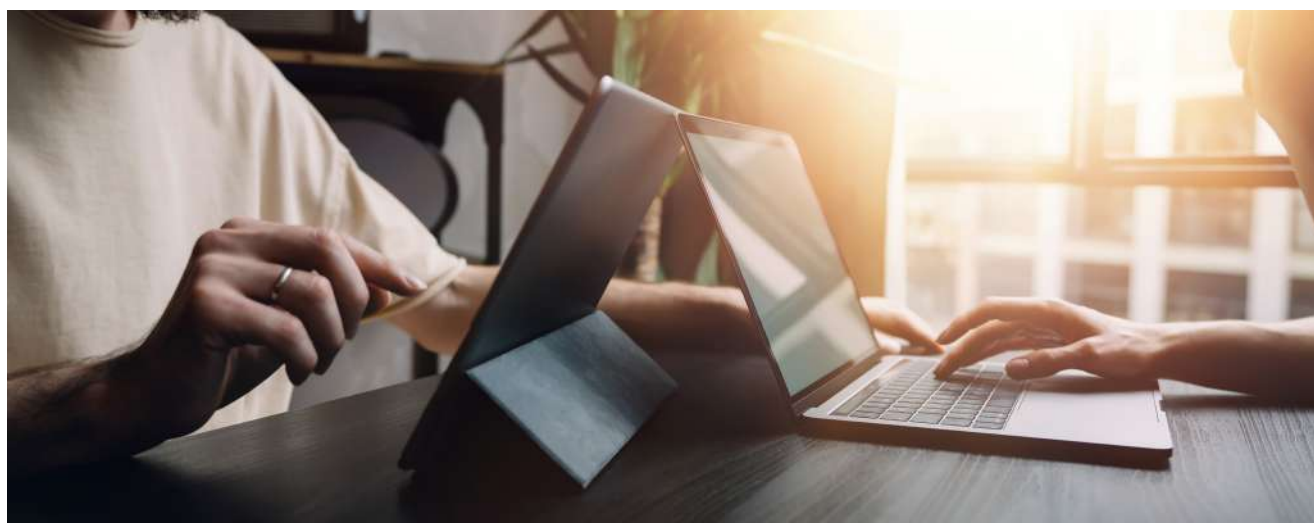
The Abu Dhabi government established Hub71 to help technology startups attract top venture capital funds and investors. Hub71 collaborates with major business stakeholders such as Abu Dhabi Global Market (ADGM), Mubadala Investment Company and other key business players to foster the next generation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

### Fazaa Center for Business Incubators and Accelerators

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

Eligibility criteria can vary between incubators and accelerators. In most cases, businesses must be based in the UAE and in the early startup or seed phase.

## Benefits of joining a startup incubator or accelerator



### A strong support system

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

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

### Identifying skill gaps

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

When you join an accelerator or incubator programme, you get an expert set of eyes on your business. These experts can highlight skill gaps before they cause an issue, allowing entrepreneurs to hone their skills and procure additional expertise as needed.

### Become more attractive to potential investors

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

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

## Government support

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

### Khalifa Fund for Enterprise Development

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

### Dubai SME

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

### Intelaq programme

Intelaq supports Emiratis residing in Dubai through all the phases of setting up a business. Support is in the form of licensing, training courses as well as financial, legal, marketing, technical support and consultancy.

## B. VC funds in the UAE

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

The MENA region saw a record USD 1bn+ worth of venture capital investments in 2020. Over half of that amount (56%) was secured by UAE startups.

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

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



### Common mistakes to avoid when raising funds

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

#### Going to ground

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

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

#### Being too early

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

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

#### ...or too late

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

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



## C. Networking

Networking, particularly face to face, is a vital part of doing business in the UAE. Most entrepreneurs in this part of the world do not miss an opportunity to make a new contact – whether in the coffee shop, the mall, or the airport.

On top of this, numerous organised networking events take place every day. These events can be formal such as open days and workshops, or informal such as food tastings and cocktail nights.

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



### How to become a networking natural

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

#### Start small and increase with confidence

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

#### Practice, practice, practice

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

#### Try social media before events

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

## Supporting services for SMEs and startups



The UAE's supportive business network stretches far beyond company formation. Many business setup agents also offer a wide range of services to help entrepreneurs manage their organisations through startup and across every phase of growth.

This includes:

### A. Legal advice

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

Working with a UAE company formation specialist can help you overcome these challenges and more. Many not only offer legal advice but will also manage these processes on your behalf, liaising with relevant government authorities, and drawing up, translating, and attesting documentation as required.

Common legal support services on offer in the UAE include:

- Business incorporation
- Shareholder agreements
- Dispute management and avoidance
- Recruitment
- Tax and employment advice
- Preparation, review, and negotiation of contracts

## B. Logistics

The UAE is a hub of international trade. Home to some of the world's busiest sea- and airports and with direct road links throughout the Middle East and beyond, there are few more logistically advanced countries in the world.

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

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

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

- Supply chain solutions
- Project logistics
- Freight forwarding
- Cargo services
- Transportation
- Customs documentation

## C. Insurance

Taking out business insurance makes sense in the UAE, not just for your company but for your employees as well. With the right kind of cover, you're protected against loss should anything unexpected happen – and you remain in compliance with the law.

But with a myriad of insurance policies to choose from in the Emirates, it's easy to make the wrong choice. To save you time and money, many free zones and company formation agents partner with reputable insurers to help UAE businesses secure the right level of cover at the right price.

As covered in section 4e, common insurance policies for UAE businesses include:

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

## D. Tax and accounting

Annual audits are mandatory for most businesses on the UAE mainland and in many free zones. There are also other occasions when you may wish to undertake an audit, outside of a mandatory requirement. These include preparing for the sale of your business, submitting financial information to a government body, applying for bank credit, presenting financial figures to a potential investor.

The objective of an audit is to independently verify the information published in the various financial statements of a business. An auditor will verify:

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

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

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

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

## E. Concierge services

Due in large part to its fast-paced business environment, any way to reduce the burden on entrepreneurs is warmly welcomed in the UAE. Concierge services do just that, taking care of a wide range of administrative tasks, and allowing business owners to concentrate fully on the job in hand.

Services range from the basic such as running business errands and picking up dry cleaning to the more complex, such as organising corporate transport and travel logistics. Many concierge services can also assist with tasks associated with relocation to the UAE, such as help finding accommodation, personal admin and advice on settling into a new country.

## F. Payment gateway

Payment gateways act as a third-party mediator between you and your customers. They remove the need for you to implement the technology required to facilitate transactions and give your customers peace of mind that your company can be trusted with their financial details.

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

There are many payment gateways on offer in the UAE. These include:

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

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

Finally, they offer a level of security that most companies and independent merchants simply cannot match. And when it comes to spending money online, security is everything to the modern consumer.

## G. Media and marketing

In the competitive world of business, your offer is often only as good as your promotion. And many busy entrepreneurs do not have the time nor focus to give the marketing function the attention it deserves. It is for this reason that many free zones and company setup agents offering marketing support as part of their value-added business services.

Marketing support can take many forms, from branding and design to strategy, content creation, and social media management.

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



## H. Sales and business development

Most fledgling businesses do not yet have the means to employ dedicated sales and business development staff. To support these businesses on their growth journey, the UAE is home to many organisations offering outsourced sales support.

This often goes beyond call centre staff and email marketers. Many companies offer assistance with customer analytics, go-to-market strategies, lead generation and nurturing, market research, and support drafting RFPs.

Outsourcing your sales function in this way allows you to save on staffing costs, get instant access to expert skill sets, and scale your support as needed.

## I. HR solutions

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

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

Services provided by HR solutions companies in the UAE include:

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



## J. Technology and support

Businesses require all manner of technology support during start up and beyond. This could be simple advice on the right tech setup for your needs or a complex implementation of equipment, devices, telephony systems and much more.

The right tech setup up for you will depend on the location, size, and activities of your business. Many organisations outsource IT support, others require dedicated in-house resources, while others just need help with installation and deployment.

Whether you need assistance building an ecommerce platform, equipping a entire shell and core office from scratch or just advice on the right solution to keep your data and networks secure, you'll find the support you need in the UAE.

Common technology support services include:

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

## Relocation and family



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

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

### A. Schools and universities

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

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

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

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

## B. Real estate property

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

### Ownership

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

### Musataha

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

### Usufruct

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

### Long-term lease

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



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

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

## C. Healthcare services

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

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

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

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



## D. Driving license

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

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

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

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

### **Converting your existing driving license**

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

### **Obtaining a new driving license**

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

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

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

Fees for lessons and tests are usually in the region of AED 5,500.



## Appendix

### Legal

[Kayrouz & Associates](#)  
[Clyde & Co](#)  
[James Berry Law](#)  
[BR Law Firm](#)

### Financial

[Dubai Islamic bank](#)  
[RAKBANK](#)  
[Mashreq](#)  
[Emirates NBD](#)  
[ADCB](#)  
[First Bank Abu Dhabi](#)  
[HSBC](#)  
[CitiBank](#)

### Government Entities

[Sharjah Media City \(SHAMS\)](#)  
[Sharjah Publishing City \(SPC\)](#)  
[Meydan Free Zone](#)  
[Creative City Fujairah](#)  
[RAK ICC](#)  
[Dubai Economic Department \(DED\)](#)

### Insurance

[Insurancemarket.ae](#)  
[AXA](#)

### Driving School

[Emirates Driving Institute](#)  
[Belhasa Driving Center](#)  
[Drive Dubai](#)

### Healthcare

[Dubai Healthcare City](#)  
[Medcare](#)  
[Health Bay Clinic](#)

### Schools and University

<a href="#">American University of Dubai</a>	<a href="#">Dubai College</a>
<a href="#">American University of Sharjah</a>	<a href="#">JESS Ranches</a>
<a href="#">Middlesex University Dubai</a>	<a href="#">English College</a>
<a href="#">Kings Al Barsha</a>	<a href="#">Murdoch University</a>
<a href="#">Jebel Ali Primary School</a>	<a href="#">University of Wollongong</a>
<a href="#">American School of Dubai</a>	<a href="#">American University in Dubai</a>
<a href="#">Jumeriah Baccalaureate School</a>	<a href="#">Jumeirah Primary School</a>

# UAE **BUSINESS SETUP** GUIDE

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