

DE MICCO & FRIENDS

UNITED ARAB EMIRATES

COMPANY FORMATION IN THE UAE

- Company/Business Setup
- Business Development
- Accounting, Audit
- Tax & Legal
- Business Consulting



DE MICCO & FRIENDS

UNITED ARAB EMIRATES

"WE CONNECT AND MANAGE
WORLDWIDE BUSINESSES,
IDEAS AND PEOPLE TO AND
FROM THE UAE"

... make ideas happen!



COMPANY FORMATION, BUSINESS SETUP IN UAE

DE MICCO & FRIENDS UNITED ARABIC EMIRATES

De Micco & Friends Lawyers & Auditors are meanwhile represented with their lawyers, tax consultants, finance and real estate experts in all major cities in the UAE. The UAE Group's headquarters are in Dubai and Abu Dhabi. As a client of De Micco & Friends, you will receive local and international legal and tax advice from a network of 500 lawyers and tax consultants providing the best quality at very good conditions.

Doing business in the UAE

The UAE are well known for its business friendly infrastructure and facilities. These include interlinked roads, telecommunication services, and support from the Government through economic initiatives. To promote industrial business activities in the UAE, the government has implemented a number of incentives.

Discover the advantages of using a single provider for all your business needs in UAE. We're aware that many of our clients face language and cultural issues when setting up their business in UAE. That's why De Micco & Friends is built around filling all your needs in your language. Once you have determined the best way to establish your business, be it a resident company a branch, or a non-resident company, we provide all the follow-up services you might need such as

- Accounting
- Payroll
- International Tax advice
- Immigration, Golden Visa
- VAT registration
- Immigration
- Virtual office
- Legal Advice
- Real Estate Transactions

Services after the foundation of your company

De Micco & Friends provide all the services you need AFTER your UAE company is formed. By having corporate/tax lawyers, auditors, accountants, consultants and payroll specialists in the same office, your business needs are covered, and information passes between them without requiring your intervention.

More than a legal setup

At De Micco & Friends business consulting firm, we not only care for the legal company setup but we also provide entrepreneurs with the **strategic guidance they need to build a successful business in the region.**

Our international and local consultants work closely with clients and our auditors to review their plans, discuss their goals and evaluate their potential liability. Then, we offer practical legal advice and a full solution tailored to your unique needs.

In Dubai, Abu Dhabi and all UAE you will get a full company set up for a flat fee.

DUBAI

Dubai has gained the reputation of a leading trading hub in UAE, owing to premier business locations and an environment that is not unduly restrictive. It offers International businessmen most liberal operating conditions, tax exemptions, asset protection, complete privacy, and limited liability, in setting up a business in Dubai. The tax haven also offers tremendous promise to overseas companies-

Dubai is one of the seven Emirates, which form the United Arab Emirates (UAE). The Government is fully committed to maintaining a stable, proactive and pro business environment. It has created a liberal but soundly based regulatory framework and sponsors a large number of creative and growth promoting initiatives.

Dubai is the ideal starting point for business development in the Middle East, the Asian Subcontinent, East Africa, the eastern part of the Mediterranean, the previous Soviet Republics and Central Asia. Abu Dhabi, Sharjah, Ajman, Fujairah, Umm Al Quwain and Ras Al Khaimah are the other Emirates of the UAE.

COMPANY FORMATION IN UAE

Free Zone Companies

The UAE have established more than 35 Free Zones. Nearly 30 of them are in Dubai and offer excellent conditions for various businesses. All companies must have a physical presence in the Free Zone; i.e. the registration of a company automatically includes the rent of an office or a warehouse. Some Free Zones also offer a shared office space or a desk space on an hourly basis in the Free Zone's business centre. The Free Zones in the UAE are offering a spectacular variety of choice for all kinds of investments, businesses and even for freelance professionals.

The main advantages of Free Zones are the following:

- 100% foreign ownership
- No corporate taxation for at least 15 years
- No personal income tax
- Freedom to repatriate capital and profits
- Full exemption from import duties (outside the Free Zone it is 5%)
- No bureaucratic red tape
- No recruitment problems
- Modern efficient communication
- State of the art infrastructure
- Attractive working environment
- Most procedures are in English

Local Companies

Most Gulf countries do not allow foreign ownership of companies. The UAE law stipulates that nationals must own at least 51% of the company's share capital, while the remaining 49% may belong to foreigners. However, this rule is not applicable for companies that offer professional or service activities. Foreigners are allowed to own 100% of such companies but there must be a local Emirati who is hired as a Service Agent for administrative works. The UAE federal authorities have recently waived the minimum share capital requirements for establishing local companies in order to encourage new and small investors to enter the market. Therefore, there is no need for a share capital deposit proof from any local bank. This also cuts down the business start up costs and processing time.

COMPANY FORMATION IN UAE

Offshore Companies

In 2003, the Jebel Ali Free Zone Authority (JAFZA) introduced the concept of a company form where no physical presence is necessary. The Offshore Companies Regulations are in line with the latest international practices and are aimed to further the Free Zone's credentials as a centre for offshore companies, along the lines of the British Virgin Islands and Jersey. In 2006, **Ras Al Khaimah** has launched its own offshore legislation. De Micco & Friends has been approved as Registered Agent for Offshore Companies in Ras Al Khaimah Investment Authority and also offers JAFZA offshore companies.

Local UAE Companies outside the Free Zones

The most common form for foreigners, who want to setup a commercial company outside the free zones, is the LLC **which requires a Local Emirati Partner who holds 51% of the shares**. Professional activities (consulting, service activities) in Dubai are regulated by the Civil Law and require a professional license. Foreigners can fully own such a company; however, they need a Local Service Agent, who must be an Emirati from the same Emirate. In Abu Dhabi such activities can also be setup in a LLC. Furthermore, foreign companies have the possibility to set up a branch in the UAE.

The application process is similar; instead of a Local Partner, a Local Service Agent is required. The Local Service Agent will deal with the government officials and Ministries on behalf of the company regarding issues related to license renewal and Ministry of Labour issues (for instance issuing residency and working permits for the company's employees).

All local entities outside the free zones need either a Local Emirati Partner, who holds **51% of the company shares**, or a Local Service Agent, depending on the kind of activity of the company and the Emirate where the entity is incorporated. All entities must be registered with the Department of Economic Development (DED). It is common to arrange side agreements with a Local Partner / Local Service Agent that redefine the conditions between the parties and often favour the actual ownership and profit shares of the company. It can be quite difficult to choose a well suited Emirati who will act as a Local Partner/Local Service Agent. He / she should not have any pending issues with the DED concerning other companies as it might freeze all dealings with the DED.

Which company form to choose?

The UAE offers worldwide the broadest possibilities to incorporate companies:

Companies with a local partner (LLC), onshore companies in more than 30 free zones or UAE offshore companies. A thorough evaluation of the client's needs is required to make the right decision.

The answers to the following questions will help in finding the matching solution:

Will the company sell products to clients in the UAE? If yes, a LLC might be the preferred option.

Do you require a residency in the UAE? If yes, a free zone company or LLC offers the solution. Offshore companies do not provide work and residence permits.

Will the company be active in a sector where specialized free zones exist? E.g. Internet City, Media City, etc.

Will the company solely own real estate in Dubai or have a bank account in the UAE without needing a residence permit?
An offshore provides this offering.

De Micco & Friends advisors will support you to find the right place and form.



FAVORABLE BUSINESS & LIVE ENVIRONMENT

UAE is a developed economy that offers a favourable business environment, unmatched facilities, flexible government norms, and efficient quality services to all incoming businesses irrespective of their country of origin.

- World-class Infrastructure and well-developed Transportation System
- Advanced Telecommunication Systems
- High quality accommodation for Official or Residential Purpose
- Top International Venues for Conferences and Exhibitions
- Dependable Power Supplies and other Utilities
- Cultured Financial and Services Sector
- Cosmopolitan Lifestyle with top-notch hospitals, schools, hotels and shopping complexes

COMPANY FORMATION IN UAE

Free Zone Companies

Most of the Free Zones offer four possibilities to establish a presence:

A) LEGAL FORMS

1. Free Zone Establishment (FZE)

This is a legal entity. Owner is either one individual or one legal entity. (BVI companies are often used as a shareholder)

2. Free Zone Company (FZC)

This is a legal entity. It must have at least two shareholders (individuals or legal entities).

3. Branch of a UAE Company

4. Branch of a Foreign Company

B) LICENSES

1. Service License

All types of services are allowed unless otherwise restricted by the Federal or local authorities. This license is usually used for all activities, which are not covered by the other licenses.

2. Commercial License

Import, export, distribution, consolidation, storage or warehousing of items specified in the license.

3. Commercial General Trading

4. Industrial License

Import of raw materials, manufacturing, processing, assembling, packaging and exporting the finished product.

Our advisors will support you to select the best company form and license for your business.

COMPANY FORMATION IN UAE

Dubai Multi Commodities Centre (DMCC) Jumeirah Lake Towers (JLT)

The DMCC is located in the heart of the new Dubai in Jumeirah Lakes Towers (JLT) that is just across the famous Sheikh Zayed Road, opposite to Dubai Marina and Jumeirah Beach Residences (JBR) and a few minutes away from the luxurious villa's family residences of Emirates Hills, the Meadows and the Lakes.

The strategic location of the DMCC is less than 75 minutes to the heart of the UAE capital Abu Dhabi, around 60 minutes to Abu Dhabi airport and less than 40 minutes away from Dubai airport. JLT in terms of transportation is well covered as it has two metro stations with two walking bridges connecting it to Dubai Marina and consists of more than 80 high rise towers that makes it full of commercial and residential spaces that caters all the needs.

The minimum share capital for consulting licenses in the DMCC/JLT is AED 50,000 per share holder. All the entities in DMCC / JLT must maintain an office space. There are many options for office space that you might consider. There is also the possibility to start with a flexi desk setup.

The following documents are required for the initial stage of incorporation of a company:

1. Passport copy (Clear and colored scanned copy / Certified true copy if the application is out of the country and being represented by a POA holder)
2. Bank Reference letter (original, in English, a letter from a bank mentioning that the person has a bank account and that everything is in good order).
3. Utility Bill (as a proof of physical address, like an electricity or phone bill)
4. Applicants personal profile (short CV)
5. Business Plan "A short business plan with the highlights of the activities, main target clients, main funding source, and financial plan".

DUBAI FREE ZONES

- Dubai Multi Commodities Centre
- Dubai Airport Free Zone
- Jebel Ali Free Zone
- Dubai Internet City
- Dubai Media City
- Dubai Auto Zone
- Dubai Biotechnology & Research Park
- Dubai Flower Centre
- Dubai Gold and Diamond Park
- Dubai Healthcare City
- Dubai International Financial Centre
- Dubai Knowledge Village
- Dubai Logistics City
- Dubai Maritime City
- Dubai Outsource Zone
- Dubai Silicon Oasis
- Dubai Studio City
- International Media Production Zone
- Intl. Humanitarian City (DXB)
- Techno Park (DXB)
- Dubai Academic City
- Dubai Auto Parts City
- Dubai Building Materials Zone
- Dubai Carpet Free Zone
- Dubai Cars & Automotive Zone
- Dubai Design Centre
- Dubai Energy City
- Dubai Textile City
- Heavy Equipment & Trucks Zone

WORK PERMIT, RESIDENCE PERMIT

A Free Zone company provides the possibility to get work and residence permits. This usually takes 3-6 weeks. A medical test must be passed and finger prints are taken to carry out a police report.

The permit will be stamped in the passport and is valid for three years. Applicant has to be present in the UAE 2 times per year.

INCORPORATION PROCEDURES

1. Consulting, due diligence by D&F
2. Application for company name
3. Preparing, filling and submitting Application
4. Review by Free Zone
5. Free Zone issues letter to the bank to open an account for the new company
6. Opening of a bank account
7. Depositing share capital into the bank account
8. Bank issues a letter that the share capital is blocked
9. Free Zone issues a trade license
10. The Bank account will be unblocked

Time: 4-8 weeks.

COMPANY FORMATION IN UAE

Ajman Free Zone

Ajman, one of the seven Emirates of the United Arab Emirates, boast of the fastest growing free zone in the UAE. It allows to establish a free zone company within one day, and offers substantially lower prices than Dubai. However, the share capital with AED 185,000 (USD 50,000) is relatively high. Ajman is only 30 minutes away from Dubai airport, and offers attractive real estate possibilities which can be bought or rented for less than a half of the Dubai prices, e.g. offering studios at the rent of less than USD 7,000 per year.

Ras Al Khaimah Free Trade Zone Promotion Centres

Ras Al Khaimah (RAK) is a very dynamic Emirate which can be reached within 45 minutes from Dubai airport. RAK Free Trade Zone has introduced Promotion Centres in Dubai and Abu Dhabi. This makes it very easy to benefit from the lower prices which are offered by RAK FTZ. By taking advantage of this initiative, investors can also capitalize on all the exhibitions, conferences, events and seminars being held in other emirates.

RAK Free Trade Zone Boulevard Business Centre

RAK Free Trade Zone selected the Boulevard Plaza Building 2 in Sheikh Mohammed Bin Rashid Boulevard due to its location in a business centre of Dubai Downtown where business opportunities exist in abundance, giving investors an unrivalled advantage to promote their companies, hold their business meetings and meet with clients.

Abu Dhabi Mall

Abu Dhabi Mall, with its prestigious office suites and impressive location in the central business district of the city, was also chosen by RAK Free Trade Zone to be the location of their Promotion Centre in the capital of the UAE.

COMPANY FORMATION IN UAE

Offshore Companies in Jebel Ali and Ras Al Khaimah

In 2003, the **Jebel Ali Free Zone** Authority (JAFZA) issued regulations governing offshore companies. In 2006, Ras Al Khaimah followed and issued its own offshore legislation. Companies incorporated under these offshore legislations are not allowed to have any business activities within the UAE. However, they may have bank accounts in the UAE and they are also allowed to own property in certain restricted areas where foreigners are authorized to buy real estate. These offshore regulations are in line with the latest international practices and are aimed to further the free zones credentials as centres for offshore firms, along the lines of the British Virgin Islands and Jersey. These companies are extremely flexible international instruments that can serve many objectives like: trading operations, asset protection, tax planning, real estate holding etc.

The main differences between the Jebel Ali and Ras Al Khaimah International Business Companies are the fees and the requirements for directors, managers and secretaries. The **Ras Al Khaimah** requirements are usually lighter, where as Jebel Ali Offshore companies have many restrictions as displayed subsequent box below. If required and feasible, Swiss ILC can provide directors, manager and secretary. The company must hold at least one meeting every year and produce financial statements to be audited by an approved auditor and deposited with the Companies' registrar; however, the last requirement is not enforced for the time being. The offshore firm must maintain a registered office in the UAE through a registered agent. Swiss ILC is a licensed registered agent for RAK companies and offers JAFZA companies.

DUBAI FREE ZONES

The following activities will not be approved by the Jebel Ali Authorities for Offshore Companies:

- Insurance
- Banking
- Financial
- Professional Services
- Consulting
- Intellectual Property
- Media
- Security
- Publishing
- Advertising
- Movie Production
- Gambling
- Casino
- Game & Win
- Advisory
- Real Estate
- Military
- Education

Actually, these activities are not clearly defined. Each case should be checked beforehand with the Authorities.



COMPANY FORMATION IN UAE

Offshore Companies in Ras Al Khaimah

The UAE's free trade zones have proved to be a magnet for overseas investors thanks to the tax incentives and convenient regulatory frameworks they offer. And while Abu Dhabi and Dubai continue to share the spotlight as leading industrial hubs, the picturesque emirate of Ras Al Khaimah in the northern part of the country is making its own waves in free zone business. Ras Al Khaimah Free Trade Zone (RAK FTZ) has made remarkable strides and is increasingly being seen as a powerhouse.

It is now one of the premier investment platforms for emerging entrepreneurs and experienced investors. The free zone has attracted more than 8,600 companies in just over a decade and presents itself as a diverse community. Stakeholders are drawn from more than a hundred countries across the globe and engaged in some 50 industrial fields.

Advantages:

- Conducting business as an international entity
- 100% Foreign Ownership
- Dispute resolution for settlement of commercial disputes
- Open bank accounts locally and internationally
- Conducting business without corporate/personal taxes
- Protecting investments in other foreign countries
- Simpler transfer of assets and properties held in several countries
- Transfer of domiciliation or Continuation

RAK International Corporate Centre is a corporate registry formed by a consolidation of two IBC registries namely; RAK International Companies & RAK Offshore. RAKICC is a highly regulated and compliant jurisdiction offering state of the art products with detailed attention to the Channel Partners/ Registered Agents. The IBCs incorporated with the Jurisdiction are mostly used for wealth management and assets protection, holding shares in local companies and companies established internationally, holding assets, real properties, open bank accounts at local and international banks.

DUBAI FREE ZONES

The following activities will not be approved by the Jebel Ali Authorities for Offshore Companies:

- Insurance
- Banking
- Financial
- Professional Services
- Consulting
- Intellectual Property
- Media
- Security
- Publishing
- Advertising
- Movie Production
- Gambling
- Casino
- Game & Win
- Advisory
- Real Estate
- Military
- Education

Actually, these activities are not clearly defined. Each case should be checked beforehand with the Authorities.

COMPANY FORMATION, BUSINESS SETUP IN UAE

DE MICCO & FRIENDS - UNITED ARABIC EMIRATES

De Micco & Friends offers company setup, residency services as well as business development support in all UAE. Please contact us for an individual quote.

Location	Form	Incorporation fees*	Annual Govern-ment fees	*Annual Service Fee	Annual Audit fee	Annual Virt. Of- fice fee
Dubai	DMCC free zone	21,600 US\$	7,600 US\$	6,000 US\$	2,000 US\$	6,000 US\$
Ajman	Free trade zone	14,900 US\$	3,000 US\$	4,500 US\$	500 US\$	4,500 US\$
Ras Al Khaimah	Free trade Zone	17,900 US\$	6,700 US\$	4,500 US\$	2,500	3,500 US\$
Abu Dhabi	Free Zone	23,500	4,500 US\$	6,000 US\$	2,000 US\$	4,500 US\$
FUJAIRAH C. CITY	Free trade Zone	14,900 US\$	3,000 US\$	4,500 US\$	1,500 US\$	4,500 US\$
DUBAI LLC	Local company	25,000 US\$	7,000 US\$	8,000 US\$	2,500 US\$	6-12,000 US\$
Abu Dhabi LLC	Local company	30,000 US\$	7,000 US\$	12,000 US\$	2,500 US\$	6-12,000 US\$

* Incorporation fees include Government fees, legal, tax and license, incorporation costs for incorporation of the company, preparation and submission of Memorandum and Articles of Association and other ancillary services related to the establishment of the company including drafting the shareholders agreement "Memorandum of Understanding"

** Annual Service fee includes office address and director. The annual virtual office fee depends by the services

Disbursements such as fax, telephone, photocopies, courier, travel expenses, notary fees, governmental fees, apostille fees and similar charges are billed separately. Please take note that these costs do not include the office premises, which can be chosen anywhere in the Emirate which issues the license; however, not in free zones nor residential areas.

DE MICCO & FRIENDS

UNITED ARAB EMIRATES

WWW.LAWYERS-AUDITORS.COM

DE MICCO & FRIENDS UAE BRANCHES IN SPAIN

SWISS TOWER
DMCC
Jumeirah Lakes Towers
Dubai
United Arab Emirates

eMail: office@demicco.ch

Palma de Mallorca, A Coruña, Alicante,
Almería, Altea, Barcelona, Bilbao, Cádiz,
Gran Canaria, Ibiza, Madrid, Marbella,
Málaga, Murcia, Onda (Castellón), Oviedo,
Sevilla, Tenerife, Valencia, Valladolid,
Vizcaya (Getxo).

INTERNATIONAL BRANCHES & PARTNERS

ZURICH, FRANKFURT, PARIS, MILAN,
MONACO, BUKAREST, SOFIA, IZMIR, MALTA,
ANKARA, ISTANBUL, SOFIA, RABAT, CASA
BLANCA, TRIPOLI, CYPRUS (LIMASSOL),
MOSCOW, ST PETERSBURG, TEHRAN, PUNE
(INDIA), DAMASCUS, DUBAI, BAHRAIN, RIAD,
ABU DHABI, SINGAPORE, SIDNEY, NEW
YORK, LOS ANGELES, LAS VEGAS, SAN
FRANCISCO, DALAS, TOKYO, PANAMA,
BOGOTA, LIMA, CARACAS, SANTIAGO DE
CHILE, RIO DE JANEIRO, CUIDAD DE MEXICO,
BUENOS AIRES, COSTA RICA (SAN JOSE),
SANTO DOMINGO, CUBA (LA HABANA)...