Contents

Foreword ......................................................................................................................... iv
PKF in the UAE ............................................................................................................. 1
  Range of services ......................................................................................................... 1
  Locations in the UAE ................................................................................................... 2
  United Arab Emirates ................................................................................................. 3
Introduction ..................................................................................................................... 4
  Geography .................................................................................................................... 4
  History ......................................................................................................................... 4
  Climate ......................................................................................................................... 4
  Political system ............................................................................................................ 4
  Legal system ................................................................................................................ 5
  DIFC courts .................................................................................................................. 6
  Population and social patterns .................................................................................. 6
Economy .......................................................................................................................... 7
  World expo 2020 ....................................................................................................... 9
  Financial sector .......................................................................................................... 10
  The uae central bank .................................................................................................. 10
  The UAE Anti Money Laundering Law ....................................................................... 11
  The uae bankruptcy law ............................................................................................. 11
  Industry ....................................................................................................................... 12
  Oil and Gas ................................................................................................................ 13
  Construction .............................................................................................................. 14
  Real estate .................................................................................................................. 15
  Manufacturing .......................................................................................................... 16
  Information technology ............................................................................................. 16
  Tourism ....................................................................................................................... 17
  The UAE stock exchanges ....................................................................................... 18
  Investment climate ................................................................................................. 19
Trade policy ................................................................................................................... 21
  Imports and exports ................................................................................................. 21
  Customs duties .......................................................................................................... 22
  Special investment opportunities ............................................................................. 23
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure of business entities</td>
<td>24</td>
</tr>
<tr>
<td>Federal commercial company law</td>
<td>24</td>
</tr>
<tr>
<td>Civil code</td>
<td>25</td>
</tr>
<tr>
<td>Public and private joint stock companies</td>
<td>26</td>
</tr>
<tr>
<td>Limited liability companies</td>
<td>26</td>
</tr>
<tr>
<td>Joint liability company</td>
<td>26</td>
</tr>
<tr>
<td>Simple commandite company</td>
<td>27</td>
</tr>
<tr>
<td>Branch office of a foreign company</td>
<td>27</td>
</tr>
<tr>
<td>Representative offices of foreign companies</td>
<td>27</td>
</tr>
<tr>
<td>Sole proprietorship</td>
<td>27</td>
</tr>
<tr>
<td>Civil company (recognised professions)</td>
<td>28</td>
</tr>
<tr>
<td>Establishing a business</td>
<td>28</td>
</tr>
<tr>
<td>Annual requirements for businesses</td>
<td>28</td>
</tr>
<tr>
<td>Listing shares of the uae &amp; foreign public joint stock companies</td>
<td>29</td>
</tr>
<tr>
<td>Licensing</td>
<td>30</td>
</tr>
<tr>
<td>Types of licenses</td>
<td>30</td>
</tr>
<tr>
<td>Completion of Licensing Procedure for Practicing Business Activities</td>
<td>31</td>
</tr>
<tr>
<td>Free zones in the UAE</td>
<td>32</td>
</tr>
<tr>
<td>Free trade zone licenses</td>
<td>33</td>
</tr>
<tr>
<td>List of various free zones in the uae</td>
<td>33</td>
</tr>
<tr>
<td>Labour laws</td>
<td>35</td>
</tr>
<tr>
<td>Federal labour law</td>
<td>35</td>
</tr>
<tr>
<td>Working hours and holidays</td>
<td>35</td>
</tr>
<tr>
<td>Employee pension and social security benefits</td>
<td>36</td>
</tr>
<tr>
<td>Special requirements for foreign nationals</td>
<td>36</td>
</tr>
<tr>
<td>The uae labour protection for expats</td>
<td>37</td>
</tr>
<tr>
<td>Taxation</td>
<td>39</td>
</tr>
<tr>
<td>Taxation of businesses</td>
<td>39</td>
</tr>
<tr>
<td>Taxation of individuals</td>
<td>39</td>
</tr>
<tr>
<td>Withholding taxes</td>
<td>39</td>
</tr>
<tr>
<td>Municipal taxes</td>
<td>39</td>
</tr>
<tr>
<td>Value added tax (VAT)</td>
<td>40</td>
</tr>
<tr>
<td>Excise</td>
<td>41</td>
</tr>
<tr>
<td>Other taxes</td>
<td>41</td>
</tr>
<tr>
<td>Tax treaties</td>
<td>41</td>
</tr>
</tbody>
</table>
foreword

Former British Prime Minister – Winston Churchill once said - “To improve is to change; to be perfect is to change often.” The vibrantly growing and constantly evolving economic landscape of the United Arab Emirates (UAE) seems to have taken these words to heart, quite literally. The scope and magnitude of how much this country has grown in character has been breath-taking, even by global standards.

It is natural therefore that most businessmen with a keen eye on the new hub for ‘world’ economics and trade, are making a beeline for the UAE. Whether it is the lure of consistent profits or the zero-tax carrot or the enigmatic real estate sector, there is no doubt that conglomerates and businessmen from both developing and the developed world economies want a piece of the pie.

From being a tiny tear drop on the world map to being the most progressive centre in the world for commerce, trade and tourism, the UAE has come a long way. With the prestigious World Expo 2020 around the corner, all eyes will be on Dubai and its wave makers over the next few years. Dubai was named the Middle East and North African region’s safest city in the 2016 Mercer Quality of Living Index. Abu Dhabi ranked a shade below Dubai. Abu Dhabi has also been the first port of call for globally renowned international artistes and entertainers for the last decade or so. The UAE as a whole has benefited on the crest of popularity of Abu Dhabi and Dubai as two of the world’s most preferred destinations for tourism and relocation.

It is only fair that investors, both existing and potential should have more than just a bird’s eye view of what it takes to be a part of this vibrant desert landscape.

Nestled in the following pages is a brief overview of the economic and regulatory landscape of the UAE, along with nuggets of information on some of the pearls on the UAE like the towering Burj Khalifa, the grand Dubai World Central Airport or Abu Dhabi’s signature entertainment destination, Yas Island, jostling for space with useful information on what it is like to do business in the UAE.

We, at PKF in the UAE hope this booklet will help in providing readers with an insight on setting up businesses in the UAE.
PKF in the UAE

PKF is a member of PKF International Limited, a network of legally independent firms. PKF in the UAE provides audit and management assurance, business consulting, regulatory and taxation and corporate finance services. We provide an integrated service spanning multiple disciplines to a large number of local, regional and international clients.

With 40 years presence in the UAE we have offices at Dubai, Dubai International Financial Centre, Sharjah, Abu Dhabi, Jebel Ali Free Zone, Dubai Internet City and Hamriyah Free Zone. Through each of our offices, our clients have access to the expertise and experience of more than 100 qualified professionals including Chartered Accountants, Cost Accountants, Certified Public Accountants, Certified Internal Auditors, CMA and MBAs.

RANGE OF SERVICES

PKF professionals in the UAE can provide expert advice on various business issues. Our services include:

**Audit and Management Assurance Services**
- External audit
- Internal compliance audit
- Internal audit – compliance with the requirements of the Dubai Financial Services Authority
- Organization reviews and system studies
- Due diligence reviews
- Forensic and other investigations
- Training and consulting on IFRS
- Back office support services – accounting and payroll
- Outsourced accounting and payroll services for companies registered in the Dubai International Financial Centre
- Management information systems

**Management Advisory Services**
- Business practices (process) assessment
- Business risk identification
- Accounting and procedure manuals
- Market analysis and feasibility studies
- Financial projections
- Information memoranda
- Business & share valuations
- Identification and valuation of intangible assets on a business acquisition
- Corporate structuring, acquisitions and disposals
- Joint ventures and strategic alliances
- Advice on partner/shareholder entry/exit
- Fund raising

**Offshore and Free Zone Services**
- Entry strategy
- Free Zone and off shore company formation
- Company secretarial services
- Registered agent services
- Taxation

**VAT Services**
- Planning and reviewing – ascertaining resources required for VAT implementation
- Evaluating impact of VAT
- Implementation – advising on process / transaction flows, VAT registration and training
- VAT Compliance
<table>
<thead>
<tr>
<th>LOCATION</th>
<th>ADDRESS</th>
<th>TEL</th>
<th>FAX</th>
<th>EMAIL</th>
</tr>
</thead>
<tbody>
<tr>
<td>DUBAI</td>
<td>18th Floor • Rolex Tower • Near Financial Centre Metro Station • P.O. Box 13094 • Sheikh Zayed Road • Dubai</td>
<td>(+971) 4 388 8900</td>
<td>(+971) 4 355 2070</td>
<td><a href="mailto:dubai@pkfuae.com">dubai@pkfuae.com</a></td>
</tr>
<tr>
<td>ABU DHABI AIRPORT FZ</td>
<td>Business Centre • Building No. 141A Abu Dhabi Airport Business City Abu Dhabi International Airport</td>
<td>(+971) 2 626 1715</td>
<td>(+971) 2 626 1716</td>
<td><a href="mailto:abudhabi@pkfuae.com">abudhabi@pkfuae.com</a></td>
</tr>
<tr>
<td>DUBAI INTERNATIONAL FINANCIAL CENTRE (DIFC)</td>
<td>710 • Currency House Tower 2 • Dubai International Financial Centre • P.O. Box. 13094 Dubai</td>
<td>(+971) 4 385 7285</td>
<td>(+971) 4 325 7294</td>
<td><a href="mailto:difc@pkfuae.com">difc@pkfuae.com</a></td>
</tr>
<tr>
<td>ABU DHABI GLOBAL MARKET</td>
<td>PKF Accountants &amp; Business Advisers LLP Al Maqam Tower • 35th Floor Al Maryah Island • Abu Dhabi Global Market Square</td>
<td>(+971) 2 626 1715</td>
<td>(+971) 2 626 1716</td>
<td><a href="mailto:abudhabi@pkfuae.com">abudhabi@pkfuae.com</a></td>
</tr>
<tr>
<td>DUBAI INTERNET CITY</td>
<td>Office No.120 • Bldg. 10 • P.O. Box 500364 Dubai Internet City • Dubai</td>
<td>(+971) 4 449 5430</td>
<td>(+971) 4 390 8836</td>
<td><a href="mailto:dic@pkfuae.com">dic@pkfuae.com</a></td>
</tr>
<tr>
<td>SHARJAH</td>
<td>Golden Towers • 11th Floor • Al Buhaira Corniche P.O. Box 6207 • Sharjah</td>
<td>(+971) 6 574 0888</td>
<td>(+971) 6 574 0808</td>
<td></td>
</tr>
<tr>
<td>JEBEL ALI FREE ZONE</td>
<td>Lease office Building 16 • Office No.133 1st Floor • Jebel Ali Free Zone • P.O. Box 16952 Jebel Ali</td>
<td>(+971) 4 881 5452</td>
<td>(+971) 4 881 5451</td>
<td><a href="mailto:dubai@pkfuae.com">dubai@pkfuae.com</a></td>
</tr>
<tr>
<td>HAMRIYA FREE ZONE</td>
<td>Office No. E2-115G-22 • P.O. Box. 51464 Hamriyah Free Zone • Sharjah</td>
<td>(+971) 4 388 8900</td>
<td>(+971) 4 355 2070</td>
<td><a href="mailto:dubai@pkfuae.com">dubai@pkfuae.com</a></td>
</tr>
</tbody>
</table>

Visit us at [www.pkfuae.com](http://www.pkfuae.com)
introduction

GEOGRAPHY

The United Arab Emirates is situated in the East of the Arab world. It overlooks the Gulf of Oman to the East and the Arabian Gulf to the North. The Arabian Gulf and Gulf of Oman are linked by the Straits of Hormuz. The UAE covers an area of approximately 83,600 square kilometres (32,654 square miles) including numerous islands. The coastal area consists primarily of salt marshes. Inland, the topography is predominantly desert, sand dunes and gravel plains with isolated oases, the largest of which are located at Al Ain and Liwa. The Hajar Mountains lie close to the sea on the East Coast.

The largest of the Emirates is Abu Dhabi, with an area of approximately 67,300 square kilometres (26,290 square miles), followed by Dubai with 3,900 square kilometres (1,520 square miles), and Sharjah with 2,600 square kilometres (1,015 square miles). The areas of the other Emirates range from 260 to 1,700 square kilometres (102 to 664 square miles).

HISTORY

The United Arab Emirates (UAE) was established on 2 December 1971 and is a federation of seven Emirates, namely: Abu Dhabi, Dubai, Sharjah, Ras Al Khaimah, Umm Al Quwain, Ajman and Fujairah.

From the 1850's until the union of the Emirates in 1971, the British colonial administration maintained influence in the region and each Emirate entered into separate treaties with the British. The Emirates were then collectively known as the Trucial States or Sheikhdoms.

CLIMATE

The climate is characterized by hot and humid summers with temperatures reaching 48°C (118°F) and mild winters with minimum rainfall. The average annual temperature is approximately 24°C (75°F).

POLITICAL SYSTEM

There are no legal political parties in the UAE. Power rests with the seven hereditary Sheikhs – also known as Emirs, and hence the area ruled by an Emir is known as an Emirate – who control the seven traditional sheikhdoms (Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Quwain, Ras Al Khaimah and Fujairah – each Emirate is named after its principal town) and choose a president from among themselves. Since 1971, the ruler of Abu Dhabi, HH Sheikh Zayed Bin Sultan Al Nahyan, had been the President. He was re-elected to his fourth consecutive term in late 1991 by his colleagues on the Supreme Council of Rulers -- the highest body in the country, which usually meets informally.
HH Sheikh Khalifa Bin Zayed Al Nahyan was elected as the President in November 2004. The Deputy Prime Ministers are Sheikh Saif Bin Zayed Al Nahyan & Sheikh Mansour Bin Zayed Al Nahyan. The Vice President and Prime Minister is the ruler of Dubai, HH Sheikh Mohammad Bin Rashid Al Maktoum. In 2008, HH Sheikh Mohammad appointed Sheikh Hamdan Bin Mohammad Bin Rashid Al Maktoum as Dubai Crown Prince and Sheikh Maktoum Bin Mohammad Bin Rashid Al Maktoum as Deputy Ruler of Dubai. There is also a Cabinet, and its posts are distributed among the seven Emirates. (The members of the Cabinet are the government ministers, such as Minister of Justice, Minister of Health, etc.) The Supreme Commander of the Armed Forces is the President - HH Sheikh Zayed Bin Sultan Al Nahyan. The Minister of Defence is the Prime Minister – HH Sheikh Mohammed Bin Rashid Al Maktoum.

The parliament is known as the Federal National Council (FNC). It was established on 13 February 1972 and is considered a landmark in the country's constitutional and legislative process. The FNC advises the Cabinet and the Supreme Council but cannot overrule them. The Federal National Council is the fourth federal authority in terms of order in the hierarchy of the five federal authorities stated in the constitution, namely: The Supreme Council of the Federation, Federation President and Vice-President, Federation Cabinet, The Federal National Council, and The Federal Judiciary Constitution.

According to the constitution, the FNC consists of 40 members who are drawn proportionately from each of the seven Emirates. They are distributed in the following manner:

- 8 seats for each of the emirates of Abu Dhabi and Dubai
- 6 seats for each of the emirates of Sharjah and Ras Al Khaimah
- 4 seats for each of the emirates of Ajman, Umm Al Quwain and Fujairah

Each ruler appoints the members for his Emirate. The first indirect elections took place in 2006, and the goal is a wholly elected council. The council carries out the country's main consultative duties and has both a legislative and supervisory role provided by the constitution.

Half of the members are elected by the electoral bodies, while the other half is appointed by the council. This mechanism has been adopted and implemented in 2006, since the beginning of the first phase of the program of political empowerment of HH Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE.

The term of membership in the FNC is four Gregorian years. The Council holds an annual regular session for a period of not less than 7 months from the third week of October every year.

The UAE was a founding member of the Gulf Cooperation Council (GCC) created at a summit conference in Abu Dhabi in 1981. The members of the GCC comprise Saudi Arabia, Kuwait, Bahrain, Qatar, the Sultanate of Oman as well as the UAE. The country is also a member of the League of Arab States, the Islamic Conference Organization and the United Nations.

LEGAL SYSTEM

The UAE is essentially a civil law jurisdiction heavily influenced by French, Roman and Islamic laws. The increasing presence of international law firms from Common Law jurisdictions has demonstrated the application of Common Law principles in commercial contracts. This, albeit indirectly, has further influenced the UAE legal system. The Islamic Sharia Law is followed in all matters of inheritance.

A number of codified federal laws have been passed to regulate matters such as labour relations, maritime affairs, commercial transactions, commercial agencies, civil transactions, intellectual property and commercial companies. A number of local laws have also been passed in various areas by individual Emirates.

There are two main types of laws in the UAE, federal and local. The federal laws are applicable to the UAE as a whole and are issued either by the legislative body or by the Ministers of each Ministry by virtue of powers conferred upon them. When a Minister passes a law, it is known as a Ministerial Order and should theoretically be referred to as a regulation rather than a law.

Although the UAE federal constitution permits each emirate to have its own judicial authority, all emirates other than Dubai and Ras Al Khaimah have brought their judicial systems into the UAE Federal Judicial Authority. Dubai has retained its own independent courts (and judges), which are not a part of the UAE Federal Judicial Authority.
Authority. Dubai’s courts will first apply federal laws, such as the Companies Law or the Civil Code, as well as the laws and decrees enacted by the Ruler of Dubai, where federal law is absent or silent.

Local decrees and orders only apply to a particular Emirate. A local decree is passed by the Ruler or Crown Prince of a particular Emirate and a local order is issued by a member of the Royal Family of that Emirate.

**DIFC COURTS**

Founded in 2004, the Dubai International Financial Centre Courts (the “DIFC Courts”) are an independent common law judiciary based in the Dubai International Financial Centre (DIFC) with jurisdiction governing civil and commercial disputes. The DIFC Courts do not have jurisdiction over criminal matters. All criminal matters are referred to the appropriate external authority. The DIFC Courts are comprised of international judges from a number of common law jurisdictions such as England, New Zealand and Malaysia. The DIFC Court’s procedural rules are largely modelled on English civil procedure rules and as the official language of the DIFC Courts is English, all proceedings are conducted in English.

In a significant move, the Dubai government recently expanded the jurisdiction of the DIFC Courts which allows any parties, even those not incorporated within the DIFC free zone, to use the DIFC Courts to resolve commercial disputes. Previously, only companies based in the DIFC or those that had an issue related to the DIFC could use the DIFC Courts. Now, parties in the region and internationally can agree to use the DIFC Courts in the event of a dispute. However, the parties should agree to incorporate the jurisdiction of the DIFC Courts into their contracts prior to taking the dispute to the DIFC Courts.

The expansion of DIFC Courts jurisdiction represents an important policy shift and has given the business community unprecedented access to the DIFC Courts. The move has been welcomed by the legal and business communities, because international parties are more likely to resolve their disputes in what may appear to them as a more familiar forum which uses the Common Law English model.

**POPULATION AND SOCIAL PATTERNS**

The total population of the UAE as of 2016 was estimated to be 9.27 million (Source: World Bank). The Emirates have a common cultural heritage but the tribal links are very strong within each Emirate. Abu Dhabi is ruled by the Al Nahyan family, which belongs to the Bani Yas tribe. Dubai is ruled by the Al Maktoum family, which belongs to the Al Bu Falasah tribe.

The other Emirates are also ruled by various families, which belong to powerful tribes of the respective regions.

The three most populated Emirates are Abu Dhabi, Dubai and Sharjah; approximately 85% of the total population belongs to these Emirates.

The official language is Arabic, and all communications with the government must be in Arabic, although among the expatriate communities various other tongues can be heard. Foreigners will find that English, Hindi, Urdu and Malayalam are widely understood. English is used for all written communication between businesses.
The UAE’s economy rebounded from the global recession supported by tourism and hospitality sectors, and a recovery in construction and real estate markets. Nominal GDP increased at an average of 4.9% during the 2012-2014 period and was estimated to be USD 402 billion in 2014. However, nominal GDP decreased to USD 370.5 billion in 2015 primarily due to lower oil prices. Real GDP is expected to grow by 3 per cent per annum during the 2016-2020 period with non-oil sectors seeking to provide an attractive business environment.

The UAE Nominal GDP Forecast
Historic and Forecasted

Per Capita GDP Forecast

While nominal per capita GDP has decreased in 2015, the UAE remains in the highest category for per capita GDP (gross domestic product) in purchasing power parity terms. The estimated per capita GDP of the UAE for the year 2015 was USD 40,277 and is expected to grow to USD 48,469 by 2020. (Source: Business Monitor International - BMI).

Total GDP at current prices for the year 2015 as reported by National Bureau of Statistics, the UAE was AED 1,360 billion. The UAE’s economy has benefited from diversification with the non-oil sector contributing 77% of the GDP in 2015.

The GDP by sector (in AED million) for 2013, 2014 and 2015 was as follows:

<table>
<thead>
<tr>
<th>GDP by Sector</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Livestock and Fishing</td>
<td>9,681</td>
<td>10,085</td>
<td>10,527</td>
</tr>
<tr>
<td>Mining and Quarrying:</td>
<td>534,269</td>
<td>510,871</td>
<td>322,852</td>
</tr>
<tr>
<td>Crude Oil and Natural Gas</td>
<td>530,935</td>
<td>507,384</td>
<td>319,257</td>
</tr>
<tr>
<td>Quarrying</td>
<td>3,334</td>
<td>3,487</td>
<td>3,595</td>
</tr>
<tr>
<td>Manufacturing Industries</td>
<td>117,531</td>
<td>125,549</td>
<td>134,069</td>
</tr>
<tr>
<td>Electricity, Gas and Water</td>
<td>37,141</td>
<td>40,642</td>
<td>44,765</td>
</tr>
<tr>
<td>Construction</td>
<td>125,506</td>
<td>138,674</td>
<td>147,415</td>
</tr>
<tr>
<td>Wholesale Retail Trade Services</td>
<td>158,411</td>
<td>163,800</td>
<td>174,316</td>
</tr>
<tr>
<td>Restaurants and Hotels</td>
<td>31,449</td>
<td>34,204</td>
<td>35,619</td>
</tr>
<tr>
<td>Transports, Storage and Communication</td>
<td>111,498</td>
<td>121,137</td>
<td>131,697</td>
</tr>
<tr>
<td>Real Estate and Business Services</td>
<td>149,814</td>
<td>164,591</td>
<td>180,467</td>
</tr>
<tr>
<td>Social and Personal Services</td>
<td>32,004</td>
<td>34,608</td>
<td>37,776</td>
</tr>
<tr>
<td>The Financial Corporations Sector</td>
<td>108,327</td>
<td>122,418</td>
<td>132,766</td>
</tr>
<tr>
<td>Government Services Sector</td>
<td>76,953</td>
<td>82,909</td>
<td>86,073</td>
</tr>
<tr>
<td>Domestic Services of Households</td>
<td>6,574</td>
<td>7,608</td>
<td>8,676</td>
</tr>
<tr>
<td>Less: Imputed Bank Services</td>
<td>72,029</td>
<td>80,906</td>
<td>87,103</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,427,129</td>
<td>1,476,190</td>
<td>1,359,915</td>
</tr>
<tr>
<td>Total of Non-Oil Sectors</td>
<td>896,194</td>
<td>968,806</td>
<td>1,040,658</td>
</tr>
</tbody>
</table>

Source: Department of Economic Statistics - National Accounts and government finance department

*All figures are in AED billion at current prices
Petroleum dominates the economy of the UAE. However, with the decline in oil prices, contribution of the oil sector to the UAE’s economy reduced to just 23% in 2015 from 40% in 2012. Petroleum production is centred in Abu Dhabi and Dubai. The immense wealth accumulated through windfall gains in oil has been invested in capital improvements and social services in all seven of the Emirates.

To attract investments of expertise and capital, the governments of the individual Emirates seek to provide an attractive business environment. The following are some of the principle features of the economic and business environment in the UAE:

- A coordinated infrastructure that provides all essential utilities to the major centres;
- Excellent communication systems;
- A well-structured financial sector with no exchange control regulations;
- Free Trade Zones that ensure ease of registration and efficient operations;
- An attractive social environment, including modern educational, medical and recreational facilities.
- The economy is moving away from its tax free image – Excise has been introduced from October 1, 2017 and VAT has been introduced from January 1, 2018.

With Dubai being the first city in the MENA region to host the World Expo 2020, the expo has boosted sentiment and confidence of the UAE economy in the near term. In the medium term, Dubai and the UAE would benefit from an estimated USD 6.9 billion earmarked for infrastructure projects around the event.

Despite having short-term growth depending largely on how much economic activity expands, prospects for the long-term health and stability of the economy will depend on the progression of Abu Dhabi’s Economic Vision of 2030 and Dubai’s Strategic Plan of 2021. Local governments across other emirates have also formulated emirate-specific growth strategy plans with the view to make the respective emirate develop economically.

Growth trends differ among Emirates as higher oil production and increased infrastructure spending are the main drivers of growth in Abu Dhabi. On the other hand, Dubai is benefitting from its leading position as the regional trade hub, with growing links to Asia and improved competitiveness.

**WORLD EXPO 2020**

The awarding of the World Expo 2020 to Dubai is expected to as a catalyst for growth in the Emirate’s construction industry, as new projects are set for approval and construction at ongoing or stalled projects looks likely to be expedited. The government in Dubai expects that the Expo 2020 will bring in around USD 23 billion over the coming decade and create approximately 277,000 jobs. Further, the event is expected to add 1.5% to Dubai’s GDP every year between 2014 and 2020. Approximately USD 6.9 billion of infrastructure projects is expected for the event. The main event for the Expo 2020 will focus around the planned 438-hectare site, the largest ever created for a World Expo. Also, according to Robert Walters Middle East, the UAE could attract as much as USD100-USD150 billion in foreign direct investment as a result of the Expo.

Dubai’s construction and real estate sector, which together accounted for 13% of the Emirate’s economy in 2015, will also benefit from the Expo 2020. Expo 2020 is expected to led to a flurry of development across Dubai and thereby create thousands of new jobs, attracting expat talent and helping drive the demand for real estate. A recent report by Standard Chartered estimates that around 300,000 direct jobs and around a million indirect jobs will be created in the UAE by 2020. The report predicts that skills in customer service, engineering, architecture, urban planning and infrastructure development will be in high demand during the preparation for Expo 2020.

The construction, tourism, hospitality and leisure sectors have obvious potential to benefit from development spending and job creation related to Expo 2020. Technological innovators in conventional and alternative energy as well as engineering, urban planning and logistics will also likely see a host of in-region opportunities.
According to the UAE Central Bank’s Monetary, Banking & Financial Markets Developments Report February 2017, a total of 49 commercial banks, including 26 locally incorporated foreign banks, have substantially increased aggregate assets, total assets and unclassified assets. In the past, significant growth had also come about in domestic credit and investments, foreign assets, cash and deposits. Total assets of banks operating in the UAE increased by 5.4% year-on-year in 2016 reaching AED 2,610.8 billion.

In terms of the total assets, First Abu Dhabi Bank (FAB), Emirates NBD and Abu Dhabi Commercial Bank (ADCB) are the top three banks operating in UAE. Following the legal completion of the merger between and First Gulf Bank (FGB) and National Bank of Abu Dhabi (NBAD) on April 1, 2017, the new bank is now the UAE’s largest bank and one of the largest in the MENA region with total assets in excess of AED 670 billion (or $180 billion). It is expected that NBAD-FGB merger will encourage more mergers in the banking sector in the UAE. Capitalizing on improved quality of loan portfolio, banks were able to increase credit albeit at a moderate pace. Banks’ specific provisions for NPLs increased from AED 72.4bn at the end of 2015 to AED 78.5bn at end of 2016. However, reported NPLs as a share of total loans percentage remained at 6.3% in 2016 as compared to 6.2% and 7% in 2015 and 2014 respectively.

According to the Governor of the UAE Central Bank, the banking industry is safe and secure in the UAE and the overall confidence in the UAE banks is justifiably strong. Credit rating agency Moody’s Investors Service, in November 2013, upgraded the outlook for the UAE’s banking system to stable from negative. Since then the rating agency has maintained its stable outlook despite a slowing economy and subdued demand for credit. The outlook reflects banks’ maintaining stable credit profiles, solid profitability and capitalization levels that are expected to provide protection against rising problem loans. Further, sufficient liquidity will cushion against reduced flows of government deposits on the back of lower oil prices.

The Central Bank of the UAE has made important progress in strengthening its financial stability approach, revamping the regulatory framework and developing macro prudential policies.

**THE UAE CENTRAL BANK**

Established in 1980, the UAE Central Bank is the main regulatory and supervisory body in the banking industry. It has the power to implement banking policy with regard to directing monetary credits taking into account the UAE’s general policy.

The main responsibility of the Central Bank (CBUAE) is formulation and implementation of banking, credit and monetary policies to ensure the growth of the national economy of the UAE in a balanced manner. The Central bank is also working to maintain a fixed exchange rate of the dirham against the US dollar and to ensure the free convertibility of the national currency into foreign currencies, in addition to its role as “Bank of Banks” and the Government’s bank and its financial adviser.

The UAE's banking and monetary system has made significant progress in recent years due to the Central Bank’s increasingly strict control of financial institutions. Over the years, the Central Bank has played an important role in supervising the banking industry and has contributed in a measurable way to improving the quality of services and performance of a number of banks.

The Central Bank’s commitment to creating a stable economic framework ensures that prosperity reaches all the residents in the country. Its relentless efforts are largely responsible for the emergence of the UAE banks as forces to reckon with in the Gulf Region.

The repo rate (certificates of deposit rate) is the CBUAE’s main policy rate for the injection of liquidity and follows the same trajectory as the Fed Funds rate. In March 2017, the CBUAE raised rates by 25 basis points to 1.75% in line with the US Federal Reserve. Earlier, in December 2016, the CBUAE had increased the rate by 25 basis points. Going forward, BMI expects it to gradually increase to 3% by 2020.
THE UAE ANTI MONEY LAUNDERING LAW
( THE ANTI-MONEY-LAUNDERING & COMBATING THE FINANCING OF TERRORISM LAW)

The UAE, in compliance with the 1988 United Nations Convention had promulgated a law-making money laundering illegal in the State. The law has identified the illegal acts from which income may be derived. These include narcotics and psychotropic substances; kidnapping, piracy and terrorism; offences committed in violation of environmental law; illicit dealing in firearms and ammunition; bribery, embezzlement and damage to public property; fraud, breach of trust and related offences; and any other related offences stated in the international conventions to which the State is a party.

In the recent global stand taken against terrorism, one of the main components is tracking of funds that support terrorist activities. The enactment of this component in the law adopted in the UAE, which includes proceeds to fund terrorist activities, sets the stage for the UAE to assist in the global fight against terrorism.

The law also outlines the scope of duties of the Anti-Money Laundering and Suspicious Cases Unit and Financial Information Unit (AMLSCU) at the Central Bank. As per the law, all banks, moneychangers and other financial institutions have a personal obligation to report any unusual transactions to the AMLSCU.

THE UAE BANKRUPTCY LAW

The UAE government issued a new bankruptcy law: Law 9 of 2016 that came into force on 29 December 2016. The UAE’s erstwhile insolvency regime was contained in Federal Law 18 of 1993 - The Commercial Code. Its provisions were largely untested and generally needed a revamp.

Key changes under the new law:

• Repeal of the current regime: Chapter V of the commercial code, which set out the UAE’s current insolvency regime, was repealed, together with various bankruptcy-related crimes set out in the penal code;

• Wider application: The new law applies more widely than the current commercial code, covering companies governed by the Commercial Companies Law (CCL), most free zone companies, sole establishments and civil companies. Government-owned ‘decree’ companies have an option to adopt the new law. However, there are still no provisions addressing individuals acting in a private capacity;

• Administration: A financial restructuring committee will be formed under the authority of the UAE Ministry of Finance. The committee will maintain a list of insolvency experts and a register of insolvencies;

• New insolvency test: The new law introduces an alternative “balance sheet” test to test if the assets of a business are sufficient to cover its liabilities;

• Processes and procedures: Three main procedures have been set out for businesses in financial difficulty:
  o Protective composition: A debtor-led, court-sponsored process - designed to facilitate the rescue of a business which is in financial difficulty but not yet insolvent;
  o Insolvency with restructuring: If a debtor is insolvent but the court determines that the business is capable of being rescued, it may approve a restructuring scheme.
  o Insolvency and liquidation: The court can order the insolvent winding-up of a business if a protective composition or restructuring scheme is inappropriate, not approved or terminated; or a debtor is acting in bad faith to evade financial obligations.

A “trustee”, independent of the debtor, is appointed to manage the process for each such case. The law includes strict time limits for making filings and lodging objections. It is also expressly provided that the relevant process continues while the court considers any objections.

However, procedures set out aren’t very different from those currently available. The new law does not include provisions for an out-of-court financial restructuring, although this may be addressed in the near future.
Other areas that have also been addressed are:

• Removal of bankruptcy by default: Under the old law, a trader unable to pay its debts had to apply to be declared bankrupt within 30 days and failure to do so was a criminal offence (bankruptcy by default) and resulted in fines and/or imprisonment. The new law decriminalizes this behaviour - failure to repay debts for over 30 days may result in a disqualification order against the debtor in certain circumstances, but is no longer a criminal offence;

• Bounced cheques: Under the old law, expatriates who signed cheques that bounced were potentially subject to criminal charges. However, under the new law proceedings in respect of bounced cheques issued by the debtor are to be stayed once a protective composition or restructuring scheme has been initiated, provided that the cheque in question was written prior to the application. The stay continues until the relevant procedure is completed and the holder of the cheque is treated in the same way as the debtor's other creditors. This is likely to encourage debtors to take steps to address their financial difficulties;

• Creditors: Under the old law any creditor regardless of the amount could apply to have a trader declared bankrupt. However, the new law introduces specific new requirements, namely before filing insolvency proceedings against the debtor, a creditor or group of creditors must hold debts of at least AED 100,000 and first notify the debtor in writing to discharge the debt(s), allowing 30 consecutive business days for repayment;

• New financing: Provisions have been included to allow priority to new financing following a protective composition or restructuring scheme, with safe-guards for existing secured creditors.

While the new law is complex and requires experts in insolvency matters for interpretation, the removal of the criminal offence of bankruptcy by default and provisions for bounced cheques are likely to be particularly helpful. Protective composition and insolvency with restructuring rescue schemes are also aimed at encouraging companies to banish an inward approach. However, the success of the new law will largely depend on the willingness of local courts and the UAE-based insolvency experts to implement it.

INDUSTRY

The UAE is an important producer of energy, eight and seventh globally in total proven reserves of oil and natural gas respectively (Source: BP Statistical Yearbook 2015). The UAE has been able to maintain its proven reserves over the last decade primarily due to enhanced oil recovery (EOR) technologies increasing extraction rates of mature oil projects. However, oil contributed only around one-fourth of the total GDP in 2015.

The UAE’s ideal location - situated at the crossroads of East and West, its long coastline, its sunny climate, its natural beauty and the literacy level and hospitality of its people all augur well for its continued growth.

The Government is very keen to develop non-oil manufacturing in pursuit of its policy of controlled economic diversification. The establishment of high technology and capital-intensive industries manufacturing high value products, while protecting and maintaining the environment, forms the basis of the Government’s strategy towards promoting industrial growth.

Diversification has involved a number of highly innovative developments aimed at encouraging investors to establish their enterprises in the UAE and at assisting local business people in making the most of what the UAE offers in terms of infrastructure and other support mechanisms.

The various locations of industrial zones and parks in Dubai are provided as follows:
OIL AND GAS

According to the Organization of Petroleum Exporting Countries [OPEC] Annual Statistical Bulletin, the UAE had 97.8 billion barrels of oil as reserves as of 2015, making up 5.8 percent of global oil reserves. The UAE has been able to maintain its proven reserves over the last decade primarily due to enhanced oil recovery (EOR) technologies increasing extraction rates of mature oil projects combined with higher oil prices making more reserves commercially viable. Abu Dhabi has the largest oil reserves among the Emirates with 92.2 billion barrels, followed by Dubai with 4 billion barrels and Sharjah with 1.5 billion barrels. Oil production per day in the UAE is expected to increase from approximately 3,753 million barrels per day in 2015 to 3,966 million barrels per day by 2025.

The UAE has 6,091 billion cubic meters of natural gas reserves, accounting for 3.3% of global natural gas reserves. The UAE ranks seventh largest in natural gas reserves globally, following Iran, Russia, Qatar, Turkmenistan, the United States and Saudi Arabia. The majority of these reserves are located in Abu Dhabi, with marginal amounts found in Sharjah, Dubai, and Ras-Al-Khaimah. Despite its large natural gas reserves, the UAE has been a net importer of gas since 2008 due to surging domestic demand. Most of the imported supply comes from Qatar and is used to fuel desalination and power plants. In October 2016, Qatar agreed to supply more natural gas to the UAE via the Dolphin pipeline system. These new supplies have been earmarked for Sharjah Electricity and Water Authority and Ras Al Khaimah.

Since the first oil flow from the Umm Al Shaif offshore field in 1962, the country has witnessed tremendous growth and development. Oil revenues are, to a large extent, responsible for the superb transformation of the country and the prosperity it enjoys.

A considerable amount of investment is being allocated to the energy sector to improve production, especially of gas and to develop other related industries. The UAE’s pricing policy, based on a genuine desire to help stabilize the oil market, is formulated through co-operation with fellow Organization of Petroleum Exporting...
Countries (OPEC) members, the GCC and Arab countries. Production is limited by quotas agreed within the framework of OPEC.

CONSTRUCTION

The construction industry in the UAE emerged in Dubai in the 1950s, when the ruling Sheikhs of Abu Dhabi and Dubai decided to transform Dubai into a permanent haven for coastal shipping and launched the Dubai Creek Improvement project. A project valued at that point at GBP 600,000 funded by Creek Bonds, bought by leading merchants in the region.

In the late 1950s, Sheikh Zayed bin Sultan Al Nahyan, the ruler of Abu Dhabi supported western oil exploration which earned Abu Dhabi around $ 70 million a year in the 1960s. As oil revenues increased, Sheikh Zayed undertook massive construction programs, building schools, housing, hospitals and roads. The industry started to expand during the economic development at the end of the 1990s contributing an average 9% of the GDP.

The ability to attract large overseas investments, notably in the construction industry has raised the UAE’s status as a source of funding for the global economy. The dramatic growth in this sector had led to an influx of foreign investors into the UAE. This sector was one of the principal reasons behind the growth of non-oil sectors in the UAE.

Dubai’s non-oil sector was the most affected by the global recession due to linkages to global trade and financial markets and by the steep fall in the real estate prices. The global correction in residential real estate markets had led to large decline in house prices and construction activity worldwide - a median annual decline of 7%.

The UAE’s construction industry witnessed a major slowdown in the aftermath of the global financial crisis and the Dubai World debt crisis in 2008/2009. By the end of 2012, revival in consumer confidence, easing liquidity concerns, increase in real estate prices and improvement in real estate activity benefitted the construction sector. The continuous growth in population, along with major government investments has resulted in a large number of projects in healthcare, leisure, hospitality and residential sectors. The country’s construction market continues to grow at a faster pace than the wider economy, fuelled by infrastructure spending mainly in Dubai. According to a report released by BMI Research in August 2016, the construction market in the UAE was projected to grow by 6.6% in 2016, surpassing the International Monetary Fund’s forecast of 2.6% growth for the entire economy.

Huge infrastructure plans and a booming real estate would be the key growth drivers for the construction sector. BMI expects the World Expo 2020 in Dubai to act as a catalyst for growth in the country’s construction industry, with new projects set for approval and construction at ongoing or stalled projects likely to be expedited. The estimated infrastructure related spending on the World Expo 2020 alone is expected to be around USD 6.9 billion. Recently, Expo 2020 Dubai revealed plans to award 47 construction contracts, worth USD 3 billion in 2017. In addition, 98 non-construction contracts with a total value of USD 98 million will also be awarded during 2017.

Few of the major infrastructure projects expected over the next few years include ‘Route 2020’ Metro extension on the red line, expansion of Jebel Ali Port and Al Maktoum International Airport. The proposed investment and infrastructure development will give impetus to real estate and residential projects in the vicinity to these infrastructure projects.

The construction sector has now become one of the key non-oil sectors and an important component of the UAE’s economy. According to the Department of Economic Statistics Centre, the construction sector is among the top five sectors and accounted for an estimated 10.8% of the UAE’s GDP in 2015. Alpen Capital’s report projects strong growth rates for the construction industry. By 2019, the construction market in the UAE is expected to reach USD 61.3 billion as compared to USD 46.3 billion in 2016, implying 9.8% Compound Annual Growth Rate (CAGR).
REAL ESTATE

The UAE’s real estate market had enjoyed an unprecedented boom and is considered the most active of all real estate markets in the Gulf Cooperation Council (GCC) region. The real estate and business services sector in nominal terms registered a CAGR of 18% during 2001 - 2008. In 2007, the real estate sector showed a strong growth of 36% year-on-year, with the sector contributing 12% to the GDP. The sector was buoyed by increasing investments in infrastructure, due to the country being positioned as an attractive tourist destination in addition to the increase in residential and non-residential real estate.

There was significant foreign investment in Dubai’s real estate sector with foreigners accounting for 30% of the transactions in Dubai during 2008, up from an average of 10% between 2001 and 2007.

The U.S. subprime mortgage market collapse led to a global credit crunch. This crisis almost froze credit flow, resulting in a collapse in asset and oil prices. Banks had to rein in soaring credit growth and rebalance their books in the face of falling asset prices and expectations of rising loan defaults. The slowdown in economic activity led to many expatriates leaving the UAE. This adversely affected housing demand, which had grown above the trend growth in population. In effect, the Dubai real estate sector witnessed significant price correction and was the most adversely affected, given the higher degree of speculative investment in the country. The real estate market of Abu Dhabi was less affected by the global economic recession.

The real estate market in Dubai started showing signs of recovery towards the end of 2011 with the market witnessing stability in property prices and rents. The market recovery gained momentum in 2013 with the total amount of real estate transactions in Dubai increasing 53% year-on-year to AED 236 billion (USD 64.3 billion). The increased interest of GCC nationals to have their second home in Dubai is boosting the demand of Dubai real estate. Some non-gulf residents, especially Chinese and Indians, have also been investing in Dubai real estate to make most out of the current situation. Consequently, the total amount of real estate transactions recorded in Dubai in 2016 increased to AED 259 billion (USD 70.6 billion). On the other hand, the vigilant steps taken by the government to increase the demand of properties like decreased mortgage rates and extension of a two-year visa offer are also contributing to increase the property demand. Further, adoption of new international property measurement standards (IPMS) in 2013 and unified real estate contracts with a view to regulate the market have aided growth.

While prices increased through the post-recession recovery period, a downturn in real estate prices was witnessed during the latter half of 2014 and have shown signs of stabilization in the fourth quarter of 2016. According to Jones Lang LaSalle (JLL), a leading real estate investment and advisory firm, the Dubai residential market is now poised closer to its cyclical trough and thus a recovery is expected in the short term. On the other hand, prices may have further to fall in Abu Dhabi, due to job attrition and cuts in public expenditure, which continue to suppress demand. Abu Dhabi reinstated the 5% residential rent cap in mid-December 2016.

A total of 14,600 residential units were delivered in Dubai during 2016, the highest level since 2012. Dubai’s real estate is growing towards south with Dubai World Central, which includes the Expo 2020 site and Al Maktoum airport. Dubai South is gaining prominence, with 550 residential units slated for completion in 2017 and another 10,000 units announced and in the pipeline.

Abu Dhabi saw fewer completions compared to Dubai, with only 3,100 residential units in 2016 and JLL expects around 5,000 completions in 2017 in areas such as Corniche, Al Raha Beach, Reem and Saadiyat Islands.

The World Expo 2020 is expected to propel the real estate sector in Dubai, which is on the brink of resurgence. With preparations for the expo likely to gain full momentum 2017 onwards developers have already initiated work on Expo 2020 developments focusing on hotel and affordable housing projects. Some of the prominent projects include the Dubai Water Canal, Museum of the Future, Deira Islands, Dubai theme parks and Jewel of the Creek.
MANUFACTURING

The manufacturing sector is a key component of the UAE’s diversification strategy and government-led focus on the sector has driven the growth in trade and exports as well as contributed significantly to employment opportunities within the region.

The manufacturing sector is among the top five non-oil sectors and contributed 13% to the UAE’s GDP in 2015. The UAE’s manufacturing sector also accounts for 53% of the country’s total non-oil exports.

The Department of Economic Development (DED) indicates that processed food and beverages, plastics and rubber, electrical machinery and equipment, chemicals and products, minerals and products, base metals, publishing and printing, precious stones and metals are the major manufacturing sub-sectors. In 2015, there were 6,084 industrial facilities in the UAE with a total of 435,900 workers as compared to 5,201 facilities with 399,794 workers in 2011.

According to a report by the Dubai Chamber of Commerce and Industry, the UAE is expected to pursue its diversification program through large-scale investments in the manufacturing sector. It is estimated that the manufacturing sector will contribute 25% to the country’s overall GDP by 2025. While Dubai has targeted services and light industries, Abu Dhabi believes its competitive advantage lies in heavier manufacturing industries, due to the availability of cheap energy. The development of free zones has spurred investment in the UAE manufacturing sector.

The largest and most high-profile of the free zones is Dubai’s Jebel Ali Free Zone that hosts over 6,000 businesses from over 110 countries. 75% of them are involved in trading, warehousing, and distribution while 20% are engaged in manufacturing with the remaining in services. The bulk of industrial investment in JAFZA is concentrated on light engineering and final-stage assembly in sectors such as electronics.

Khalifa Industrial Zone ("Kizad") - Abu Dhabi’s flagship industrial area is spread over 418 square kilometres and is part of Abu Dhabi’s economic vision 2030. Kizad’s strategic location, linking east with the west, coupled with its multimodal transportation infrastructure by sea, air, road and rail, provides a clear advantage to different businesses having easy and efficient access. With vertically integrated clusters, competitive lease prices and one of the lowest utility costs in the world all under a tax-free umbrella, Kizad offers businesses long term competitive commercial advantages. In 2016, Kizad added a new free zone spread across 100 square kilometres. With more companies setting up operations in Kizad, the industrial area has contributed 3.2% to Abu Dhabi’s non-oil GDP in 2016.

In the short to medium term, the number of establishments, employment and investment in the manufacturing sector are expected to increase with the development of Dubai Industrial City ("DIC"), a non-free zone manufacturing hub that focuses on six industrial sectors including machinery and mechanical equipment, transport equipment and parts, base metals, chemicals, food and beverages and mineral products. DIC is a 550 million square feet large industrial and manufacturing hub in Dubai which is a part of Dubai Wholesale City. Presently, DIC has 100 operational factories and 170 factories are under construction which are expected to be operational by 2018. Recently, in December 2016, Unilever, inaugurated its USD 272 million personal care products manufacturing facility located in DIC. The factory spread over 100,000 square metres is Unilever’s largest facility in the MENA region. Other key companies operating in DIC include BASF Kanoo, Arabian Automobiles Company, Al Futtaim Logistics, Dofreeze, Assent and Terrazzo.

INFORMATION TECHNOLOGY

The UAE government’s increased focus on attracting global Information Technology (IT) firms and its efforts to promote e-governance and provide online services have been key contributing to the growth in the IT sector. Moreover, the UAE has also been investing in telecommunication and IT infrastructure as well as human resource as part of a strategy to develop the UAE into a premier regional hub for IT, which will help expand the country’s economic base by tapping into a potential market of nearly two billion people in Asia and the Middle East.

Growth in information and communication technology (ICT) spending in the UAE has been relatively flat. This could be attributed to lower oil prices having resulted in governments and corporates prioritizing their ICT
spending while weak consumer confidence has impacted retail sales of smartphones and personal computers (PC). According to market intelligence provider International Data Corporation (IDC), ICT spending in the UAE is estimated to have remained flat in 2016 at USD 16 billion as compared to USD 15.9 billion in 2015. Between 2013 and 2016, ICT spending has witnessed CAGR of 3.8% and IDC expects spending to grow at an annual rate of 5% over the next five years (2017-2021).

According to BMI, there will be downward pressure on PC sales, especially in the consumer segment, where desktops and notebooks are being cannibalized by smart-phones and tablets. It is also expected that there will be significant investment in high capacity servers for data centres and will be a key growth driver in the hardware segment of the IT market. This will, in turn, boost value growth in the software and services sectors, specially cloud-based services. Expo 2020 is expected to drive large scale innovation projects across all sectors with Internet of things (IoT), 3D printing and augmented/virtual reality being the key element. The usage and application of IoT is rising across transportation, utilities and smart cities projects. Further, growing demand for outsourcing and managed services would result in increased job opportunities in the UAE.

The growth of the IT sector in the UAE is dependent on two things: infrastructure development and human resource development. However, expenditure on IT infrastructure has always been one of the priorities of the UAE government and the private sector and it is now focusing on recruiting world-class IT expertise. There is a clear trend towards optimizing infrastructure and enhancing efficiency among SMEs (small and medium enterprises) and large enterprises.

The intent of the UAE government is visible through IT and communications intensive initiatives like TECOM Investments, a subsidiary of Dubai Holding and a global company dedicated to knowledge and life-improving industries. A creator of vibrant knowledge industry clusters, TECOM Investments is currently active in buoyant cutting-edge sectors like ICT, Media, Education, Life Sciences and Clean Technology.

A recognized leader in the global knowledge industry, TECOM Investments manages entities like Dubai Internet City, Dubai Media City, Dubai Knowledge Village, Dubai International Academic City, eHosting DataFort, International Media Production Zone, Dubai Outsource Zone, Dubai Studio City, DuBiotech and Enpark.

TOURISM

The sun, sea, beaches, shopping facilities, scenery coupled with a developed hospitality sector and excellent sports and leisure facilities make the United Arab Emirates a popular tourist destination.

The country has made substantial investments in this sector and has a fun-filled annual calendar of events. The Dubai Shopping Festival, the Dubai Summer Surprises, the Abu Dhabi Shopping Festival, the Sharjah Ramadan Festival and several other fairs, exhibitions, museums, parks and sporting events all combine to ensure that tourists have a great time. Tourism is no doubt succeeding in making a significant contribution to the overall diversification programs, having become one of the most important economic sectors in terms of growth.

The UAE is one of the easiest Middle East countries to visit and visas are easily obtained. A very diverse, friendly and helpful population keeps alive the traditional values of generosity and hospitality. Traditional sports such as camel racing, horse racing and boat racing coupled with pearl diving, falconry, camp-outs in the desert, gold souqs, spice souqs and wind towers all offer tourists an Arabian Experience.

Traditional Arab hospitality and a delightful winter climate complemented by a highly sophisticated infrastructure and crime-free environment, have also contributed in recent years to creating an ideal atmosphere for the development of tourism. The UAE is also endowed with an extensive coastline, sandy beaches and varied landscape, where a wide variety of activities can be indulged, ranging from powerboat races to sand-skiing.

Dubai, for example, welcomed 14.9 million visitors in 2016 as compared to 14.2 million in the previous year. Going forward, Dubai government’s robust advertising campaigns for Expo 2020 along with the Vision 2020 initiatives are expected to attract large volumes of tourists in the country. According to Dubai’s Department of Tourism and Commerce Marketing’s Tourism Vision for 2020 (DTCM), the number of tourists visiting Dubai are expected to double to 20 million by 2020 from 10 million in 2012. The annual share of the tourism in Dubai’s economy alone is intended to grow to AED 300 billion by 2020 compared to AED 134 billion in 2015. Abu Dhabi too reported 7.3% growth in tourist numbers for 2016 with India being the largest overseas market. Abu Dhabi has set a target of growing its annual tourists visiting the emirate to 7.9 million by 2030.
Factors like powerful branding campaigns on the part of government and the UAE’s positioning as a thriving business hub renders this a sustainable tourism growth. Euromonitor, a market research company, sees tourism’s contribution rising significantly over the next few years, with inbound trips expected to increase by 39% over 2016-2020 to nearly 28 million annually and revenue from leisure arrivals increasing to AED 59 billion by 2020.

Expo 2020, to be hosted by Dubai, will also provide a boost to the tourism sector with around 25 million visitors expected for the World Expo event, out of which over 70% are expected to be international visitors.

The positive outlook for the tourism sector would drive investments. According to World Travel and Tourism Council forecasts, the UAE tourism’s share of the total national investment is forecast to rise from 7% in 2015 to 7.9% in 2025, with employment expected to also grow by an annual real growth rate of about 4.1% during this period.

THE UAE STOCK EXCHANGES

The UAE has three official stock exchanges, i.e. the Dubai Financial Market (DFM) established in March 2000, the Abu Dhabi Securities Market (ADX) established later on in November 2000, and the Dubai International Financial Exchange (now known as NASDAQ Dubai) which commenced business in 2004. The first two exchanges operate as a secondary market for trading of securities issued by the public shareholding companies, bonds issued by the local or the federal government, public institutions and financial and investment institutions. The main objective of the exchanges is to create a fair, efficient and transparent market place that serves the interest of the national economy.

Both the exchanges are fully integrated and have automated systems, which ensure speed and accuracy in the transfer of share ownership. The individuals and firms, who have been authorized by the UAE Central Bank to carry out brokerage services, can apply for a license at the stock exchanges. Currently there are more than 130 companies listed and traded on the DFM and ADX with a combined market capitalisation of AED 787 billion.

NASDAQ Dubai
Formerly known as The Dubai International Financial Exchange (DIFX)

The NASDAQ Dubai is located in the Dubai International Financial Centre (DIFC), a financial free zone. The DIFC opened for business in 2004. Financial activities in the DIFC are governed to international standards by an independent regulator, the Dubai Financial Services Authority (DFSA). The NASDAQ Dubai has a license from the DFSA to operate an exchange. The President of the DIFC is His Highness Sheikh Mohammed Bin Rashid Al Maktoum, the UAE Vice President, Prime Minister and Ruler of Dubai. It opened in September 2005.

The exchange opened with four member banks – Credit Suisse, Deutsche Bank, HSBC and UBS. It currently has 38 member firms including international heavy weights like Citigroup, Barclays, JP Morgan Securities and Morgan Stanley. For international investors, the DIFX is the main gateway to opportunities in the Gulf Cooperation Council states and the rest of the Middle East and North Africa, as well as South Africa, Turkey, Central Asia and the Indian sub-continent.
For issuers of shares and other securities in these areas, the exchange offers increased market visibility, unprecedented access to regional and global capital and the ability to sustain fair valuation. The trading hours of the Nasdaq Dubai are from 10 am to 2 pm (6 am to 10 am GMT) from Sunday to Thursday. There are eight equity securities currently listed on the NASDAQ Dubai. In addition, sukuk and conventional bonds are also listed on the exchange. Exchange-traded funds, derivatives, exchange-traded commodities as well as Real Estate Investment Trusts (REITs) can also be listed and traded on NASDAQ Dubai.

In addition to the three stock exchanges, there is a commodity exchange in Dubai, which is Dubai Gold and Commodities Exchange (DGCX). Dubai has historically been an international hub for the physical trade of not only gold but also many other commodities. DGCX commenced trading in November 2005 as the region's first commodity derivatives exchange. DGCX is majority owned by Dubai Multi Commodities Centre (DMCC), a strategic initiative of the Government of Dubai with a mandate to enhance commodity trade flows through the Emirate by providing the appropriate physical, market, financial infrastructure and services required. The trading hours of the DGCX are from 7am to 11:30 am (GMT +4) and the exchange is regulated by the Securities and Commodity Authority.

INVESTMENT CLIMATE

In general, the government seeks to provide a free-market economy with minimal regulatory restrictions. To attract foreign and local investment, the federal government and the governments of the individual Emirates have developed a modern and sophisticated infrastructure and provide a business environment largely free of taxation and exchange controls. In addition, the UAE in recent years has signed double tax and investment protection treaties with several countries.

Currently, there are four major laws affecting foreign investment in the UAE: the new UAE Commercial Companies Law introduced in 2015, the UAE Commercial Agencies Law, the UAE Industry Law, and the Government Tenders Law.

However, the laws and regulations governing foreign investment in the United Arab Emirates are conducive to foreign investment. Although important tariffs in the UAE stand at 5%, over 75% of imports still enter the UAE duty-free and there are no tariffs on exports. Each Emirate has its own customs authority, while a national committee formulates general policies. The chart below provides the world ranking of ease of doing business of the UAE and other GCC economies based on ten different parameters like starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protection of minority interests, taxes, trading across borders, enforcing contracts and resolving insolvency. The UAE was one amongst the 10 most improved economies in World Bank’s latest Doing Business survey and improved its overall ranking to 23 from 34 in the previous year.
Comparison of overall Doing Businesses
Ranking and Distance to Frontier Score - GCC Countries

<table>
<thead>
<tr>
<th></th>
<th>Rank</th>
<th>Distance to Frontier Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAE</td>
<td>23</td>
<td>76.9</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>94</td>
<td>61.1</td>
</tr>
<tr>
<td>Bahrain</td>
<td>63</td>
<td>68.4</td>
</tr>
<tr>
<td>Oman</td>
<td>66</td>
<td>67.7</td>
</tr>
<tr>
<td>Qatar</td>
<td>83</td>
<td>63.7</td>
</tr>
<tr>
<td>Kuwait</td>
<td>102</td>
<td>59.6</td>
</tr>
</tbody>
</table>


* The distance to frontier score benchmarks economies with respect to regulatory practice, showing the absolute distance to the best performance in each Doing Business indicator. An economy’s distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier.

The UAE’s Foreign Investment Law, which is being drafted by the Ministry of Economy as per the mandate given by the Cabinet, will seek to promote the investment climate and create more job opportunities. The new law paves the way for a 100 percent foreign ownership in specific sectors, extending the UAE’s “open-door” policy. As one of the lowest taxed countries in the world, with no corporate or income taxes, the UAE has become a lucrative location for FDI vis-à-vis other regional and international countries.

Foreign companies investing in the UAE can benefit from cost efficiencies in power, gas and water. Low tariffs, low currency risk, extremely low financial risk, no restrictions on repatriation of profits or capital and numerous double taxation agreements are the attractive features of the UAE as an FDI destination.

In early 2014, an investment development agency, as an affiliate of the Department of Economic Development, has been setup to reinforce Dubai’s position as a sought-after destination for global investors and businesses. The prime objective of this new autonomous body is to help nurture an attractive investment climate in Dubai to increase the inflow of investments and businesses from across the globe. The agency has been tasked to draw up an investment policy as well as new strategies to promote investments and to conceive and develop new long-term projects and opportunities to attract investors in line with the economic development plan of Dubai.
Imports are quota free but must be licensed by the Ministry of Commerce and Industry. Customs duties are administered by the Department of Customs. In the case of companies, an import license is granted only when the UAE owned share capital is not less than 51%. There is 100% import duty on alcoholic beverages and 50% import duty on tobacco products. Most foodstuff items and books are exempted. Machinery, equipment and raw materials may also be exempted under the Law for Organization of Encouragement of Industry or when imported by the companies engaged in activities designated as Economic Development Projects. All imports must be handled by registered UAE agents.

There are no restrictions on exports, except for items of historical value, which are subject to permission from the Ministry of Culture and Heritage. There are no export duties.

**Top 5 Exports by the UAE**

- Crude Petroleum
- Refined Petroleum
- Jewellery and precious metals
- Petroleum Gas
- Raw Aluminium

**Top 5 Imports by the UAE**

- Jewellery
- Refined Petroleum
- Broadcasting Equipment
- Cars
- Electrical Appliances
Top 5 Export Destinations of the UAE

- India
- Turkey
- Saudi Arabia
- Switzerland
- Oman

Top 5 Import Origins of the UAE

- India
- USA
- China
- Germany
- United Kingdom

The UAE is the top exporter of iron ingots, limestone, and lead bars.

*Trade with Israel is prohibited.*

**CUSTOMS DUTIES**

Customs (import) duties are levied generally at a rate of 5% but there are many items which are duty exempt, such as medicines, most food products, capital goods and raw material for industries etc. Imports by free zone companies are also exempted unless products move outside the zone, in which case customs duty is levied at 5%.

<table>
<thead>
<tr>
<th>Categories</th>
<th>No. Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted (subject to special approval of relevant UAE authorities)</td>
<td>15</td>
</tr>
<tr>
<td>Prohibited</td>
<td>12</td>
</tr>
<tr>
<td>Duty Free / Exempt</td>
<td>70 categories (734 items)</td>
</tr>
</tbody>
</table>

By law, 70 categories of goods have been exempted from tariffs including medicines, agricultural machinery, pesticides, fertilizers, periodicals, wood, unstrung pearls, un-worked silver and gold, iron and steel for use in construction, and raw or partially worked materials for use by local manufacturers. There are 734 items exempt from customs duty under the customs tariff, for example, certain animals, vegetables, plants, chemicals, and medicines, certain diamonds, silver, and gold, as well as carriages and accessories for those who are disabled. Helicopters, cruise ships and excursion boats are also exempt.
After the introduction of the new uniform customs tariff on 1 January 2003, all non-Gulf Co-operation Council (GCC) products, except for those exempted, are subject to 5% customs duty, while the products of GCC countries shall enter into each other’s markets free of customs duties. Products are considered as originating in a GCC country if the value added to such product in the said country is more than 40% of the value of the product in question and if the factory that manufactured the product is at least 51% owned by GCC nationals.

In the event of re-export to non-GCC countries, a customs deposit has to be made and this will be refunded when proof of re-export is given to the authorities. In the event of re-export to GCC countries, customs duty at 5% will be levied at the first point of entry. The provisions of the GCC Customs Union are applied since 1 January 2003.

By law, all commercial or non-commercial enterprises, Customs Zone or Free Trade Zone entities require a license issued by a duly authorized authority to do business in the UAE: only entities with Trading Licenses may distribute products in the imports markets considered customs zones. Exporters may appoint an exclusive agent licensed to operate within the specified customs zone market to distribute their products.

SPECIAL INVESTMENT OPPORTUNITIES

The UAE imposes virtually no foreign exchange restrictions. Equity capital, debt capital, interest, dividends, branch profits, royalties, management and technical service fees and personal savings may be freely remitted abroad.

The government does not impose debt-to-equity ratio requirements on corporations. The UAE has created several free trade zones. Foreign companies establishing businesses in the free trade zones are offered special concessions, including exemption from the requirement of having local ownership or a local sponsor.
structure of business entities

There are various legal structures available for the establishment of businesses in the UAE. These are addressed under the following main legislations:

- Federal Law No. 2 of 2015 on commercial companies as amended (the “CCL”);
- The UAE Civil Transactions Law, Federal Law No. 5 of 1985 (the “Civil Code”);
- Local Order No. 63 of 1991 on Licensing Professionals and Tradesmen in the Emirate of Dubai

FEDERAL COMMERCIAL COMPANY LAW

After years of speculation regarding an overhaul of the commercial companies law in the UAE, Federal Law No. 2 of 2015 concerning Commercial Companies (“New CCL”) came into force on 1 July 2015, replacing the existing Federal Law No. 8 of 1984 concerning Commercial Companies (“Old CCL”).

Until 1984, the UAE did not have a federal commercial company Law. Instead, the government of each Emirate formulated practices and procedures concerning the establishment of business organizations within its Emirate.

As a result of the absence of codified commercial legislation, Federal Commercial Company Law No. 8 of 1984 was promulgated and implemented in full in early 1993.

Under the New CCL, UAE nationals must own a minimum of 51% of all public and private shareholding companies and limited liability companies. It sets out the requirements in terms of shareholders, directors, minimum capital levels and incorporation procedures. It further lays down provisions governing conversion, merger and dissolution of companies.

The various categories of business organization are:

- Public Joint Stock Company;
- Private Joint Stock Company;
- Limited Liability Company;
- Joint Liability Company;
- Simple Commandite Company;
- Branches/Representative Offices of Foreign Companies.

Partnership companies are limited to the UAE nationals only.
CIVIL CODE

The Civil Code provides for formation of three forms of civil or professional entities, namely:

- Service companies (work company/company to perform work);
- Speculative venture partnerships;
- Mudaraba companies.

The comparison chart below shows the key differences between the principal types of companies available to set up in the UAE based upon the provisions of the CCL and the Civil Code.

<table>
<thead>
<tr>
<th>Forms of Commercial Companies</th>
<th>Structure of partners / shareholders</th>
<th>The UAE Nationality Requirements</th>
<th>Minimum Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint Liability Company</td>
<td>Two or more partners having joint and unlimited liabilities</td>
<td>All the partners</td>
<td>None</td>
</tr>
<tr>
<td>Simple Commandite Company</td>
<td>One or more general partners having joint and unlimited liabilities. One or more limited partners who owe limited liabilities</td>
<td>All the partners</td>
<td>None</td>
</tr>
<tr>
<td>Public Joint Stock Company</td>
<td>At least Five (5) Founder Members</td>
<td>Shareholders having a 51% or more share in the capital; the majority of the members in the board of the directors and the Chairman of the board of directors</td>
<td>AED 30,000,000</td>
</tr>
<tr>
<td>Private Joint Stock Company</td>
<td>Two (2) but not exceeding two hundred (200) shareholders with limited liabilities</td>
<td>Shareholders having a 51% or more share in the capital; majority of the members in the board of directors and the Chairman of the board of directors</td>
<td>AED 5,000,000</td>
</tr>
<tr>
<td>Limited Liability Company</td>
<td>Two to fifty partners with limited liabilities. A single natural or corporate person may incorporate and hold a Limited Liability Company</td>
<td>Partners having a 51% or more share in the capital. A foreigner can be the manager of the company</td>
<td>None</td>
</tr>
<tr>
<td>Civil Company</td>
<td>Two or more partners who owe joint and unlimited liabilities</td>
<td>Not required</td>
<td>None</td>
</tr>
</tbody>
</table>
The more popular and frequently used forms of business are discussed below:

**PUBLIC AND PRIVATE JOINT STOCK COMPANIES**

The law stipulates that companies engaging in banking, insurance or financial activities should be run as public shareholding companies. Foreign banks, insurance and financial companies, however, can establish a presence in Dubai by opening a branch or representative office.

Joint Stock companies are suitable primarily for large projects or operations, since the minimum limit of the issued capital of a Public Joint Stock Company is AED 30 million and AED 5 million in case of a Private Joint Stock Company. The chairman and a majority of directors in either of these entities must be UAE nationals and there is less flexibility of profit distribution than is permissible in the case of limited liability companies.

A Public JSC must have at least 5 founder members and its management should be vested in a board of directors consisting of a minimum of three to a maximum of eleven persons whose term of office may not exceed three years. In addition, at least 51% of the shares of the PJSC should be held by UAE nationals. The founders shall subscribe to shares from 30% to 70% of the issued capital of the company, prior to the invitation to the Public Subscription to the remaining shares of the company. The Law stipulates that the companies engaged in banking, insurance or financial activities should be run as public share holding companies.

A Private Joint Stock Company is a company where the number of the shareholders is at least two shareholders, but not exceeding two hundred shareholders. Notwithstanding the minimum limit of the number of shareholders as set forth in Clause 1 of this Article, a single legal person may incorporate and hold a Private Joint Stock Company.

**LIMITED LIABILITY COMPANIES**

A popular, and frequently the most appropriate method of establishing a business in the UAE by foreign investors is to form a limited liability company (LLC).

A limited liability company can be formed by a minimum of two and a maximum of fifty persons whose liability is limited to their shares in the company's capital. Such companies are recognized as offering a suitable structure for organizations interested in developing a long-term relationship in the local market.

A single natural or corporate person may incorporate and hold a Limited Liability Company. The holder of the capital of the company shall not be liable for the obligations of the company other than to the extent of the capital as set out in its Memorandum of Association. The provisions of the Limited Liability Company contained in this Law shall apply to such person.

As per the new UAE Commercial Company Law, the minimum capital requirement has been abolished and the capital level can be fixed depending on each business’ individual requirements.

While foreign equity in the company may not exceed 49%, profit and loss distribution can be prescribed. Responsibility for the management of a limited liability company can be vested in the foreign or national partners or a third party.

No LLC may engage in insurance or investment of money on behalf of others. The names and holdings of all shareholders are a matter of public record.

**JOINT LIABILITY COMPANY**

A Joint Liability Company is a company which consists of two or more partners who are natural persons, to be jointly responsible in all their monies for the obligations of the company.

A partnership interest may be transferred only with the approval of all partners or in accordance with conditions stated in the partnership agreement. The management of the partnership must rest with one or more managers who must be natural persons and who may or may not be partners.
A joint partner shall have the capacity of a trader. Such partner shall be deemed to conduct the commercial activities in person in the name of the company. The declaration of the bankruptcy of a Joint Liability Company means the declaration of bankruptcy of all the partners by the power of the Law. A partnership is dissolved on the death, insanity, bankruptcy or withdrawal of one of its partners, unless the remaining partners decide unanimously to continue the partnership and their decision is registered in the commercial register.

SIMPLE COMMANDITE COMPANY

A Simple Commandite Company is a company which consists of one or more joint partners liable, severally and jointly, for the obligations of the company and having the capacity of traders, and one or more silent partners not liable for the obligations of the company other than to the extent of their respective shares in the capital. Silent Partners shall not have the capacity of a trader. Any natural person or corporate person may be a Silent Partner in the Simple Commandite Company.

The management of the company shall be limited to the Joint Partners. Decisions shall be unanimously passed by the Joint Partners, unless the Memorandum of Association of the company provides for majority. No variation of the nature of the business of the company or amendment to its Memorandum of Association shall be valid without the consent of all the Acting and Silent Partners.

BRANCH OFFICE OF A FOREIGN COMPANY

A very popular way for foreign companies to benefit from 100% foreign ownership is to open a branch office of the parent company. A branch office is legally regarded as part of its parent company and does not have a separate legal identity from that of its parent company. Therefore, the name of the branch office will be the same as that of the parent company.

Branch offices are nevertheless required to have a UAE national as a local agent. Only UAE nationals or companies 100% owned by the UAE nationals may be appointed as local agents (which should not be confused with the term "commercial agent"). Local agents are not involved in the operations of the company but assist in obtaining visas, labour cards, etc. and are paid a lump sum and/or a percentage of profits or turnover.

One of the conditions for establishing a branch office in the UAE is that it may only be engaged in activities similar to those of the parent company. It is important to note that a branch office is permitted to carry on the business of importing products of its parent company, provided that the parent company is involved in the manufacture of such products.

REPRESENTATIVE OFFICES OF FOREIGN COMPANIES

A representative office of a foreign company is distinct from the branch office in that the former is only allowed to promote its parent company’s activities. Therefore, if a parent company deals in the sale and/or production of certain products, if it opens a representative office in the UAE, the office will only be able to promote the sale or production of such products and facilitate contacts in the UAE, as distinct from a branch office, which can conduct their sale or production itself.

In addition to the above limitations, representative offices have other restrictions in that they are not allowed to obtain credit facilities or put forward offers.

As in the case of a branch office, it is necessary when establishing a representative office to appoint a local service agent.

SOLE PROPRIETORSHIP

In setting up a professional firm, 100% foreign ownership through sole proprietorships is permitted. Such firms may engage in professional or artisan activities but the number of staff members that may be employed is limited. A UAE national must be appointed as local service agent but he has no direct involvement in the
business and is paid a lump sum and/or percentage of profits or turnover. The role of the local service agent is
to assist in obtaining licenses, visas, labour cards, etc.

CIVIL COMPANY (RECOGNISED PROFESSIONS)

A civil company is also a business partnership for professionals in recognized fields such as doctors, lawyers, engineers, etc. A civil company can only practice professional business and is 100% owned by the professional partners, whatever their nationalities.

A civil company for engineering must have one partner who is a UAE National, who owns no less than 51% of the business and must be an engineer of the same type as the business’s activity.

A foreign company can be a partner in a civil company, as long as the foreign company is in the same profession as the civil company.

Most civil companies require a Local Service Agent (LSA) if there is no UAE National partner in the business. The local service agent is a UAE National who manages licensing requirements and other government-related matters for your business, in exchange for an annual fee.

ESTABLISHING A BUSINESS

A business must be registered with the municipality or the relevant Economic Department and the Chamber of Commerce of each Emirate in which activities of the business are conducted, and with the ministry of Economy and Commerce. In addition, some businesses require approval from the specified federal ministries and agencies. A sample list of businesses and their approving authorities are given below:

- Banks, financial institutions and exchange companies must obtain approval from the Central Bank;
- Insurance Companies and related agencies must obtain approval from the Insurance Authority;
- Manufacturing businesses must be approved by the Ministry of Economy (Industrial Section);
- Medicinal products must be approved by the Ministry of Health and health Authorities in each respective Emirate;
- Printing, Publishing & Broadcasting activities must be approved by the National Media Council;
- Educational activities are governed by the Ministry of Education and Knowledge & Human Development Authority (KHDA) (for Dubai).

Special procedures apply in each Emirate regarding registration of businesses engaged in oil and gas production and related industries.

The requirements for registering a company, including the time required, fees payable, number of shareholders and minimum capital depend on the particular type of business entity being established.

ANNUAL REQUIREMENTS FOR BUSINESSES

All companies must renew their registration with the Ministry of Economy, Municipality or Economic Department and the Chamber of Commerce annually. Registration fees are levied and vary according to the type of entity being registered and the government authority concerned.

Companies engaged in the oil, gas and petrochemical sector and banks are the only entities required to file tax returns. However, the following businesses must have their accounts audited annually:

- Banks (local banks and branches of foreign banks);
- Insurance companies and agencies;
• Public and private shareholding companies;
• Limited liability companies;
• Branches of foreign companies;
• Other companies whose articles require annual audits.

LISTING SHARES OF THE UAE & FOREIGN PUBLIC JOINT STOCK COMPANIES

To list shares of a public joint stock company incorporated in the UAE or a foreign public joint stock company for trading in the UAE, the company should be licensed by the Securities and Commodities Authority (SCA). It shall then choose a stock market in the UAE and apply for listing on it. The listing requirements are contained in the SCA’s listing rules and subsequently in the respective stock market’s requirements.

For locally incorporated companies - the company should have been incorporated for not less than two years with financial statements issued for each year and audited by an auditor registered in the schedule of working auditors and authorized to audit the accounts of joint stock companies. The Paid-Up Capital should not be less than 50% of Shareholders’ Equity, which may not be less than AED 30 million. The Shareholders’ Equity, for each category of shares the company issues, shall be equal. The Shareholders’ Equity may not be less than the Paid-Up capital upon applying for listing.

For foreign joint stock companies - the company issuing the securities shall be compliant with all the provisions of its country Federal Law. It should be a public joint stock company. The company should be listed in the stock exchange of its mother country, or it is working under the umbrella of an authority that has similar responsibilities of ESCA. The company should have been incorporated for not less than two years with financial statements issued for each year and audited by an approved auditor. The company should have a minimum Paid up Capital of AED 40 million and the number of shareholders should be at least 100. The net assets of the company shall be more than 120% of its Paid-up Capital or it should have realized net profits which can be distributed to its shareholders at a minimum average of 5% of the Paid-up Capital, during the two years prior to the submitting of the listing application.

In either type of company, whether locally incorporated or a foreign company, it must satisfy any additional requirements and regulations and furnish any additional documents and/or information that SCA or the respective stock market may require. The company that fails to abide by the SCA and/or stock market’s rules and regulations may be suspended or de-listed after due process.
TYPES OF LICENSES

The basic requirement to conduct business activity in the UAE is to obtain one of the following three categories of licenses:

**Trade Licenses**

Are the licenses under which the natural or juridical person is licensed to practice any trade activity for the purpose of profit making through buying and selling of goods and services. These licenses are given to (for example) wholesale or retail trade enterprises, financial consulting offices, banks, insurance companies, contractors, hotels, transport and storing establishments.

**Industrial Licenses**

Are the licenses under which the natural or juridical person is licensed to practice any investment activity the object of which is to discover natural resources or to transform raw materials in terms of its structure or appearance into manufactured or semi-manufactured products, or to transform the semi-manufactured products into fully manufactured products by using mechanical power, and segregate the products, filling, assembling or packing them.

**Professional Licenses**

Are the licenses under which the natural or juridical person is licensed to practice any profession in which he depends on his physical or mental efforts rather than depending on a cash capital. This license is given to practice some professions such as auditing, consultancy services and studies, business, medical and educational services as well as other personal services.

These licenses are all issued by the Economic Department or similar nominated Department of the respective Emirate. However, licenses for some categories of business require approval from certain ministries and other authorities: for example, banks and financial institutions from the Central Bank of the UAE; insurance companies and related agencies from the Ministry of Economy; manufacturing from the Ministry of Finance and Industry; pharmaceutical and medical products from the Ministry of Health / Department of Health and Medical Services.

More detailed procedures apply to businesses engaged in oil or gas production and related industries.

Practicing some trade activities (e.g. jewellery and insurance) requires the submission of a financial guarantee issued by a bank operating in the UAE.
COMPLETION OF LICENSING PROCEDURE FOR PRACTICING BUSINESS ACTIVITIES

Licensing procedures for business projects involve the following:

A. Selection of the Legal Form

Suitable for the business project as per the type of business activity, which will be practiced, the amount of invested capital and other important considerations already referred to in this section in the light of which the firm’s deed is prepared, signed by the concerned parties and attested by the Notary Public.

B. Obtaining Special Approval

This applies to certain activities, which require obtaining special approvals from some competent authorities. If the required activity is conducting ordinary business, procedure of licensing may be started without the need for obtaining any such special approval.

C. Submission of License Application

The applicant, whether an individual or representative of a company under incorporation, shall submit to the Department of Economic Development the application duly filled in with all the particulars indicated in the required forms. The necessary documents should also be attached to the application as per the legal form to be assumed by the firm. The procedure in the Department involves a lot of measures, which may be summarized as follows:

Receipt of the application, checking of the same, initial approval, preparation of business site, technical inspection, checking and fees payment. The applicant shall then be given two sealed copies of the license, one to be used for inscription in the Commercial Register and the other for registration with the Dubai Chamber of Commerce & Industry.

Inscription in the Commercial Register

Articles 2 & 5 of Federal Law No. 5 of 1975 concerning the Commercial Register stipulate that every merchant, branch manager, managers of commercial companies and the agents of foreign companies must inscribe their companies in the Commercial Register in accordance with the terms and conditions determined by the law.

Here is a statement of the types of activities, which must be inscribed in the Register and those, which are not subject to this inscription.

A. Firms which must be inscribed in the Commercial Register

These are the companies which practice business activities such as agricultural works, fishing, discovery of natural resources, industry related activities, activities related to electricity production, gas and water, construction, building and contracting activities, wholesale and retail traders, supermarkets, department stores, trade related services, machines and equipment hiring, hotels, showrooms, transport, storage and communication, finance, insurance and real estate.

B. Firms not subject to Inscription in the Commercial Register

These are the firms which practice professional activities such as services, legal consultants, accountants, engineering, architectural and technical consultants, administrative & economic services and consultations.
free zones in the UAE

Establishing a business entity in one of the UAE’s Free Trade Zones (FTZs) can be an attractive option for foreign investors. To date the free zones have been successful in attracting a large number of companies and foreign direct investment, as well as expanding net non-oil exports.

In the absence of tax incentive opportunities, the UAE free zones have been among the strong pillars of government incentives and the country’s economic performance attracting much foreign investments, creating thousands of jobs, and facilitating the needed technology into the country. Together, the free zones account for more than half of the country’s non-oil exports and underpin the UAE’s ranking as the third most important re-export centre in the world.

The major advantages in setting up in a free zone include:

- 100% foreign ownership of the enterprise
- 100% tax exemption
- Quick approval procedures
- Full repatriation of capital and profits
- Extended leases
- Abundant & inexpensive energy

An independent Free Zone Authority (FZA) governs each free zone, and is the agency responsible for issuing FTZ operating licenses and assisting companies with establishing their business in the FTZ.

Investors can either register a new company in the form of a Free Zone Establishment (FZE)/Free Zone Company (FZCO) or simply establish a branch or representative office of their existing or parent company based within the UAE or abroad. An FZE is a limited liability establishment, incorporated in a Free Zone, owned by one natural or juridical person, whereas an FZCO is a limited liability company incorporated in a Free Zone by more than one shareholder, generally up to five. FZE/FZCO are governed by the rules and regulations of the Free Zone in which they are established. There is a minimum capital requirement for an FZE/FZCO ranging from AED 50,000 to AED 1,000,000 depending upon the selected Free Zone. Recently, some free zones have even relaxed / abolished the capital requirement to attract more investors. Under Federal Law No. 15 of 1998, except for acquiring nationality in the UAE, the provisions of the Commercial Company Law do not apply to FZEs/FZCOs, provided that the Free Zones have special provisions regulating such companies.
FREE TRADE ZONE LICENSES

Once a legal presence has been established in the Free Zone, the business needs to lease premises or land and acquire an operating license from the FZA. Different types of licenses apply in the different types of free zones. However, in general companies with trade and industrial licenses can only conduct business within the Free Zone or abroad. To sell their products in the UAE, a UAE official agent is required. Services and products can be obtained from and within the UAE without an agent.

Other types of licenses available are service licenses (e.g. banking, insurance, etc.) and national industrial licenses. For the former the services offered must be the same as those stipulated in the parent company’s license in the UAE or abroad. The share capital of a company applying for a national industrial license must be at least 51% GCC and 40 % of the sale value of the product must be value-added in the UAE.

These licenses can be renewed annually as long as a lease agreement is in force with the FTZ.

The procedures for establishing a business in any Free Trade Zone are a specialized process. An investor is required to fill out a questionnaire from the relevant Free Zone Authority, which will assist in assessing the company's requirements.

Having submitted the questionnaire, the authorities will give a license application, planning documents, and a consumer request for electricity. Provisional approval is given along with a specimen lease agreement. After the company representative and the authority have met and finalized details of the project, the actual documents, which will include company or personal details, are speedily processed.

LIST OF VARIOUS FREE ZONES IN THE UAE

Given hereunder are lists of most of the important free zones in the UAE. The first list contains the various Free Zones established in the Emirate of Dubai, the second enumerates Free Zones established in the Emirate of Sharjah and the Northern Emirates and the third list gives various Free Zones established in the Emirate of Abu Dhabi:

<table>
<thead>
<tr>
<th>Dubai</th>
<th>Dubai Design District - DCCA</th>
<th>Dubai Silicon Oasis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jebel Ali Free Zone</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dubai World Trade Centre</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dubai Cars and Automotive Zone</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dubai Multi Commodities Centre</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dubai Internet City – DCCA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meydan Free Zone</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dubai Media City – DCCA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dubai Airport Free Zone</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dubai Studio City – DCCA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dubai Healthcare City</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dubai International Financial Centre</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dubai International Academic City – DCCA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>International Humanitarian City</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dubai Outsource City – DCCA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dubai South</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dubai Production City - DCCA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dubai Science Park- DCCA</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Sharjah and the Northern Emirates

<table>
<thead>
<tr>
<th>Sharjah Airport Free Zone</th>
<th>Fujairah Free Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamriyah Free Zone</td>
<td>Fujairah Creative City</td>
</tr>
<tr>
<td>Sharjah Media City Free Zone (SHAMS)</td>
<td>RAK Maritime City</td>
</tr>
<tr>
<td>Ajman Free Zone</td>
<td>Ras Al Khaimah Economic Zone (RAKEZ)</td>
</tr>
<tr>
<td>Umm Al Quwain Free Zone (UAQFZ)</td>
<td></td>
</tr>
</tbody>
</table>

Abu Dhabi

<table>
<thead>
<tr>
<th>Abu Dhabi Airport Free Zone</th>
<th>Zonecorp</th>
</tr>
</thead>
<tbody>
<tr>
<td>twofour 54</td>
<td>Khalifa Industrial Zone Abu Dhabi (KIZAD)</td>
</tr>
<tr>
<td>ADPC- Khalifa Port and Industrial Zone</td>
<td>Masdar City</td>
</tr>
</tbody>
</table>
labour laws

FEDERAL LABOUR LAW

The Labour Law of the United Arab Emirates is mainly contained in Federal Law No. 8 of 1980 on Regulating Labour Relations, as amended. In addition, there are several Ministerial orders and Cabinet decisions, which provide regulations pertaining to the Labour Law. These collectively cover all aspects regarding employer/employee relations in the UAE and are essential reading for any person wishing to set up business in the UAE. There are special labour related regulations applicable in some of the free zones in the UAE.

The Labour Law governs most aspects of employer/employee relations, such as hours of work, leave, termination rights, medical benefits and repatriation. It is protective of employees in general and overrides conflicting contractual provisions agreed under another jurisdiction, unless they are beneficial to the employee. The Ministry issues a model form of labour contract in Arabic which is widely used, but other forms of contract are enforceable, provided they comply with the Labour Law.

Trade unions do not exist. In the case of a dispute between employer and employee, or in interpretation of the Labour Law, the Ministry of Labour and Social Affairs will initially act as an adjudicator, in an effort to resolve matters. If a party wishes to appeal any such decision it can take its case to court. Strikes and lockouts are forbidden.

WORKING HOURS AND HOLIDAYS

The normal maximum working hours are eight hours per day or forty-eight hours per week. However, these hours may be increased to nine hours daily for people working in the retail trade, hotels, restaurants and other such establishments. Similarly, daily working hours may be reduced for difficult or dangerous jobs. Many businesses work on a two-shift system (for example, 8am - 1pm and 4pm - 7pm). As in all Muslim countries, Friday is the weekly day of rest. In practice, commercial and professional firms work 40-45 hours a week and government ministries about 35. The weekend for office workers was traditionally Thursday afternoon and Friday, but a number of organizations have changed over to a five-day week with Friday and Saturday as the weekend. During the Muslim holy month of Ramadan, normal working hours are reduced by two hours per day.

There are 10 days of public holidays (paid) in any year. The employee's annual leave is two days for every month if his service is more than six months and less than a year. In every completed year of service after the first, an employee is entitled to 30 days annual paid leave. This is in addition to public holidays, maternity leave for women and sick leave. Overtime is used extensively and additional pay is required for manual and lower ranking staff.
EMPLOYEE PENSION AND SOCIAL SECURITY BENEFITS

The Pensions & Social Securities Law, Federal Law No. 7 of 1999, concerns nationals employed in both the public and private sectors. It contains 79 Articles and provides (amongst other things) for certain contributions to be made by the employee and the employer to the Public Authority of Pensions and Social securities. For a person employed in the public sector these contributions are equivalent to 5% of the contributory pension salary to be paid by the employee and 15% of the contributory pension salary payable by the employer. As for the private sector, the Government shall bear 2.5% of the (15%) share payable by the employer as contributions to the Authority.

The Law also provides for the amount to be paid as a pension to eligible nationals on reaching the retirement age of sixty, or disability pension in the case of an employee becoming disabled and thereby unable to work. It further covers the amount of pension payable to beneficiaries on the demise of a secured person.

Under the UAE Labour Law, any employee (national or expatriate) who completes one year or more in continuous service shall be entitled to gratuity at the end of the service. The gratuity is calculated at 21 day's wages for each year of the first five years or 30 day's wages for each additional year on condition that the total of the gratuity shall not exceed the wages of two years. (Except in the Jebel Ali Free Zone, where the gratuity calculation basis is 7 days instead of 21 days).

SPECIAL REQUIREMENTS FOR FOREIGN NATIONALS

In order to employ any expatriate employee in the UAE, an application must be made to the Ministry of Labour & Social Affairs. The application has to be approved by the Ministry prior to the employee entering the UAE. It should be noted that new businesses are required to register or open a file with the Ministry before they can recruit staff. In addition to obtaining the Ministry's approval to employ non-UAE nationals, certain immigration procedures need to be followed as explained below.

After an employer obtains the Ministry's approval to employ the following four steps need to be taken:

1. The sponsor (employer) obtains an employment visa for the employee's entry into the UAE;
2. The employee undergoes a medical test;
3. A labour card for the employee is obtained from the Ministry of Labour and Social Affairs;
4. A residence permit for the employee is obtained.

Residence permits were usually granted for a period of three years. However, recently the labour law was amended to allow residence permits only for two years. However, employees under free zone companies’ visas would continue to enjoy three-year residence permits.

Where the intended employee is a UAE national, an employment contract may be entered into at any time. Employment contracts for non-nationals must be drawn in the format approved by the Ministry on an application made by the employer. Employment contracts for national employees need not, however, be in writing and the terms and conditions of employment may be proved by any means of proof admissible by law. A labour permit for an expatriate employee will not be issued by the Ministry of Labour unless a formal written labour contract is filed with the Ministry.
THE UAE LABOUR PROTECTION FOR EXPATS

The UAE provides an attractive environment for foreign workers of 200 different nationalities, adopting comprehensive strategies to protect their rights and improve both their working and living conditions.

Accommodation for workers

In this context, and as part of its commitment to improve the standards of workers' accommodation in line with international standards, in 2013 the UAE approved the Manual of the General Criteria for Workers' Accommodation. The decision emphasizes employers' responsibilities to provide workers with accommodation commensurate with international labour standards. Each facility operating in the country has to upgrade its workers' accommodation conditions to comply with these standards. In implementation of this decision, Abu Dhabi has invested about AED 20 billion (USD 5.4 billion) in 23 workers' "cities" which are capable of providing accommodation for 385,000 workers.

These complexes have been built in line with the new manual which stipulates that all accommodation must include its own medical clinic equipped with full services, parking, yards, walkways, mini-market, green spaces and playgrounds.

Freedom of movement in labour market

Other innovations in the efforts to protect workers’ rights are aimed at introducing greater flexibility and freedom of movement in the labour market, and establishing a balanced contractual relationship between employer and worker.

At the same time, access to effective legal remedies in the event of a labour dispute has been vastly improved. In particular, the MOL has set up a collective labour disputes committee, with representatives of workers and employers in each labour office.

The committees must issue a decision on a dispute within two weeks of referral. Their decisions can be challenged before an appeal court within 30 days of issuance.

Working hours

The three-month mandatory midday break rule for labourers is strictly enforced and entered its tenth consecutive year in 2014. It is compulsory for all companies to give a two-and-a-half-hour break from 12.30pm to 3pm for all labourers who work in the open air, such as on construction sites.

The Ministerial decision also states that daily working hours must not exceed eight hours per day or night shift, and that overtime should be paid to those working additional hours in a 24-hour period, as per Federal Law No. 08 of 1980.

Ministry inspectors hold workshops before and during the ban period to create awareness of the rules and also make regular visits to ensure compliance by both the employers and workers.

The MOL orders all employers to put up signs in Arabic and other languages about the banned hours, while in the case of daily exemptions, employers must ensure there is enough cold water for all workers.

Work which has to continue non-stop for technical reasons is exempt from the ban, but employers are still required to provide facilities to cater for the health and safety of workers, including access to first aid supplies and cold water.

Companies which violate the midday summer break will face penalties which include having the classification of their firms downgraded by the Ministry, and a fine of AED15,000 for each violation.

Wage Protection System

In yet another significant stride in this regard, the MOL has launched the Wages Protection System (WPS) to safeguard payment of workers' wages via transfers through selected financial institutions. These transfers will be regulated by the government.
Furthermore, foreign workers are guaranteed the right to send their savings to their home nation.

The UAE MOL has introduced a comprehensive range of protection measures covering both pre- and post-departure needs of workers, beginning in their country of origin (for instance, protecting workers from illegal recruiters and setting up a contract validation system), continuing after their arrival in the country (through measures like curbing abuse and non-payment of wages), and on their return and re-integration to their home country.

**Electronic labour cards**

The UAE MOL has also replaced plastic labour cards and paper employment contracts with electronic ones from 2014. The new electronic labour card and employment contract were an implementation of a decision issued by Saqr Gobash, Minister of Labour, and is in line with the directives of His Highness Shaikh Mohammad Bin Rashid Al Maktoum, the UAE Vice-President and Prime Minister and Ruler of Dubai, directives towards making Dubai a smart city.
TAXATION OF BUSINESSES

Each Emirate has its own decrees on business taxation.

With the exception of banks and oil companies, no tax is payable by businesses in the UAE, whatever their legal structure. Oil Companies pay up to 55% tax on the UAE sourced taxable income whereas banks pay 20% tax on taxable income. The taxable income of banks is as per the audited financial statements whereas that of oil companies is as per the concession agreement. Oil companies also pay royalties on production.

TAXATION OF INDIVIDUALS

Individual Income tax is not levied in the UAE.

WITHHOLDING TAXES

Withholding taxes are not levied in the UAE.

MUNICIPAL TAXES

Municipal taxes are locally known as municipal fees. Municipal fees are charged in all the Emirates. In Dubai, a 10% municipal fee is charged on hotel revenues and entertainment. In all the Emirates, except Abu Dhabi, income from renting commercial premises is taxed at a rate of 10 %. Municipal taxes on renting of residential premises range from 1% in Ajman and 3% in Abu Dhabi to 5% in Dubai. It is calculated as a percentage of the yearly rental charges.
VALUE ADDED TAX (VAT)

The UAE has introduced VAT with effect from January 1, 2018. VAT has been introduced at a rate of 5% with some limited exceptions including healthcare and education that are zero rated. The VAT Executive Regulations (ER) set out the rules for application of the VAT Law. Some of the features of the new VAT regime are given below:

- The mandatory registration threshold is in line with the Common VAT Agreement of the States of the Gulf Cooperation Council for businesses with a taxable turnover exceeding USD 100,000 [AED 375,000];
- VAT records will need to be maintained for a period of at least five years;
- VAT returns will be filed on a monthly / quarterly basis [depending on size of business]
- Gold and precious metals will be zero rated although jewellery of these metals will be charged at 5%;
- There may be a VAT refund available for tourists purchasing goods in the UAE.
- A recent cabinet decision lists down the Designated Zones (DZ) in the UAE that have limited benefits subject to fulfillment of certain conditions. The 20 strong DZ list includes popular free zones like Jebel Ali Free Zone (JAFZ), Dubai Airport Free Zone (DAFZ), Sharjah Airport International Free Zone (SAIFZ) and Abu Dhabi Airport Free Zone (ADAFZ).
- Certain benefits / issues have been created by the distinction of DZs from the regular free zones:
  - A DZ that meets the conditions specified in the VAT ER shall be treated as being outside the State.
  - No VAT for transfer of goods between designated zones, subject to certain conditions.
  - Transfer of goods from one entity to another within the same DZ, as long as, it’s a part of a supply chain and not meant for final consumption by the receiving entity, will not be subject to VAT.
  - For provision of services, being in a DZ offers no locational advantages, as VAT is chargeable at the standard rate on supply of services.

The following categories of supplies will be exempt from VAT:

- The supply of some financial services (list is clarified in the VAT ER);
- Residential properties;
- Bare land; and
- Local passenger transport

VAT will be charged at 0% in respect of the following main categories of supplies:

- Exports of goods and services to outside the GCC;
- International transportation, and related services;
- Supplies of certain sea, air and land means of transportation;
- Certain investment grade precious metals (gold, silver and platinum of 99% purity and tradeable in global bullion markets);
- Newly constructed residential properties, that are supplied for the first time within 3 years of their completion;
- Supply of certain education services, and supply of relevant goods and services;
- Supply of certain Healthcare services, and supply of relevant goods and services.
EXCISE

The UAE Federal National Council also approved the law that paves the way for excise duties on selected items, such as tobacco and fizzy and energy drinks by setting up a legal framework for taxation. Fizzy/carbonated drinks are charged an excise duty of 50%, while energy drinks, tobacco and tobacco products are charged 100% duty. The definition of carbonated drinks includes any aerated beverage except unflavoured aerated water and any aerated beverage made from concentrates, powder, gel or extracts.

Implementation of the UAE Excise Tax Law follows the Gulf Cooperation Council (GCC) Ministers of Finance approval in principle, of a unified agreement, in June 2016, for the development of national regimes for Excise Tax. Under the umbrella of the unified agreement, Excise Tax has been introduced in the United Arab Emirates (UAE) with effect from 1st October 2017.

The excise returns will be required to be filed every month, with the duty payment by 15 days after the end of every month.

The Excise Tax is different and separate from the Value Added tax (VAT) of 5% that is to be implemented across the GCC countries by 2018. The introduction of the Excise Tax will meet two fundamental Government policy objectives, to raise Government revenues and also to discourage the consumption of goods considered harmful to health or the environment. This is an important policy reform in the UAE aimed at promoting economic growth and fiscal stability by 2020.

OTHER TAXES

There is no transfer pricing regime or other federal or state taxes in the UAE other than those mentioned in the foregoing section.

TAX TREATIES

In order to increase economic development of the country by encouraging cross border transactions, the Government of the UAE has entered into Tax treaties with several countries including Canada, China, Egypt, France, Germany, India, Pakistan, Poland, Turkey and New Zealand. This would enable the foreign entities to reduce the tax incidence on the UAE sourced income.

The UAE has entered into double taxation avoidance agreements (DTAAs) with more than 100 countries and is in negotiations with at least a dozen more countries. A list of some of the countries with whom the UAE has signed DTAAs is given in Annexure B.

INVESTMENT PROTECTION AGREEMENTS

The UAE has also signed 58 agreements for the protection and promotion of investments with a quarter of the world, including most of the UAE’s trading partners. These agreements aim to protect the UAE’s investments from non-commercial risks, facilitate the transfer of profits and revenues and organise conflict resolution.

The Investment Protection Agreements aim to:

- Protect the UAE investments from non-commercial risks and those related to the transfer of profits and revenues in convertible currency;
- Organize conflict resolution, if required;
- Establish investments within the state’s signatories to the agreement, and grant licenses to Emirati investors;
- Stipulate the rules and regulations to grant the UAE investors with fair and immediate compensations in the case of expropriation of investments, as per the law, without discrimination. All compensations should be based on the market value of the investment.
TAX COMPLIANCE AND REPORTING

In order to improve international tax compliance, and in preparation to implement the Foreign Account Tax Compliance Act (FATCA), the UAE signed an agreement with the USA. This agreement contains the rules of the reporting system for financial institutions and the automatic exchange of information with respect to certain accounts that belong to US citizens, companies and financial institutions in accordance with the FATCA, domestic laws and rules restricting the use of tax information exchanged with reciprocal commitments to promote the exchange of tax information in an effective and transparent way.

The agreement includes an extensive list of definitions of terms, financial accounts, person, entity, the US taxpayer and procedures of exchanging information according to a consolidated form and determining how and when information is exchanged, provided that procedures are implemented by mutual consent in case difficulties or doubts arise in respect of the interpretation of the agreement. The agreement was signed in Abu Dhabi on 17 June 2015.

The UAE signed the Agreement on Mutual Administrative Assistance in Tax Matters (MAC) in April 2017 to become the 109th signatory to the agreement. The MAC follows the UAE’s commitment to implement international standards and requirements of the exchange of information for tax purposes, and its membership of the Global Forum on Transparency and Exchange of Information. The Agreement aims to promote transparency and cooperation in the field of taxation among these member states, following G20 directives to strengthen the international taxation system and create a transparent environment for taxation, which has become an international priority to address tax evasion.

The UAE also signed the Multilateral Competent Authority Agreement (MCAA) in April 2017, in accordance with the Common Reporting Standard (CRS), as a step towards activating the exchange of information for tax purposes in 2018. The MCAA regulates the automatic exchange of financial account information on individuals residing in the UAE for tax purposes.

The signing of the MCA and the UAE’s compliance with international requirements in the area of multilateral agreements on tax cooperation will strengthen the UAE’s position as a global financial and trading center, as well as enhance its competitiveness in the field of taxation. To date, the UAE has signed 104 bilateral agreements to avoid double taxation, eight agreements on the exchange of information for tax purposes, in addition to signing an agreement with FATCA, which includes bilateral cooperation in the exchange of tax information.
financial reporting and auditing

BOOKS OF ACCOUNT

The Commercial Transactions Law (Federal Law No. 18 of 1993) provides that a business enterprise must keep such commercial books as the nature and scope of its business requires this. The books of account are to give a true and fair view of the state of affairs of the company.

The Commercial Companies Law (Federal law No. 2 of 2015) mandates that every company must keep its accounting books in its head office for a period of at least 5 (five) years from the end of the financial year of the company.

The Executive Regulation on Tax Procedures (Cabinet Decision No. (36) of 2017) relating to Excise and VAT Laws mandates that every person holding and maintaining any accounting records and commercial books as per the provisions of this regulation, shall keep these records in a manner that enables the Authority, or an officer authorised by the Authority, for a period of at least 5 (five) years from the end of the tax period to which they relate.

METHOD OF ACCOUNTING

The UAE companies are required to maintain their books of account on an accrual basis.

FINANCIAL STATEMENTS

The following businesses must have their accounts audited annually:

- Banks (local banks and branches of foreign banks);
- Insurance companies and agencies;
- Public and private shareholding companies;
- Limited liability companies;
- Branches of foreign companies;
- Partnerships limited by shares;
- Other companies whose articles require annual audits.

For public shareholding companies, the board of directors is responsible for preparing annual accounts and reports on the activities of the companies during the financial year. A company’s accounts and report on activities must be signed by the chairman and presented by the board of directors to the general meeting. The general meeting must be held within four months after the end of the company’s financial year.

A company’s financial year must be specified in its articles of association.
ACCOUNTING PRINCIPLES

The fundamental accounting concepts in the UAE include going concern, consistency, prudence, matching and the historical convention.

Accounting practices and principles are not codified in the UAE. Companies generally follow International Financial Reporting Standards (IFRS) and best industry practices for financial reporting.

FINANCIAL REPORTING

The Commercial Companies Law No. 2 of 2015, together with certain ministerial decisions, requires that public and private shareholding companies, limited liability companies and branches of foreign companies file annual audited financial statements with the Ministry of Economy and Commerce. In certain Emirates, limited liability companies and branches of foreign companies may be required to file audited accounts to renew their trade licenses.

Within three months of their year-end, banks must file with the Central Bank their audited accounts, together with certain other forms and returns as specified by the Central Bank. Insurance companies and agencies must file their audited accounts with the Commissioner of Insurance at the Ministry of Economy and Commerce within four months from the end of their financial year.

Most free zone authorities in the UAE also require companies registered in the respective free zones (other than branches of foreign companies) to annually submit audited financial statements within 3 months from the end of their financial year.

The local authorities prescribe that all companies must present their financial statements in accordance with IFRS.

Reporting under Common Reporting Standards

The Common Reporting Standard (CRS), developed in response to the G20 request and approved by the OECD Council on 15 July 2014, calls on jurisdictions to obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis. It sets out the financial account information to be exchanged, the financial institutions required to report, the different types of accounts and taxpayers covered, as well as common due diligence procedures to be followed by financial institutions.

In accordance with the Cabinet Resolution Number 9 of year 2016, the UAE Signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MAC) on April 21 2017, that would enable the UAE to fulfil its commitment to begin automatic exchange of financial account information furthering the aim of preventing tax evasion. The UAE has also signed the Multilateral Competent Authority Agreement (MCAA), to activate the system of exchange of tax information in accordance with the Common Reporting Standards (CSR). The confidentiality, safeguards and the existence of the necessary infrastructure for an effective exchange are all covered by the MCAA. Both these agreements are legal instruments for implementation of the international OECD Standard of Automatic Exchange of Information (AEOI) - CRS for tax purposes.

The UAE CRS Regulations are published by the UAE Financial Institution’s Regulators:

- The UAE Central Bank;
- Securities and Commodities Authority;
- Insurance Authority;
- DIFC;
- ADGM.

The first reporting due date for the CRS in the UAE is 30 June 2018 and consequently by 30 June of the year following each reporting period. Reporting is an annual event.
The following are the effective dates for the implementation of the CRS in the UAE:

- Pre-existing Accounts to be subjected to due diligence procedures are those in existence as at 31 December 2016;
- New Accounts to be subjected to due diligence procedures are those opened on or after 1 January 2017;
- The first CRS reporting period ends on 31 December 2017;
- The review of Pre-existing High Value Individual Accounts at 31 December 2016 must be completed by 31 December 2017;
- The Reportable Pre-existing High Value Accounts need to be reported by 30 June 2018;
- The review of Pre-existing Lower Value Individual Accounts at 31 December 2016 must be completed by 31 December 2018;
- First exchanges of information by the UAE Competent Authority to the Reportable jurisdictions will occur on or after 30 September 2018.

Under the CRS, the UAE has opted for the “widest approach”: Reporting Financial Institutions are required to perform due diligence procedures and report information on all accounts held by an account holder who is resident for tax purposes in a jurisdiction other than the USA or the UAE. The USA is excluded because jurisdictions will be reporting to the USA under FATCA.

**Reporting under FATCA**

In 2010, the United States enacted FATCA to increase income tax reporting by US taxpayers on assets held in offshore accounts and through non-US entities. FATCA imposes new reporting and withholding obligations on foreign financial institutions and certain other foreign persons which must be complied with in order to avoid a 30% US withholding tax on certain US source payments and ‘pass thru’ payments that such non-US persons receive. Intergovernmental Agreements (IGAs) have been agreed to as part of an effort to facilitate compliance with FATCA by Financial Institutions located in countries whose internal laws (e.g., privacy laws) impose requirements on Financial Institutions that are inconsistent with those imposed by FATCA and as a method of encouraging other countries to cooperate with the implementation of FATCA.

The IGAs have been modeled in two forms: Model 1 and Model 2. The two forms are primarily distinguished from each other on the basis of the reciprocity and reporting requirements. Model 1A requires a reciprocal relationship between the US and the partner jurisdiction under which Foreign Financial Institutions (FFIs) in that partner jurisdiction would be required to report to their respective regulators which would in turn report to the IRS and vice versa. Model 1B does not require a reciprocal relationship between the US and the partner jurisdiction. Model 2 on the other hand requires FFIs intending to comply with FATCA requirements to directly report to the IRS in accordance with the requirements of FATCA.

The UAE has been added to the US Treasury’s IGA list, as having substantively agreed to a Model 1 IGA as of 21 May 2014 pursuant to IRS Announcement 2014-17 and the U.S. Treasury Department’s website. The result of this decision is that FFIs within the UAE have to comply with the requirements of the IGA with effect from 1 July 2014.

Subject to the provisions of Article 3 of the UAE-US IGA, the UAE shall obtain the information specified in Article 2 of the IGA with respect to all U.S. Reportable Accounts and shall annually exchange this information with the United States on an automatic basis.

FFIs in the UAE will benefit from the UAE IGA between the UAE and the US since FATCA’s withholding requirements will not apply to such FFIs provided they are in compliance with the UAE IGA.

With a large number of US tax obligors living / maintaining financial accounts in the UAE, FATCA compliance is important to both UAE financial institutions and to US individuals and entities holding accounts with such institutions. All customers of FFIs within the UAE will need to be aware that they are likely to be asked if they have any US connections and to make declarations in respect of the existence of such connections. US persons will be braced to expect greater due diligence requirements from FFIs when opening accounts and a more rigorous on-boarding process. FFIs have the largest burden of having to first determine if FATCA applies to
them and then ensure their systems are capable of collecting the necessary information. FFIs would also need to be aware of their counterparties' FATCA compliance and ensure their terms and conditions do not inhibit compliance with FATCA. This includes having in place mechanisms for monitoring account balances and changes in status of accounts and account holders to stay in line with FATCA. Also, FFIs within the UAE must be mindful of the relevant time frames in order to avoid being in contravention of FATCA requirements and exposing itself to any form of withholding charge.

ACCOUNTING PROFESSION

The accounting profession is well represented in the UAE, with most of the large international accounting firms being present in the major centres. The registration of accountants and auditors is governed by Federal Law No. 12 of 2014. The audits required by statute may be undertaken only by auditors who are registered in the Federal Register of Accountants and Auditors.

The Accountants & Auditors Association was established to cope with the overall economic development in the UAE; particularly in the field of commerce and industry which is manifested in the issuance of all economic legislations. The main objective of the association is to undertake the necessary measures for developing and consolidating the rules and standards of the practice of the profession of accounting and auditing in the country in general.
living in the UAE

ENTRY VISAS AND WORK PERMITS

The laws governing immigration requirements are mainly contained in Federal Law No. 6 of 1973 regarding the Entry and Residence of Expatriates as amended by Federal Law No. 13 of 1996, the immigration Law.

The general rule regarding foreign visitors to the UAE is that all visitors, except transit passengers who do not leave the airport, citizens of the GCC countries (Qatar, Kuwait, Saudi Arabia, Bahrain and Oman) and other specified countries, need to obtain a visa in order to enter the UAE. GCC citizens and citizens of the below countries can get visa on arrival:

<table>
<thead>
<tr>
<th>Australia</th>
<th>Denmark</th>
<th>Ireland</th>
<th>Monaco</th>
<th>Slovakia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>Estonia</td>
<td>Italy</td>
<td>Netherlands</td>
<td>Slovenia</td>
</tr>
<tr>
<td>Belgium</td>
<td>Finland</td>
<td>Japan</td>
<td>New Zealand</td>
<td>South Korea</td>
</tr>
<tr>
<td>Brunei</td>
<td>France</td>
<td>Latvia</td>
<td>Norway</td>
<td>Spain</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Germany</td>
<td>Liechtenstein</td>
<td>Poland</td>
<td>Sweden</td>
</tr>
<tr>
<td>Canada</td>
<td>Greece</td>
<td>Lithuania</td>
<td>Portugal</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Croatia</td>
<td>Hong Kong</td>
<td>Luxembourg</td>
<td>Romania</td>
<td>The Vatican</td>
</tr>
<tr>
<td>Cyprus</td>
<td>Hungary</td>
<td>Malaysia</td>
<td>San Marino</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>Iceland</td>
<td>Malta</td>
<td>Singapore</td>
<td>United States of America</td>
</tr>
</tbody>
</table>

Visitors from countries not listed above will need to arrange a visa in advance of travel.

In order to apply for any visa or permit, it is necessary to obtain the sponsorship of either a UAE resident (who may be a foreigner) or other legal entities in Dubai such as companies or hotels. If the visa or permit is being arranged by a hotel or local sponsor, it is usually deposited at the airport for collection by the visitor on arrival.

There are several types of visas and permits one may apply for, ranging from tourist visas for 30 days to residency visas for two years (three years for free zone residency visas). The type that a person will need will primarily depend on the individual’s purpose of entry into the UAE. Each permit or visa has its own requirements and procedures.
However, there are general conditions which all applicants must satisfy in order to obtain a visa or permit, as listed below:

- The applicant must hold a valid passport or document allowing him to enter the country and return to his country of residence;
- The official authorities have approved his entry for the purpose sought;
- The applicant has a foreign or local sponsor who is resident in the UAE;
- The applicant is not banned from entering the UAE;
- The applicant has not previously been deported from the UAE, unless special permission has been obtained for his entry.

**EMIRATES ID**

Emirates ID card (also called the National Identity Card) is an identification card, issued by the Emirates Identity Authority (EIA) (EIDA), that all UAE citizens (optional for diplomats) and residents are mandatorily required to obtain. It is mandatory to produce the Emirates ID card for most government services. This is the equivalent to a social security number of the individuals and determines the identity for many services, including residency, labour, social security, immigration and healthcare, among others. The ID card is targeted to replace all other identification cards including the labour card. Recently it is being used as an e-gate card for entering and exiting the country and is being linked to the country’s immigration, labour, healthcare and law enforcing agencies. The card is renewable every three years, depending on the validity of the person’s visa.

The UN had singled out the Emirates Identity Authority in its e-Government Survey 2014 for its world-class biometric enrolment of the entire population. The United Nations’ report includes a special box item in which it describes the Emirates ID’s biometric enrolment programme as “one of the world’s best biometric programmes.”

In a report from the UN titled ‘e-Government Survey 2014; e-Government for the Future We Want’ and published by the United Nations Department of Economic and Social Affairs (UN DESA) among other plaudits, the world body summarized the achievements of Emirates ID as follows:

“The deployment of the Emirates ID Authority’s Biometric Enrolment by the Emirates ID Authority as part of the National ID Registration Programme is recognized as one of the world’s best biometric programmes.”

**BUSINESS HOURS**

The official weekend is on Fridays and Saturdays. However, most of the smaller private companies only close on Friday, although Saturday may be a half-day.

Government offices open at 7.30 a.m. and close at 2.30 p.m. Private offices tend to keep longer hours, many coming back to work in the evening after an extended mid-day break whilst others are open from 8 a.m. to 6 p.m. Shop hours are similar in their opening times, but remain open until 9-10pm. Department stores, boutiques, the souks and many food shops remain open on a Friday, apart from Prayer Times (11.30-1.30), while larger shops re-open on a Friday afternoon around 4pm.

During Ramadan, most work is accomplished in the early hours of the morning or much later in the evening after the day’s fast is broken (at sunset).
CURRENCY

The monetary unit of the Emirates is the Dirham (Dh or AED), which is divided into 100 fils. Dirham notes are generally issued in denominations of 1000, 500, 200, 100, 50, 20, 10 and 5 while coins are issued in denominations of 1 Dirham and 50, 25, 10 and 5 fils. The Dirham is closely linked to the US Dollar via IMF Special Drawing Rights. For the past several years the government has fixed the UAE Dirham to the US Dollar at a rate of approximately 3.67 UAE Dirhams to 1 US Dollar.

TRANSPORTATION AND COMMUNICATIONS

Transport has rapidly become a strategic priority. The objective is to make the UAE a major transport hub between Europe and South-East Asia. Accordingly, public funds were invested in developing port and airport infrastructure, airlines, and shipping companies and agencies. The country has largely succeeded in this. The governments of each emirate have invested vast resources in developing port and airport infrastructure, which have also been among the leading sub sectors attracting foreign investment, albeit always on the basis of minority shareholdings. Transport not only plays an important role in the economy of the UAE, but the transport network has effectively become central to the entire region.

Taxis and Buses

Taxis are the main source of public transportation, although extensive local bus services exist in some Emirates like Dubai, Abu Dhabi and Sharjah. Rental cars are available, including rental from international car rental companies. A temporary driving license, which may be obtained through the car rental company, is required.

Marine transport

Abras are traditional means of water transport in the United Arab Emirates, considered as one of the oldest modes of transportation. The Dubai RTA has also initiated the water taxi system to provide alternative means of transport to the general public. The aim is to encourage the public on using marine transport such as Abra, the Water bus, the water taxi and Dubai Ferry.

The Dubai Water Canal Project as an extension of Deira Creek, linking Business Bay to the Arabian Gulf was also inaugurated in late 2016. This environmentally friendly lifestyle development is comprised of three distinct zones: The Water Network, The Green Network and The Public Realm. This water network is made up of three bodies of water: The Canal, which runs 2.9 kilometres connecting Business Bay to the Arabian Gulf; The Arabian Gulf coastline that provides captivating beach frontage, and the Crystal Lagoon in Safa Park, which brings the coastal experience inland with beach and water access. The Green Network connects Safa Park to the new Jumeirah Beach Park, offering a leisure experience. The Public Realm is the developable land located along the Canal. A network of food and beverage and retail outlets positioned along the five-kilometre boardwalk will enhance the existing fabric of Jumeirah, one of Dubai’s most established and popular residential communities.

Plans are also underway to connect the waterways in Abu Dhabi city. Initial routes include Reem Island and along the Abu Dhabi Corniche. Routes will later extend to Yas Island, Al Raha and Saadiyat Island.

Metro

The Dubai Metro has launched its Red Line on 9 September 2009, and has swiftly become the lifeline on thousands of daily commuters in Dubai. The Green Line was launched in 2011. Guinness World Records has declared Dubai Metro to be the world's longest fully automated metro network with a route length of 75 kilometres (47 mi). The Dubai Roads and Transport Authority's masterplan includes 421 kilometres (262 mi) of metro lines up to 2030 to cater to the expected above 4.1 million population of the city. There are plans for 268 kilometres (167 mi) of light rail tracks to act as a feeder system for the Metro, with the Al Sufouh Tram plying between Dubai Marina and Palm Jumeirah already a reality. Blue, Purple, Pink and Gold lines are proposed to be added in the near future.
Rail transport

Etihad Rail is developing a 1,200 kilometres (750 mi) railway network across the United Arab Emirates. The first stage would be a 270 kilometres (170 mi) freight line, linking Ruwais to the Shah gas field, in cooperation with Abu Dhabi National Oil Company.

Etihad Rail’s 1,200 km network will extend across the United Arab Emirates, from the border of Saudi Arabia to the border of Oman. The network will run from Ghweifat to Abu Dhabi, Dubai and the Northern Emirates with major connecting points in between, including Al Ain and Madinat Zayed. Etihad Rail will have an extensive national network with freight terminals, distribution centres and depots located close to major transport hubs, warehouses, and storage facilities across the UAE, including Mussafah, Khalifa Port, Jebel Ali Free Zone, Port of Fujairah of and Saqr Port.

The Etihad Rail network will also connect with the GCC network and this - once fully established - will cover the five GCC countries of The Kingdom of Bahrain, The State of Kuwait, Oman, Qatar, The Kingdom of Saudi Arabia and the UAE.

A longer mixed-use railway is also planned, crossing the UAE via Dubai, Sharjah, Umm Al Quwain, Fujairah, Ras Al Khaimah, and Ajman. Links to Saudi Arabia and Oman are planned. In the longer term, a dedicated passenger rail link design for speeds up to 200 km/h is being considered between Abu Dhabi and Dubai.

Etihad Rail is in line with the objective to further diversify the UAE economy as set by the UAE Vision 2021 and Abu Dhabi Economic Vision 2030.

The UAE Vision 2021 sets the key themes for the socio-economic development of the UAE, specifically calling for a shift to a diversified and knowledge-based economy. A national railway network to connect the UAE’s key centres of trade and population is an integral component of this vision.

Abu Dhabi Economic Vision 2030 forms a roadmap for the Emirate of Abu Dhabi. It aims to increase GDP contribution from non-oil sectors to over 60% by 2030 with 12 strategic industry sectors identified - including transportation and logistics, and with Etihad Rail being one of the key economic projects for growth and diversification.

Hyperloop

The hyperloop concept, in which a magnetically levitated pod is propelled through a near-vacuum tube at speeds of up to 1,200 kilometres an hour, was proposed in 2013 by Elon Musk, the American engineer and entrepreneur.

Hyperloop Transportation Technologies (HTT), a US company, is supposed to be a third of the way through a six-month feasibility study to explore locations for stations and tracks after signing an agreement with Abu Dhabi’s Department of Municipal Affairs and Transport in November 2016. The Office of His Highness Sheikh Falah Bin Zayed Al Nahyan has signed a strategic partnership agreement with Hyperloop Transportation Technologies (HTT), as part of its support for the project to link the cities of Abu Dhabi and Al Ain via Hyperloop technology.

Parallelly, California based - Hyperloop One, a competitor to HTT, is conducting a feasibility study with McKinsey & Co. and the Bjarke Ingels Group, which will be sponsored by the Dubai Roads and Transport Authority. As part of that announcement, Hyperloop One unveiled its concept for the futuristic transport system that it claims can travel at roughly 700 mph and take passengers from Dubai to Abu Dhabi in 12 minutes, which is normally a two-hour drive.

Air transport

The UAE has international airports in most emirates, the principle ones located in Abu Dhabi and Dubai. Excellent connections are available to other Middle Eastern countries and most international centres.

Al Maktoum International Airport

Dubai World Central International Airport is a colossal new airport near Jebel Ali, south of Dubai, in the United Arab Emirates. It is officially known as Al Maktoum International Airport. It has been named after the late Sheikh Maktoum Bin Rashid Al Maktoum, the former ruler of Dubai. It will be the main part of Dubai World Central, a
planned residential, commercial and logistics complex scheme. World Central is the world’s first truly integrated logistics platform, with all transport modes, logistics and value-added services, including manufacturing and assembly, in a single bonded and Free Zone environment.

It will be the world’s largest passenger and cargo hub, ten times larger than Dubai International Airport and Dubai Cargo Village combined. The airport will have an annual cargo capacity of 12 million tons, more than three times that of Memphis, today’s largest cargo hub, and a passenger capacity of more than 120 million – almost 30% more than Atlanta, currently the world’s busiest passenger airport.

The region’s biggest airport, Dubai World Central will include:

- 6 parallel runways, 4.5 km in length, each separated by a distance of 800 meters;
- Three passenger terminals including two luxury facilities one dedicated to airlines of the Emirates Group, the second to other carriers, and the third dedicated to low cost carriers;
- Multiple concourses;
- 16 cargo terminals with a 12-million-ton capacity;
- Executive and Royal jet centres;
- Hotels and shopping malls.

Telecommunications

Telecommunications and postal facilities provide efficient telephone, facsimile, telex and mail services. The UAE was the first country in the region to introduce GSM mobile and the first to offer third generation (3G) mobile data services. The UAE has a fast, efficient telecommunications network regulated by the UAE Telecommunication Regulatory Authority (TRA). The telecommunications sector is currently served by two telecommunications operators, Emirates Telecommunications Corporation (Etisalat) and Emirates Integrated Telecommunications Company PJSC (du).

In terms of the individual indicators analysed, the UAE ranked first among Arab states in:

- Business-to-consumer Internet use;
- E-Participation Index;
- Internet access in schools;
- Secure Internet servers;
- Low software piracy rates;
- Percentage of software installed.

Internationally, the UAE is ranked:

- First in ICT use and Government efficiency;
- First in mobile network coverage, in terms of the percentage of the population covered;
- First in the importance of ICT to the Government's vision of the future;
- First in the impact of ICT on access to basic services;
- Second in impact of ICTs on new services and products;
- Second in Government procurement of advanced technology products;
- Fourth in laws relating to ICT;
- Fifth in the impact of ICT on new organizational models;
- Seventh in mobile phone subscriptions per 100 inhabitants;
• Seventh in firm level technology absorption;
• Seventh in business-to-business internet use;
• Eighth in use of virtual social networks;
• Eighth in the availability of latest technologies.

As per the World Economic Forum

EDUCATION

All schools in the UAE are regulated by the Ministry of Education in association with the Knowledge and Human Development Authority (KHDA) and the Abu Dhabi Education Council (ADEC). There are private and government run or public schools in the UAE. The major urban centres have private English and American schools staffed by expatriate teachers. In addition, German, French, Japanese and Dutch schools are available. These schools generally provide kindergarten and primary education; although some of the English and American schools provide secondary education as well.

The main university in the UAE is the UAE University in Al Ain. Established in 1977, it offers a wide range of courses taught in the Arabic language.

Other universities in the UAE are the Ajman University, the American University in Dubai and Sharjah. In addition to these universities, there are a number of educational establishments and polytechnics, which offer higher diploma courses and degrees, which are normally taught in the English language, such as the Dubai Polytechnic and Aviation College.

Other knowledge centres in and around the Emirate of Dubai are given in brief below:

Dubai Knowledge Park

Dubai Knowledge Park [DKP or KP – earlier known as Knowledge Village] is a Free Zone in Dubai which focuses on educational organizations with a range of companies and services from consultants to universities and training institutes. KP was launched in September 2003 and has grown rapidly since then. There are universities from a number of countries with a branch in KP, including Australia, Belgium, Canada, India, Iran, Ireland, Pakistan, Russia, and the UK, providing educational facilities for students from all nationalities.

Dubai Academic City [DAC]

Dubai Academic City [DAC] was established after the successful development of Knowledge Park near Dubai Internet City. Its official launch was May 2006. The Academic City is a base for schools, colleges and universities, while Knowledge Village houses training institutes and educational service organizations. The DAC area covers around 129 million sq. ft.

Dubai International Academic City [DIAC]

The Dubai International Academic City [DIAC] is contained within DAC. DIAC is the free zone for tertiary institutes. By 2015, DIAC had almost 40,000 students attending 40 different institutes. The DIAC located in the Dubai Academic City is the world’s only Free Zone dedicated to higher education. A regional base for premier international higher education institutions, DIAC is the world’s first dedicated tertiary cluster development. Spread across an area of 25 million square feet, the DIAC campus provides an intellectually inspiring environment for students and faculty. There are currently 32 international universities of higher learning from diverse regions including the USA, Australia, India, Pakistan, Iran, Russia, Belgium, the UK and France operating out of DIAC, catering to over 12,000 students.

Eventually, Dubai Academic City will be the place for schools, universities and colleges while Dubai Knowledge Village will be more focused on training institutes and academic support services.
MEDICAL FACILITIES

Health care in the UAE is very advanced and the services provided by both public and private medical establishments are of high standards. As the medical profession is regulated by the Department of Health and Medical Services (DOHMS), the quality of medical staff has been maintained at a high level. The country provides a subsidized national health service to all its residents who hold a medical card.

The UAE now has 40 public hospitals, compared with only seven in 1970. The Ministry of Health is undertaking a multimillion-dollar program to expand health facilities and hospitals, medical centres, and a trauma centre in the seven emirates. To attract wealthy UAE nationals and expatriates who traditionally have travelled abroad for serious medical care, Dubai has developed the Dubai Healthcare City, a medical free zone that offers international-standard advanced private health care and provides an academic medical training centre. A similar concept is also under way in Sharjah.

The World bank ranked Dubai and Abu Dhabi as being the 2nd and 3rd, respectively, most popular medical tourism destinations in the region, behind Jordan.

HOUSING

Various types of housing accommodation are available, including spacious villas set in their own grounds, villa and bungalow developments located in compounds and high quality one, two and three bedroom apartments. Many compounds have swimming and sports facilities, and all accommodation has either centralized or individual unit air-conditioning.

Villas appropriate for mid-level executives generally rent for between US$30,000 and US$ 70,000 per year. High-quality apartments between US$50,000 and US$100,000 per year, depending on the size and location. With the recent ebullience in the economy, it is expected that property rates would only go skywards in the key emirates of Abu Dhabi and Dubai.

Each Emirate has its own policies regarding the ownership of real estate by non-UAE nationals. In Abu Dhabi, for instance, only the UAE nationals are permitted to own real estate, whereas Sharjah allows some foreign nationalities such ownership. However, companies incorporated in the UAE can generally own real estate provided they are 100% locally owned.

Nevertheless, expatriates may rent or lease property, although long-term leases do not generally exceed a term of 50 years.

OTHER ATTRACTIONS IN THE UAE

Burj Khalifa

Burj Khalifa is a skyscraper in Dubai and is currently the tallest man made free standing structure in the world at 828 m (2,717 ft.) and more than 160 stories. The total cost for the project was about US$ 1.5 billion. Burj Khalifa holds the following records:

• Tallest building in the world;
• Tallest free-standing structure in the world;
• Highest number of stories in the world;
• Highest occupied floor in the world;
• Highest outdoor observation deck in the world;
• Elevator with the longest travel distance in the world;
• Tallest service elevator in the world.
The Burj Khalifa is designed to be the centrepiece of a large-scale, mixed-use development that will include 30,000 homes, nine hotels such as the Burj Dubai Lake Hotel & Serviced Apartments. 0.03 km² (0.01 sq. mi) of parkland, at least 19 residential towers, the Dubai Mall, and the 0.12 km² (0.05 sq. mi) man-made Burj Khalifa Lake.

The Silvery glass-sheathed concrete building gives the title of Earth’s tallest free-standing structure to the Middle East – a title not held by the region since 1311 AD when Lincoln Cathedral in England surpassed the height of the Great Pyramid of Giza, which had held the title for almost four millennia.

Dubai Mall

The Dubai Mall, one of the world’s largest shopping and entertainment destinations, developed by Emaar Properties PJSC and located in the AED 73 billion mega-project Downtown Burj Dubai, is home to several retail and entertainment concepts that are a first for the region. The Dubai Mall is the flagship project of Emaar Malls Group, the shopping mall subsidiary of Emaar Properties.

The Dubai Mall, with a total site area in excess of 12.1 million sq. ft. has set a new dimension in mall development with its various construction components truly epic in proportion and scale. The structural steel used in The Dubai Mall is double that deployed for the Eiffel Tower (7,300 tonnes). The net leasable floor area is equivalent to the size of 50 football fields put together.

Yas Island

Yas Island is an island in Abu Dhabi. The island is the site of a USD 36 billion development project by Aldar Properties. It occupies a total land area of 2,500 hectares. The island holds the Yas Island Circuit, which hosts the Formula One Abu Dhabi Grand Prix since 2009. It also features attractions such as Ferrari World, hotels including Yas Marina Hotel, a water park, and Yas Mall, the Abu Dhabi destination retail development of 300,000 sq. m retail area; links and parkland golf courses, lagoon hotels, marinas, polo clubs, apartments, villas and food and beverage outlets that has created a new tourist destination. Yas Island was named the World’s leading tourism project at the World Travel Awards in November 2009.

The Yas Marina Circuit is the venue for the Abu Dhabi Grand Prix. Yas Marina is the second Formula One track in the Middle East, with the first being in Bahrain.

Mall of the World

Dubai is bundling a lot of “world firsts” for the Mall of the World development – its most ambitious project since the emirate’s economic revival began in earnest since early 2012. The project is to be the retail and hospitality showpiece development for the Expo 2020 in Dubai, alongside the planned mega convention centre and related infrastructure that will be rolling out of the design board shortly.

The Mall of the World is to be located along Shaikh Zayed Road. But in its conceptualization, the project – which will be managed by Dubai Holding – will be nothing less than a city-within-a-city and also include 100 hotels. Apart from being the largest mall in the making by occupying 8 million square feet, it is being billed as the world’s first “temperature-controlled (pedestrian) city” and with 48 million square feet spread. This will be through a glass dome enclosure that will be open up during the winter months, a high season for the city’s retail, leisure and hospitality sectors. On completion, it will be a year-round destination that is projected to pull in 180 million visitors annually.

Dubai’s economic turnaround was fast-tracked by retail and hospitality twinned with the ever-expanding reach of Emirates airline and its jumbo-sized order book. With the Mall of the World announcement, Dubai is creating the projects that would drive these sectors forward until the Expo 2020 looms closer on the horizon.

Dubai Opera House

The iconic dhow-shaped building of Dubai Opera is a masterpiece of contemporary design, and a stylish tribute to Dubai’s maritime history. Located at what’s billed as ‘the most prestigious square kilometre in the world’, Dubai Opera is the radiant centre of culture and arts in Downtown Dubai and the shining pearl of The Opera District.

With its unique 2000-seat multi-format theatre, Dubai Opera is a definitive international destination for performing arts and world-class entertainment productions. In Theatre mode, the space is suitable for large-
scale drama productions, musicals, ballets, lectures, and conferences, seating up to 2,000 people, depending on configuration. When transformed into a concert hall, a series of towers and reflectors on stage and overhead are designed to create an acoustic shell around the orchestra, enabling an impeccable acoustic environment for a perfect sound quality. The building’s unique architecture allows to also host a variety of events such as weddings, trade shows, art galleries and exhibitions, receptions and parties, using its “flat floor” mode.

**Saadiyat Cultural District**

Saadiyat Island is set to become the cultural heartbeat of Abu Dhabi in the coming years. An entire district on Saadiyat Island is devoted to culture and the arts. Unprecedented in scale and scope, Saadiyat Cultural District will be a live canvas for global culture, drawing local, regional and international visitors with unique exhibitions, permanent collections, productions and performances. Its iconic institutions will be housed in buildings drawing a statement of the finest architecture at the beginning of the 21st century.

The Louvre Abu Dhabi (opened in November 2017), the Guggenheim Abu Dhabi, and Zayed National Museum (both still in early planning and construction phases) will all be located here, turning the island into the UAE's new cultural and artistic hub.

**Theme Parks**

Theme parks have become the latest addition to the to-do lists of all tourists that visit the UAE. Conceptually, themed entertainment parks have always been a part of the UAE, from Wild Wadi in Dubai, Hilly Fun City in Al Ain to Dreamland Aqua Park in Umm Al Quwain. However, these have been to cater to the local populace rather than appeal to tourists. However, in the last few years, some strong new entrants have upped the ante and have quickly become a must visit attraction for tourists. Some of the bigger names are included below:

**Ferrari World**

Topping the list is the fast and furious Ferrari World in Abu Dhabi. Located in Yas Island, it’s a destination themed entirely on the famed Italian car manufacturer Ferrari. Making the ride extra special, the amusement park gives tourists the chance to experience the world’s fastest rollercoaster. Ferrari World also holds the record for the largest space frame structure ever built. Tourists can also check out a miniature world of tiny Ferraris and a virtual tour of the Ferrari factory. The park is situated under a 200,000 sq. m. roof. The theme park is home to Formula Rossa, the world’s fastest roller coaster. Ferrari World Abu Dhabi was named the “Middle East’s Leading Tourist Attraction” at the World Travel Awards 2015.

**Dubai Parks and Resorts**

Dubai Parks and Resorts is touted as the Middle East’s largest integrated leisure and theme park destination located in Dubai. Spread over 25 million square feet, it features more than 100 rides and attractions, and consists of three theme parks: Motiongate Dubai, Bollywood Parks Dubai and Legoland Dubai and one water park: Legoland Water Park. It also encompasses Riverland Dubai, a themed retail and dining destination, as well as the Polynesian-themed family resort, Lapita Hotel Dubai. The official opening took place in December 2016. Six Flags Dubai, will be the fourth theme park addition to Dubai Parks and Resorts and will open its doors in late 2019 with an additional 27 rides and attractions, and growing the destination to cover 30.6 million square feet. Based on the popular American Six Flags theme parks, this park will feature roller coasters aimed at thrill seekers.

**IMG Worlds of Adventure**

IMG Worlds of Adventure is an indoor amusement park in Dubai. It is Dubai’s first mega themed entertainment destination. The park is divided into four “epic zones”. Two of the four zones represent global brands Cartoon Network and Marvel, while IMG Boulevard and the Lost Valley – Dinosaur Adventure zones are original concepts created by the IMG Group. IMG Worlds of Adventure is the largest temperature controlled indoor themed entertainment destination in the world, covering an area in excess of 1.5 million square feet. With the capacity to welcome more than 20,000 guests a day, the destination features roller coasters, thrill rides, and other attractions based on popular Cartoon Network characters, iconic Marvel Super Heroes and animatronic dinosaurs. Other facilities include a variety of themed retail stores and dining venues, and a 12-screen cinema complex. Situated within City of Arabia, IMG Worlds of Adventure has swiftly become a must-visit international destination, bringing the best of family entertainment to Dubai’s growing leisure industry.
20th Century Fox World (Dubai)

Based on Fox shows, there will be attractions such as The Simpsons, Ice Age and Night At the Museum. The recreation centre based on popular Fox shows is proposed to open in 2018, will be called 20th Century Fox World Dubai and will be put up by Al Ahli Holding Group under an agreement license with Fox consumer product group. The recreation centre will be founded on some of FOX’s most mainstream establishments, like “The Simpsons”, “Ice Age”, “Planet of the Apes” and “Titanic”. 
about PKF International

PKF is a global family of legally independent firms bound together by a shared commitment to quality, integrity and the creation of clarity in a complex regulatory environment. We provide world-class analysis and clear solutions in Assurance, Advisory, Taxation and Business Services for companies around the globe.

Our family consists of over 400 offices, operating in 150 countries across five regions. We specialize in providing high quality audit, accounting, tax, and business advisory solutions to international and domestic organizations in all our markets. Our regions are Africa, Asia Pacific, Europe, Middle East and Indian subcontinent, Latin America and North America & Caribbean.
PKF International member firms have an aggregate fee income of over $1bn, and the network is a member of the Forum of Firms - an organization dedicated to consistent and high-quality standards of financial reporting and auditing practices worldwide.

We work closely with our clients on issues ranging from risk advisory to corporate finance and restructuring, to provide strong support for growth and to guide them through potential obstacles such as tax and regulation. PKF’s services extend everywhere from a company’s inception and formation to its small-business phase, all the way to its needs as a large corporation working with large financial deals and mergers.

When you use a PKF member firm for business advice and accountancy services, you can be confident that the work will be carried out by dedicated professionals with international expertise. Each team is led by a partner who will deal with you directly and be your regular point of contact. As a client of a PKF member firm you are assured of:

- a firm that is firmly established and respected in its own country;
- a partner-led service;
- experts who understand your market;
- partners who work hard to understand your specific business and its needs;
- knowledge of the local business landscape;
- rapid access to technical guidance and support from other member firms if required;
- seamless continuity of service for your international business needs.

What truly sets us apart is the emphasis we place on listening to your unique circumstances, and the way our decision-makers work with clients, as one global team, to provide exactly what is needed.

Our presence on 6 continents gives us both the local perspective and the global reach to provide easy-to-follow recommendations every step of the way.

As the leading independent global accounting and advisory brand, collaboration is central to the PKF experience. While all members maintain full independence, our shared network allows us to offer every accounting and advisory service a company could need throughout its lifetime, producing tailor-made solutions in a complex economy.

PKF INTERNATIONAL REGIONAL STRUCTURE

AFRICA
Angola • Botswana • Cameroon • Cape Verde • Gambia • Ghana • Kenya • Lesotho • Liberia • Mauritius • Mozambique • Namibia • Nigeria • Rwanda • Seychelles • Sierra Leone • Somalia • South Africa • South Sudan • Swaziland • Tanzania • Uganda • Zambia • Zimbabwe

ASIA PACIFIC
Australia • China • Hong Kong • Indonesia • Japan • Malaysia • Mongolia • New Zealand • Philippines • Republic of Korea • Singapore • Taiwan • Thailand • Vietnam

EUROPE, MIDDLE EAST AND INDIA (EMEI)
Afghanistan • Algeria • Austria • Azerbaijan • Bahrain • Bangladesh • Belarus • Belgium • Bulgaria • China • Croatia • Cyprus • Czech Republic • Denmark • Egypt • Estonia • France • Georgia • Germany • Gibraltar • Greece • Hungary • India • Iraq • Ireland • Israel • Italy • Jersey • Jordan • Kazakhstan • Kuwait • Latvia • Lebanon • Libya • Macedonia • Malta • Morocco • Nepal • Netherlands • Norway • Oman • Pakistan • Poland • Portugal • Qatar • Romania • Russian Federation • Saudi Arabia • Serbia • Slovakia • South Africa • Spain • Sweden • Switzerland • Tunisia • Turkey • Ukraine • United Arab Emirates • United Kingdom • Uzbekistan
LATIN AMERICA
Argentina • Bolivia • Brazil • Chile • Colombia • Costa Rica • Dominican Republic • Ecuador • El Salvador • Guatemala • Honduras • Mexico • Nicaragua • Panama • Paraguay • Peru • Uruguay • Venezuela

NORTH AMERICA AND THE CARIBBEAN
Antigua and Barbuda • Bahamas • Belize • British Virgin Islands • Grenada • Guyana • Jamaica • Saint Kitts and Nevis • St Lucia • Trinidad and Tobago • United States of America
PKF UAE publications

As part of the firm’s continuing service to clients, PKF-UAE has produced a number of publications for their information and benefit. These are as follows:

PRACTICE PROFILE

A profile of PKF in the UAE.

STATEMENT OF CREDENTIAIS

Details of the firm, clients, services and the team.

DOING BUSINESS IN THE UAE

A guide to the UAE including economic and social background; the regulatory environment; basic business structures; grants and incentives (including free zones); taxation; and employment.

FREE ZONES IN THE UAE

A guide to the major Free Zones in the United Arab Emirates including the salient features and costs.

PKF UPDATE

A quarterly newsletter detailing news from PKF-UAE and matters of interest in the region

All the foregoing publications can be obtained from any of the UAE offices.
Other International Publications

PKF WORLDWIDE INTERNATIONALLY MOBILE EMPLOYEE GUIDE
PKF is experienced in assisting internationally mobile employees and we understand the issues, complexities and goals surrounding international assignments at both the individual, and organizational levels.

PKF INTERNATIONAL WORLDWIDE TAX GUIDE 2017-18
The PKF Worldwide Tax Guide 2017-18 (WWTG) is an annual publication that provides an overview of the taxation and business regulation regimes of the world’s most significant trading countries. On a country-by-country basis, each summary addresses the major taxes applicable to business; how taxable income is determined; sundry other related taxation and business issues; and the country’s personal tax regime.

OECD BEPS ACTION PLAN STATUS UPDATE REPORT
An update on the implementation of the OECD BEPS 15-point action plan by country
annexure a: useful contact numbers

<table>
<thead>
<tr>
<th>Useful Contact Numbers</th>
<th>P.O. Box</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ABU DHABI</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Government Departments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chamber of Commerce</td>
<td>662</td>
<td>(2) 621 4000</td>
</tr>
<tr>
<td>Economic Department</td>
<td>853</td>
<td>(2) 815 8888</td>
</tr>
<tr>
<td><strong>Federal Government Ministries</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economy</td>
<td>901</td>
<td>(2) 613 1111</td>
</tr>
<tr>
<td>Finance</td>
<td>433</td>
<td>(2) 672 6000</td>
</tr>
<tr>
<td>The UAE Central Bank</td>
<td>854</td>
<td>(2) 665 2220</td>
</tr>
<tr>
<td>The UAE Offset Group</td>
<td>908</td>
<td>(2) 626 3000</td>
</tr>
<tr>
<td><strong>DUBAI</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Government Departments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chamber of Commerce &amp; Industry</td>
<td>1457</td>
<td>(4) 228 0000</td>
</tr>
<tr>
<td>Department of Tourism &amp; Commerce Marketing</td>
<td>594</td>
<td>(4) 282 1111</td>
</tr>
<tr>
<td>Department of Economic Development</td>
<td>13223</td>
<td>(4) 445 5555</td>
</tr>
</tbody>
</table>
Useful contact numbers – cont’d.

<table>
<thead>
<tr>
<th><strong>Federal Government Ministries</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td>3625</td>
<td>(4) 314 1555</td>
</tr>
<tr>
<td>Finance</td>
<td>1565</td>
<td>(4) 393 9000</td>
</tr>
<tr>
<td>The UAE Central Bank</td>
<td>448</td>
<td>(4) 393 9777</td>
</tr>
<tr>
<td>Jebel Ali Free Zone</td>
<td>17000</td>
<td>(4) 881 3000</td>
</tr>
<tr>
<td>Dubai Airport Free Zone</td>
<td>2525</td>
<td>(4) 299 5555</td>
</tr>
<tr>
<td>Dubai Creative Clusters Authority</td>
<td></td>
<td>(4) 390 0500</td>
</tr>
<tr>
<td>Dubai Media Commodities Centre</td>
<td>48800</td>
<td>(4) 424 9600</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>AJMAN</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chamber of Commerce</td>
<td>662</td>
<td>(6) 747 1222</td>
</tr>
<tr>
<td>Economic Department</td>
<td>870</td>
<td>(6) 744 6244</td>
</tr>
<tr>
<td>Ajman Free Zone</td>
<td>932</td>
<td>(6) 701 1555</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>SHARJAH</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Departments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chamber of Commerce &amp; Industry</td>
<td>580</td>
<td>(6) 530 2222</td>
</tr>
<tr>
<td>Economic Department</td>
<td>829</td>
<td>(6) 512 2222</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Federal Government Ministries</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td>3803</td>
<td>(6) 528 1222</td>
</tr>
<tr>
<td>The UAE Central Bank</td>
<td>645</td>
<td>(6) 559 2592</td>
</tr>
<tr>
<td>Sharjah Airport International Free Zone (SAIF Zone)</td>
<td>8000</td>
<td>(6) 557 0000</td>
</tr>
<tr>
<td>Hamriyah Free Zone</td>
<td>1377</td>
<td>(6) 526 3333</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>FUJAIRAH</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chamber of Commerce &amp; Industry and Agriculture</td>
<td>738</td>
<td>(9) 223 0000</td>
</tr>
<tr>
<td>Fujairah Free Zone</td>
<td>1133</td>
<td>(9) 222 8000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>RAS AL KHAIMAH</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chamber of Commerce &amp; Industry and Agriculture</td>
<td>87</td>
<td>(7) 207 0222</td>
</tr>
<tr>
<td>Economic Department</td>
<td>10510</td>
<td>(7) 204 4444</td>
</tr>
<tr>
<td>The UAE Central Bank</td>
<td>5000</td>
<td>(7) 228 4444</td>
</tr>
<tr>
<td>Ras Al Khaimah Free Zone</td>
<td>10055</td>
<td>(7) 204 1111</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(7) 800 7111</td>
</tr>
</tbody>
</table>
Useful contact numbers – cont’d.

<table>
<thead>
<tr>
<th>UMM AL QUWAIN</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chamber of Commerce &amp; Industry and Agriculture</td>
<td>436</td>
<td>(6) 765 1111</td>
</tr>
<tr>
<td>Ahmed Bin Rashid Free Zone / UAQ Free Zone</td>
<td>279</td>
<td>(6) 764 7272</td>
</tr>
</tbody>
</table>
LIST OF THE UAE TAX TREATIES

The Government of the United Arab Emirates has signed Agreements for the Avoidance of Double Taxation and The Prevention of Fiscal Evasion with respect to Taxes on Income with more than 100 countries. A list of the ratified treaties is given below:

<table>
<thead>
<tr>
<th>Albania</th>
<th>Czech Republic</th>
<th>Kazakhstan</th>
<th>Netherlands</th>
<th>Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>Egypt</td>
<td>Kenya</td>
<td>New Zealand</td>
<td>Sri Lanka</td>
</tr>
<tr>
<td>Andorra</td>
<td>Estonia</td>
<td>Kyrgyzstan</td>
<td>Nigeria</td>
<td>Sudan</td>
</tr>
<tr>
<td>Armenia</td>
<td>Ethiopia</td>
<td>Latvia</td>
<td>Pakistan</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Austria</td>
<td>Fiji</td>
<td>Lebanon</td>
<td>Palestine</td>
<td>Syria</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>Finland</td>
<td>Libya</td>
<td>Panama</td>
<td>Tajikistan</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>France</td>
<td>Liechtenstein</td>
<td>Philippines</td>
<td>Thailand</td>
</tr>
<tr>
<td>Barbados</td>
<td>Gambia</td>
<td>Lithuania</td>
<td>Poland</td>
<td>Tunisia</td>
</tr>
<tr>
<td>Belarus</td>
<td>Georgia</td>
<td>Luxembourg</td>
<td>Portugal</td>
<td>Turkey</td>
</tr>
<tr>
<td>Belgium</td>
<td>Germany</td>
<td>Macedonia</td>
<td>Romania</td>
<td>Turkmenistan</td>
</tr>
<tr>
<td>Belize</td>
<td>Greece</td>
<td>Malaysia</td>
<td>Russia</td>
<td>Uganda</td>
</tr>
<tr>
<td>Benin</td>
<td>Guinea</td>
<td>Malta</td>
<td>Senegal</td>
<td>Ukraine</td>
</tr>
<tr>
<td>Bermuda</td>
<td>Hong Kong</td>
<td>Mauritania</td>
<td>Serbia</td>
<td>Uruguay</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>Hungary</td>
<td>Mauritius</td>
<td>Seychelles</td>
<td>Uzbekistan</td>
</tr>
<tr>
<td>Brunei</td>
<td>India</td>
<td>Mexico</td>
<td>Singapore</td>
<td>Venezuela</td>
</tr>
<tr>
<td>Canada</td>
<td>Indonesia</td>
<td>Mongolia</td>
<td>Slovakia</td>
<td>Vietnam</td>
</tr>
<tr>
<td>China</td>
<td>Ireland</td>
<td>Montenegro</td>
<td>Slovenia</td>
<td>Yemen</td>
</tr>
<tr>
<td>Comoro Islands</td>
<td>Italy</td>
<td>Morocco</td>
<td>South Africa</td>
<td></td>
</tr>
<tr>
<td>Cyprus</td>
<td>Japan</td>
<td>Mozambique</td>
<td>South Africa</td>
<td></td>
</tr>
</tbody>
</table>
The Government of the United Arab Emirates has also signed 58 Agreements for the Promotion and Protection of Investments with several countries including:

<table>
<thead>
<tr>
<th>Country</th>
<th>Country</th>
<th>Country</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>Finland</td>
<td>Mongolia</td>
<td>Sweden</td>
</tr>
<tr>
<td>Algeria</td>
<td>France</td>
<td>Montenegro</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Andorra</td>
<td>Germany</td>
<td>Morocco</td>
<td>Syria</td>
</tr>
<tr>
<td>Austria</td>
<td>Guinea</td>
<td>Netherlands</td>
<td>Tajikistan</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>Greece</td>
<td>Nigeria</td>
<td>Thailand</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>India</td>
<td>Pakistan</td>
<td>Tunisia</td>
</tr>
<tr>
<td>Belarus</td>
<td>Italy</td>
<td>Poland</td>
<td>Turkey</td>
</tr>
<tr>
<td>Belgium</td>
<td>Jordan</td>
<td>Portugal</td>
<td>Turkmenistan</td>
</tr>
<tr>
<td>Belize</td>
<td>Kenya</td>
<td>Romania</td>
<td>Ukraine</td>
</tr>
<tr>
<td>Benin</td>
<td>Kyrgyzstan</td>
<td>Russia</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>China</td>
<td>Lebanon</td>
<td>Senegal</td>
<td>Uzbekistan</td>
</tr>
<tr>
<td>Comoro Islands</td>
<td>Malaysia</td>
<td>Serbia</td>
<td>Vietnam</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>Mauritania</td>
<td>Singapore</td>
<td>Yemen</td>
</tr>
<tr>
<td>Egypt</td>
<td>Mauritius</td>
<td>South Korea</td>
<td></td>
</tr>
<tr>
<td>Estonia</td>
<td>Mexico</td>
<td>Sudan</td>
<td></td>
</tr>
</tbody>
</table>