

DUBAI

1. Company law:

The UAE has federal legislation governing companies (Federal Law No.8 of 1984 as amended) and each of the UAE's emirates has numerous free zones with their own separate rules, regulations and company types. For example, Dubai alone has over 20 different free zones with incentives that include almost zero personal and corporation taxation.

2. Types of company:

(a) type of company preferred for international transactions:

The Dubai "offshore" company is the Jebel Ali Offshore company. To make use of tax treaties, you must have an "onshore" UAE company with a local trade licence and office space. The Free Trade Zones can also be used for this purpose (as well as the local 51% owned LLCs formed at the Dubai Economic Department).

(b) shareless companies:

General partnerships may be formed onshore.

3. Capital requirements:

This depends entirely on the type of entity and location (free zone or otherwise). Capital requirements for many onshore companies have been abolished, however, for free zone onshore companies, capital requirements can range from AED50.000 – AED300.000 depending on the activity of the company (and therefore its licence type) but the capital does not need to be retained.

4. Annual fees paid to authorities:

Approximately AED10.000 to AED 100.000.

5. Taxation rates applied to companies generally:

There is no corporation tax applied to companies in the UAE other than those involved in certain sectors of the oil and gas industries or branches of overseas banks.

6. Who can incorporate:

Any person, corporate or individual, so long as the local ownership rules are followed where applicable.

7. Minimum members:

Generally two. Again depending on type of entity and location.

8. Directors and secretary:

For onshore companies there is a general requirement to have a local individual director or manager and a registered agent is not required but a local Emirati sponsor is. Free Zone "offshore" companies (a) – (c) below are applicable in RAK but not Jebel Ali, free zones.

(a) Must a director/ secretary be resident?

Applicable in RAK, but not Jebel Ali, free zones.

(b) Are Corporate Directors allowed?

Applicable in RAK, but not Jebel Ali, free zones.

- (c) Is a local registered agent required?** *Applicable in RAK, but not Jebel Ali, free zones.*
- 9. Meetings:** *Not generally, however some free zones will require annual meetings.*
- 10. Is an annual return filed with details of directors and members?** *A form of return is usually made with these details, alternative the annual licence requires this information.*
- (a) Must financial statements of a company be audited?** *This is entirely dependent on the type of company that has been incorporated and the jurisdiction.*
- (b) Are annual accounts filed with annual returns?** *As above.*
- 11. Is migration of companies permitted?** *Into certain free zones yes (eg DIFC, RAK).*