

# UAE BUSINESS SETUP GUIDE

**2026**

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





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# FOREWORD

Welcome to 2026 – a defining year for how businesses scale, innovate, and go global through the UAE. What was once a regional powerhouse has evolved into a future-first business ecosystem, setting the pace for innovation, connectivity, and global influence.

Over the past year, the UAE has continued to strengthen its position as one of the world's most attractive destinations for founders and international companies. Progressive regulations, digital-first government services, and targeted investments in high-growth sectors have created an environment where ambitious ideas move faster from concept to execution. With Dubai at the forefront, the country has drawn sustained global interest across AI, digital businesses, green energy, blockchain, FinTech, and next-generation services.

At Creative Zone, this momentum has translated into real impact. Over the past year, we've supported more than 10,500 entrepreneurs and enterprises – from first-time founders to multinational corporations – as they established, scaled, and future-proofed their presence in the UAE. Our role goes beyond setup; we partner with businesses at every stage of their journey.

This guide is designed to give you a clear, practical understanding of what it takes to build and grow a business in the UAE today. From company formation, visas, and banking support to the realities of living and operating here: safety, education, healthcare, and quality of life – it brings together the essentials you need to make confident, well-informed decisions.

With the right insights, growth becomes intentional rather than reactive. This guide is built to help you move with clarity and conviction. And when questions arise, our team remains ready to support you at every step of your UAE business journey.

Here's to building what's next – and shaping a strong, sustainable future for your business in the UAE.

  
**LORENZO JOORIS**  
CEO, Creative Zone

# The UAE: An Overview



## A. A Thriving Economy: The Economic Progress of the UAE in the Last 50 Years

Although the UAE had humble beginnings before becoming the haven of modern architecture and business that it is today, trade has always been at its center.

Pearl trade has been a growing industry since the 1500s and hit its peak in the 19th century. During this time many of the country's inhabitants were semi-nomadic, moving from the coast to inland with the pearling and date farming seasons. Other traders also passed through the country to buy and sell gold, spices, and textiles – all of which still flourish in today's modern souks.

The UAE has long attracted international traders and entrepreneurs, and today it remains one of the world's most business-friendly environments for global founders and investors.

However, it would not be until the 1960s for the UAE to become truly transformed, after the discovery of oil.

With their newfound wealth from a fresh industry, the country's rulers set out to build a commercial hub in the heart of the Middle East. Specifically, they transformed Dubai from a humble fishing village to one of the most technologically and architecturally advanced cities in the world.

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

Its business-friendly regulations, reputation for ease of doing business, low corporate tax rates of 9%, zero personal taxes, and world-leading free economic zones keep it at the top-of-mind of the best entrepreneurs and investors. Simultaneously, infrastructures such as like the Burj Al Arab, Burj Khalifa, and Palm Islands paint a picture of the heights that the UAE has reached in taking on the world stage.

## B. The Importance of SMEs

Small and medium-sized enterprises continue to be the backbone of the UAE's economy – and their role is becoming even more central as the country accelerates its long-term growth agenda. Entering 2026, the UAE remains one of the fastest-growing economies in the region, consistently outperforming many of its GCC counterparts due to strong diversification and private-sector momentum.

Economic outlooks point to sustained growth driven largely by non-oil sectors, with tourism, logistics, financial services, construction, real estate, technology, and communications leading the charge.

As the economy matures, SMEs are no longer viewed solely as contributors to employment but as key drivers of innovation, resilience, and competitiveness.

Today, SMEs account for approximately 94% of businesses operating in the UAE and employ a large share of the private-sector workforce. They also contribute significantly to the UAE's non-oil economy, with continued growth expected as entrepreneurship and innovation-led ventures scale across key sectors.

What sets the UAE apart is not just the volume of SMEs, but the quality and ambition behind them. From tech-enabled startups and professional services firms to e-commerce, sustainability-driven ventures, and creative industries, SMEs are shaping the future of the nation's economy.

## C. How the UAE Supports SMEs

Recognising the strategic importance of SMEs, the UAE government continues to expand and refine its support framework to ensure businesses can launch, grow, and compete globally. Support spans the full lifecycle of a business – from ideation and setup to scaling and international expansion.

One of the cornerstone initiatives is the Ministry of Economy's Entrepreneurial Nation 2.0, which builds on earlier efforts and aims to develop thousands of SMEs and startups by 2030. The programme places a strong emphasis on technology adoption, digital transformation, and smart services, reflecting the UAE's shift toward a knowledge-based and innovation-led economy.

Another key initiative is NextGenFDI, launched to attract high-growth, technology-driven companies to the UAE. Through public-private collaboration – including partnerships with entities such as Creative Zone – the programme supports digital businesses, scale-ups, and emerging tech companies by offering access to advisory services, market entry support, and long-term growth opportunities within the UAE.

In parallel, long-standing institutions continue to play a critical role in SME development. These include the Mohammed Bin Rashid Establishment for SME Development, the National SME Programme, and the Khalifa Fund, all of which provide funding solutions, advisory services, training, and market access support for entrepreneurs at different stages of their journey.



Complementing these efforts, the Ministry of Finance and other government bodies have introduced advanced digital platforms and services designed to reduce friction, improve transparency, and create a more business-friendly environment. Together, these initiatives reflect a clear national objective: to position the UAE as a globally competitive hub where SMEs are empowered to innovate, scale, and succeed.

Key areas of support include:

- Access to business opportunities and government contracts
- Funding solutions and credit guarantee schemes
- Tailored advisory services, accelerators, and growth programmes

Through this integrated ecosystem, the UAE continues to reinforce its position as a leading global destination for small and medium-sized businesses — not just to start, but to grow with confidence.

## **D. Doing Business in the UAE**

The UAE is made up of seven emirates: Abu Dhabi, Dubai, Sharjah, Ajman, Ras Al Khaimah, Umm Al Quwain, and Fujairah — each offering distinct commercial advantages while operating within a unified federal framework. Strategically positioned between Asia, Europe, and Africa, the UAE continues to serve as a global gateway to some of the world's largest consumer and trade markets.

By 2026, the UAE's economy reflects not only resilience but long-term adaptability. Despite global economic shifts, the country has maintained strong momentum through diversification, digital transformation, and policy-led reform. Its ability to respond quickly to change while maintaining investor confidence has reinforced its standing as a preferred destination for foreign direct investment across the Middle East and North Africa.

The UAE's global competitiveness continues to climb across major international benchmarks. In recent editions of leading competitiveness and ease-of-doing-business rankings, the country has consistently placed among the world's top performers — reflecting sustained progress in economic governance, infrastructure, talent attraction, and regulatory efficiency.

And with an expatriate population of approximately 89%, it attracts entrepreneurs and business owners from every corner of the globe. These international investors not only benefit from one of the lowest corporate tax rates of 9%, but can also repatriate capital and profit with no restrictions.



Entrepreneurship remains a national priority. The UAE continues to rank among the world's leading environments for startup formation, supported by access to capital, advanced infrastructure, and a regulatory framework designed to encourage business creation and scale. This positioning has made the country a magnet for founders, investors, and innovators from around the globe.

With an expatriate population representing close to 90% of residents, the UAE offers a truly international business environment. Entrepreneurs benefit from a competitive corporate tax rate of 9%, zero personal income tax, and the freedom to repatriate capital and profits without restriction — factors that remain central to the country's global appeal. From a cultural perspective, the UAE's business environment is open, collaborative, and relationship-driven. Networking plays a critical role, and professional communities are actively cultivated through industry events, accelerators, and business forums. While the country is known for its lifestyle offerings, long-term success is built on credibility, consistency, and a strong work ethic.

Business activity in the UAE operates within a structured legal framework that varies slightly by emirate while remaining aligned at the federal level. Arabic is the official language and is required for certain legal documentation, though English is widely used and remains the dominant language for business communication.

Safety and security continue to be among the UAE's strongest differentiators. The country consistently ranks as one of the safest globally, reinforcing confidence for entrepreneurs, employees, and investors choosing to live and operate here.

## **E. The Middle East and the Region**

The Middle East and North Africa (MENA) region continues to be a dynamic hub for growth, diversification, and innovation in 2026. Over the past decade, the GCC economies have successfully reduced their dependence on oil, with non-oil sectors such as tourism, real estate, manufacturing, and digital industries driving a new era of regional growth. Emerging technologies, particularly Artificial Intelligence (AI) and green finance, are shaping the economic landscape, offering unprecedented opportunities for investment, job creation, and sustainable development.

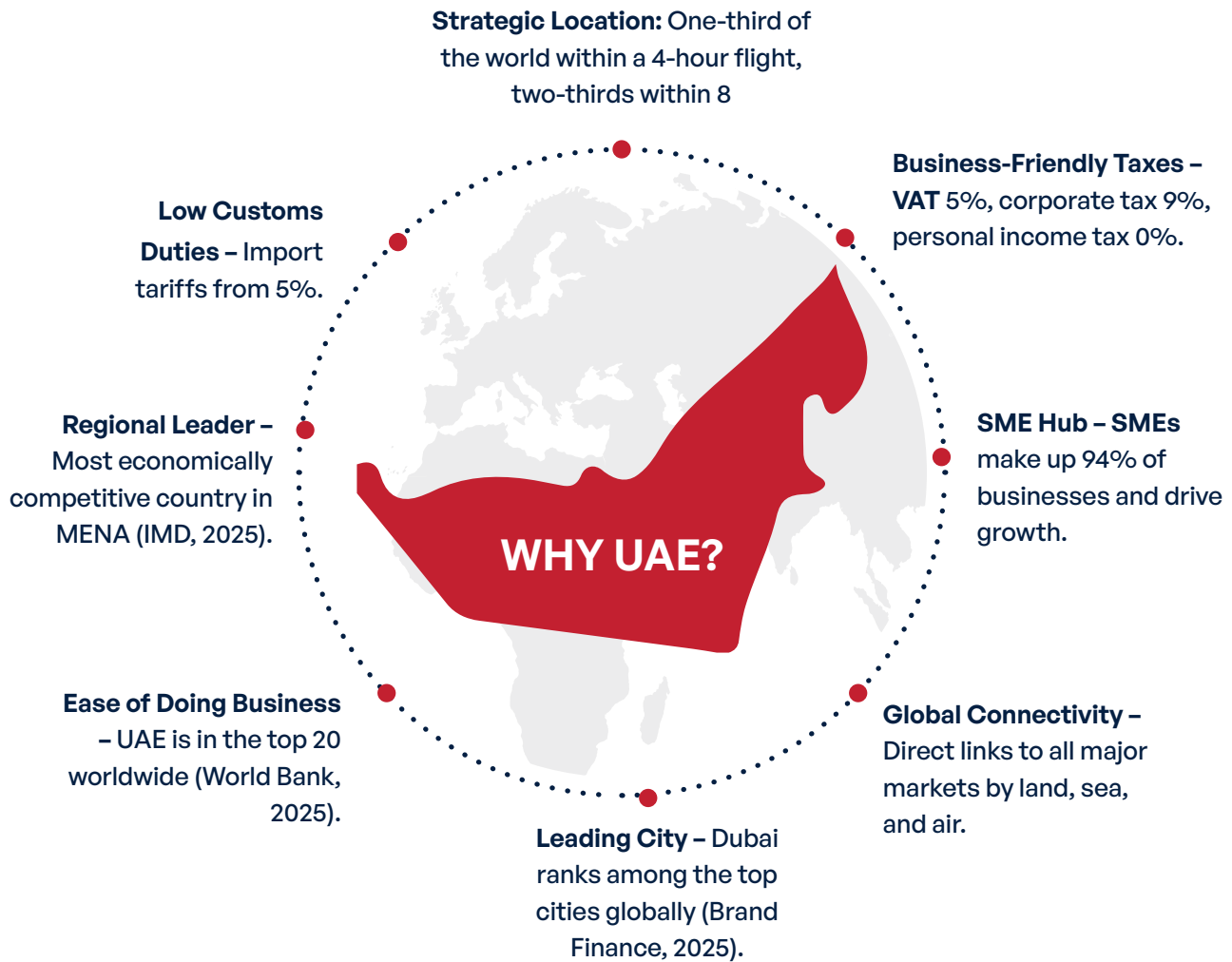
Green finance initiatives across the GCC alone are expected to generate trillions in GDP over the coming decade while creating a new wave of employment opportunities in renewable energy, climate tech, and sustainable infrastructure. Similarly, AI adoption continues to accelerate across both public and private sectors, positioning the region as a leader in innovation-driven growth.

Trade remains a cornerstone of the regional economy, with strong global relationships. The EU, China, and other major partners continue to drive exports, imports, and investment flows, supporting regional diversification strategies. While oil remains a strategic asset, the region's focus on technology, logistics, health, and urban development underscores a long-term vision of resilience and sustainability.

Urban transformation is ongoing across the GCC, with large-scale infrastructure and smart-city initiatives reshaping the region. In the UAE, plans under the Urban Master Plan aim to enhance livability, mobility, and connectivity, with expanded roads, pedestrian pathways, and public transport infrastructure designed to support a growing population and business ecosystem. Similarly, in Saudi Arabia and other GCC countries, major transport and housing projects continue to modernize urban centers, reflecting a commitment to sustainable, tech-enabled growth.

With a young, educated, and highly mobile workforce, the MENA region — and the UAE in particular — offers a unique combination of strategic location, forward-thinking policies, and investment-friendly ecosystems, making it an increasingly attractive destination for entrepreneurs, innovators, and global investors.





## F. Incentives for Foreign Investors

The UAE remains one of the world's most attractive destinations for expatriates and foreign investors. Expats make up nearly 90% of the population, drawn by a streamlined business setup process, robust licensing and visa systems, and investor-friendly regulations.

Foreign investors benefit from:

- 0% personal income tax
- 9% corporate tax (Mainland companies) or 0% corporate tax for certain Free Zone income
- 5% VAT
- 100% foreign ownership
- 100% customs tax exemption
- Zero currency restrictions
- Freedom to repatriate capital and profits

Multiple visa options make relocating easy, whether for months or long-term. Investors can also choose to operate in one of the UAE's many free zones, which offer additional tax and operational benefits.



On top of financial incentives, the UAE offers peace of mind with political stability, strong security, and a high quality of life. In global rankings, it consistently leads in expatriate satisfaction, business environment, and ease of living.

### **Key advantages at a glance:**

- Simple and fast visa and licensing processes
- Access to a secure, globally connected business hub
- Full support for starting, growing, and relocating your business

## **G. Overcoming Challenges for Start-ups and SMEs**

Starting a business in the UAE comes with opportunities — and challenges. With the right guidance, these obstacles can be navigated efficiently.

### **Finding clear information**

With multiple jurisdictions, industries, and business models to choose from, it can be overwhelming to know what applies to your venture. Partnering with a company formation expert ensures you get accurate, up-to-date information tailored to your needs.

### **Navigating regulations**

As the UAE grows as a global business hub, regulations evolve. Areas like anti-money laundering, economic substance, tax compliance, and financial reporting are regularly updated. Staying informed helps you avoid complications and make smarter business decisions.

### **Choosing the right legal structure**

The correct entity — whether an LLC, branch, or sole proprietorship — depends on your business model. Expert advice at the start prevents licensing issues and supports smooth operations.

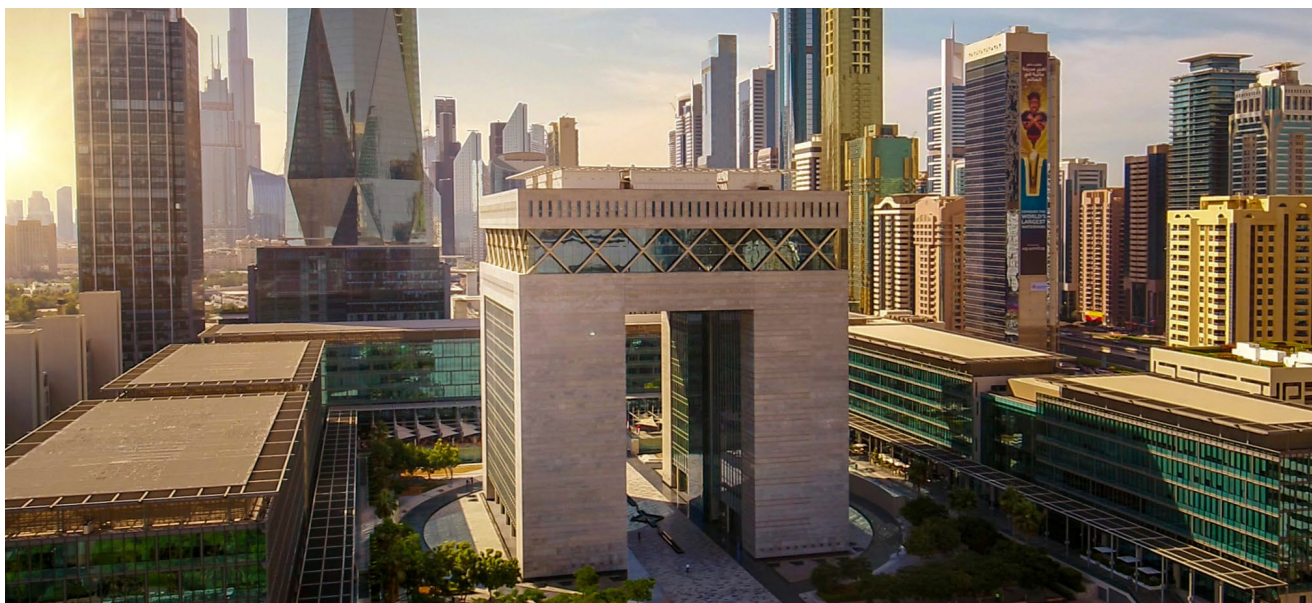
### **Sustaining growth long-term**

Great ideas need effective execution. Early market research, a solid go-to-market strategy, and ongoing customer engagement are key to scaling and sustaining your business.

### **Expanding beyond the local market**

While the UAE offers a strong and diverse domestic economy, it also serves as a strategic launchpad for regional and global expansion. Entrepreneurs can leverage the UAE to reach markets across the Middle East, Africa, Asia, and beyond.

# Setting up in the UAE



## A. Ten things to remember before starting your business in the UAE

### 1. Commit

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

### 2. Communicate your USP

You may have a 100% unique business idea, but it's unlikely. Instead, you are likely to have a great concept with certain special features – your unique selling points (USPs). You need to be able to articulate this to your audience in the most understandable way possible. Whatever market you're entering, you need to stand out, and clear USPs are vital in helping you do that.

### 3. Set your goals

One of the best ways to drive the growth of a new business is by setting clear and realistic goals. On top of your overarching aim to succeed, set smaller targets like X sales within six months or X new clients within 12 months.

### 4. Know your market

Many entrepreneurs can testify that a great business idea is only enough if supported by proper execution. You need to be sure that its intended audience wants it enough to pay you. You can ascertain this relatively quickly by conducting market research among your target audience and researching the success of your competitors.

### 5. Choose a startup environment

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



## 6. Ask for help

No business is an island, from the smallest startup to the largest multinational companies. Every enterprise needs a little help along the way, be it in finance, sales or the assistance of a business partner or mentor. The key is to identify your weakest areas and plug skill gaps accordingly.

## 7. Explore funding options

Cash can quickly run out even if you have the funds to start, so it's always good to have a backup plan. Before launching your venture, research suitable funding options such as VC, loans, grants, and sponsorship. If you've already done the groundwork, you can make faster decisions when the time to secure funding arises.

## 8. Plan beyond stage one

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

## 9. Build the right team

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

## 10. Don't make excuses

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

# B. Mainland vs. Free Zone vs. Offshore

When setting up a business in the UAE, there are three main options: Mainland, Free Zone, and Offshore. Mainland and Free Zone setups are the most common.

### MAINLAND

Mainland companies are incorporated onshore and licensed by the Department of Economic Development (DED) or the equivalent local authority in each emirate. They can operate anywhere in the UAE and trade both locally and internationally. Mainland companies can also take on government contracts.

### FREE ZONE

Free Zone companies are incorporated within designated economic zones, each governed by its own authority. These companies benefit from tax incentives and 100% foreign ownership. They can trade internationally and within the free zone, but require a local service agent or distributor to operate in the UAE domestic market. Free zones are popular for import/export, manufacturing, storage, and service businesses.

### OFFSHORE

Offshore companies are registered in specific UAE jurisdictions but operate outside the country. They offer advantages such as corporate tax exemptions, asset protection, financial privacy, and the ability to repatriate profits freely. Offshore setups are commonly used for investments, holding companies, and international financial transactions.

## C. Understanding the differences between mainland, free zone, and offshore setup

There are key differences between mainland, free zone, and offshore setups. Corporate tax treatment depends on the entity's status and activities, and some free zone entities may qualify for 0% tax on qualifying income if conditions are met. Mainland companies are generally subject to corporate tax on taxable profits and typically have broader access to onshore work, including many government contracts, while free zone and offshore structures may face restrictions on where they can operate.

### Key Differences Between Mainland, Free Zone, and Offshore

Feature	Mainland	Free Zone	Offshore
<b>Incorporation</b>	Licensed by DED or local municipality	Governed by free zone authority	Registered in designated offshore jurisdiction
<b>Market Access</b>	Trade locally and internationally	Trade internationally; local trade via service agent	Trade outside UAE; cannot trade locally directly
<b>Government Contracts</b>	Allowed	Not allowed	Not allowed
<b>Tax</b>	Corporate tax applies	0% corporate tax for qualifying income	0% corporate tax
<b>Foreign Ownership</b>	Up to 100% (depending on structure)	100%	100%
<b>Visas</b>	Unlimited, subject to office size	Limited by free zone quota	No visas provided
<b>Workspace Requirement</b>	Minimum physical office	Optional	Not required
<b>Approvals</b>	May require additional government approvals	Usually not required	Not required
<b>Capital Repatriation</b>	Allowed	100% allowed	100% allowed
<b>Currency Restrictions</b>	Standard	None	None
<b>Privacy &amp; Asset Protection</b>	Standard	Standard	Enhanced privacy and asset protection via legal structures

## D. Benefits of Each Operating Jurisdiction

### MAINLAND

- Freedom to trade anywhere in the UAE, including Dubai and other emirates.
- Ability to bid on and win government contracts.
- Broad scope to conduct a wide range of business activities.
- 100% foreign ownership available for most commercial and industrial activities, with only a limited list of strategic sectors still requiring special approvals.
- Greater flexibility when choosing qualified business activities.
- Full access to the main UAE market without needing a local service agent.

## The UAE is composed of seven (7) mainland jurisdictions:

### UAE MAINLAND

- Abu Dhabi
- Dubai
- Ajman
- Fujairah
- Ras Al Khaimah
- Sharjah
- Umm Al Quwain

### FREE ZONE

- Foreign ownership available for most commercial and industrial activities; some strategic sectors may require local approval
- Tax exemption given that they meet certain conditions
- Zero currency restrictions
- Easy access to financing
- Low tariffs
- Full capital and profit repatriation
- Fast and easy company incorporation
- Access to global markets





## Main UAE Free Zones & Offshore Jurisdictions (2026)

### Abu Dhabi

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

### Dubai

- Dubai Academic City
- Dubai Airport Free Zone (DAFZA)
- Dubai Biotechnology & Research Park (DUBIOTECH)
- Dubai Car and Automotive City Free Zone (DUCAMZ)
- Dubai Design District (d3)
- Dubai Gold and Diamond Park
- Dubai Healthcare City
- Dubai Industrial City (DIC)
- Dubai International Academic City
- Dubai Media City
- Dubai Multi Commodities Centre (DMCC) / Jumeirah Lakes Towers Free Zone
- Dubai Outsource City
- Dubai Silicon Oasis
- Dubai Studio City
- Dubai Techno Park
- Dubai South Free Zone
- International Free Zone Authority (IFZA)
- International Media Production Zone

### Sharjah

- Sharjah Publishing City Free Zone
- Sharjah Media City (SHAMS)
- Hamriyah Free Zone
- Sharjah Airport International Free Zone

### Ajman

- Ajman Free Zone
- Ajman Media City Free Zone
- Dubai Science Park (linked with Dubai operations)

### Fujairah

- Fujairah Free Zone
- Fujairah Creative City

### Ras Al Khaimah (RAK)

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

### Umm Al Quwain

- Umm Al Quwain Free Trade Zone (UAQFTZ)

### Offshore Jurisdictions in the UAE

- DIFC Offshore
- ADGM Offshore
- Jebel Ali Free Zone Authority Offshore (JAFZA Offshore)
- Ajman Offshore

- Ras Al Khaimah International Corporate Centre (RAK ICC)

### Benefits of Free Zone & Offshore Setups

- Easy incorporation
- Flexible corporate structure
- Reduced tax burden (0% corporate tax for qualifying entities)
- 100% capital and profit repatriation
- Access to global markets
- Offshore setups provide enhanced financial privacy and asset protection
- Free Zone

## E. Legal Structures – 2026

When setting up a business in the UAE, mainland and free zone setups remain the most popular choices. However, there are several other legal structures available depending on your goals, business activity, and ownership needs.

### Sole Proprietorship

- Owned and operated by one individual.
- The owner has full control and receives all profits.
- **Caution:** Foreign nationals may require a local service agent to operate a mainland sole proprietorship depending on the business activity.

### Limited Liability Company (LLC)

- Composed of 1–50 shareholders (single-member LLCs are allowed in most cases).
- Foreign investors can now own 100% for most commercial and industrial activities.
- **Caution:** Some strategic or regulated sectors may still require a UAE national partner or government approval.
- Flexible structure for trade, services, or industrial activities.

### Limited Partnership

- Includes general partners who are fully liable for debts and limited partners whose liability is restricted to their contribution.
- Limited partners cannot participate in management or appear in the company's name.

### Joint Venture

- A legal agreement between two or more individuals or entities to pursue a business objective.
- Partners agree on structure, management, contributions, and objectives through a formal contract.

### Private Shareholding Company (Private Joint Stock Company)

- Requires at least 3 shareholders and a minimum capital of AED 2,000,000.
- Suitable for a range of commercial and industrial activities, excluding certain professional services.

### Public Shareholding Company (Public Joint Stock Company)

- Requires a minimum capital of AED 10,000,000.
- Shares are transferable and equal in value, with shareholders liable only for their contribution.
- **Caution:** Minimum capital and shareholder requirements may vary by emirate and regulatory authority.

### Free Zone Company

- Registered within a UAE free zone, benefiting from:
  - 100% foreign ownership
  - 0% corporate tax (for qualifying income)
  - Full capital and profit repatriation
  - No currency restrictions
- **Caution:** Free zone companies require a local service agent to trade in the UAE mainland.

### Freelancer

- Certain professionals can register as freelancers in the mainland or selected free zones.
- Permitted sectors include arts, media, education, and tech.

### Branch Office

- A branch is an extension of the parent company.

- Can operate independently and earn profits but is not a separate legal entity.
- Ownership and liability remain tied to the parent company.

### Key Notes for 2026

- Single-member LLCs and free zone FZEs are increasingly popular for new businesses.
- Most sectors now allow 100% foreign ownership, though some regulated activities may still need a local partner.
- Our team ensures your business meets all sector-specific requirements and works with the relevant authorities to make setup smooth and compliant.



## F. Timelines, Steps, and Documents Required – 2026

Starting a company in the UAE is straightforward with the right guidance. Here's a simple outline from our company formation specialists, showing the steps to follow after acquiring your trade license.

### Step 1: Choose your setup – Mainland or Free Zone

Selecting the right setup is crucial as it determines your licensing, operational scope, and visa eligibility. Both mainland and free zone options offer advantages depending on your business goals.

### Step 2: Choose a business structure

Decide on your legal entity: Sole Proprietorship, LLC, Free Zone Company, Branch Office, or other structures. Each comes with unique benefits, so choose one that aligns with your objectives, activities, and growth plans.

### Step 3: Select your company name

Your company name creates the first impression. Follow UAE naming conventions:

- Avoid offensive, blasphemous, or restricted words.
- Avoid abbreviations when naming after yourself (e.g., “Dave Mann Consulting” vs. “D Mann Consulting”).
- Check name availability before registration.

### Step 4: Submit your license application

- **Mainland:** Apply to the Department of Economic Development (DED) or local equivalent.
- **Free Zone:** Apply directly to the relevant free zone authority.



### Step 5: Secure a physical space

Most UAE businesses need a physical location: either rent or lease depending on your business activity. Offshore companies are exempt from this requirement.

### Step 6: Open a bank account

A UAE bank account is essential for processing transactions. Banks require documents such as:

- Trade license
- Business registration documents
- Shareholder passport and visa copies

### Documents Required for a UAE Trade License

Typically, you will need:

- Completed application form detailing your business activities
- Passport and visa copies of owners/partners
- Notarized and attested Memorandum of Association (MOA)
- Notarized and attested tenancy agreement for your office or warehouse
- Valid trade name reservation certificate from the DED
- Minimum 3 months' bank statements
- Valid health card and Emirates ID for owners/partners
- Clearance certificates or approvals from relevant authorities (e.g., Dubai Municipality, Abu Dhabi Food Control Authority, Dubai Health Authority)
- Certificate of share capital deposit (if required)

## UAE Business Incorporation Timeline (Approximate)



### Tip for 2026:

Tip for 2026: With digitized processes and improved government portals, many steps can now be completed faster than before. Working with a company formation specialist ensures a smooth, error-free setup.



## G. Banking Services – 2026

Before trading in the UAE, you must open a corporate bank account. This can be complex for international business owners due to strict due diligence regulations. There are dozens of local and international banks operating in the UAE, and requirements can vary significantly depending on the bank, business activity, and shareholder profile.

These include the big local banks – Emirates NBD, First Abu Dhabi Bank (formerly National Bank of Abu Dhabi + First Gulf Bank), Abu Dhabi Commercial Bank – and international banks such as HSBC, BNP Paribas, and Barclays.

Before applying, familiarize yourself with banks' offerings, fees, and services to find the one best suited to your business.

### Keep in mind

- You must have a UAE business license to open a corporate account.
- Some banks require shareholders or directors to hold a UAE residency visa.
- Research banks' services and fees to ensure the best fit.
- Have all necessary documents ready before applying.
- Understand the bank's policies and procedures before signing.
- Most accounts require a minimum balance between AED 10,000 – AED 150,000. Approval usually takes 2–4 weeks.

## Required Documents for a Corporate Bank Account

Incorrect or incomplete documentation is the most common reason for rejection. Other causes include an inconsistent business plan or lack of UAE presence (residence or office). To improve approval chances, provide at least:

- Completed account application form
- Certified copy of Commercial License or Trade License
- Notarized Memorandum & Articles of Association
- Signed directors' resolution approving the account opening
- Passport copies and Emirates ID of shareholders, directors, and authorized signatories
- Certified company documents (share certificates, incorporation certificate, articles of association)
- Business plan and company profile
- Bank statements for the last 3–6 months
- Initial deposit

Residency notes: Some banks allow opening corporate accounts with a valid UAE residency visa. Chequebooks and debit cards can also be issued to account holders with an Emirates ID.

## H. Coworking and Office Space – 2026

When setting up a business in the UAE, most companies require premises to operate. The most common options are coworking spaces, serviced offices, traditional offices, and virtual offices.

### Coworking Spaces

Coworking is highly popular across the UAE, both in mainland and free zones. Shared workspaces give entrepreneurs access to essential business facilities such as desks, Wi-Fi, meeting rooms, reception support, and networking opportunities.

#### Popular coworking providers include:

- WeWork – Multiple UAE locations offering private offices, shared workspaces, and meeting rooms.
- The Executive Lounge – Premium coworking in Dubai and Abu Dhabi with concierge services, front-desk support, and access to a private members' club.
- The Co-Work – Community-driven spaces in Dubai and Abu Dhabi, offering flexible plans for shared or private offices.
- Fujairah Creative City – Fully serviced coworking spaces tailored to creative industries like advertising, media, marketing, and events.

### Office Spaces

The UAE's business-friendly environment also provides flexible office solutions to match different business needs:

- Serviced Offices – Fully furnished and equipped offices available on flexible terms, from hourly to monthly leases.
- Traditional Offices – Stand-alone buildings or units leased long-term, typically with a minimum one-year contract.
- Virtual Offices – Provide a business address, mail handling, and call forwarding without a physical office, ideal for startups or remote operations.

**2026 trend note:** Flexible office solutions and coworking memberships are increasingly preferred by SMEs and startups. Many free zones now also allow hybrid setups, where businesses can combine coworking memberships with virtual office packages for cost efficiency.





## Running and Operating Your Business in the UAE



### A. Labour Law and Employment – 2026

As your business grows, hiring staff becomes essential to keep operations running smoothly. It's important to remember that UAE labour laws differ from those in many other countries. All employees and employers in the UAE are generally governed by standardised employment contracts, which cover working hours, leave, probation, and termination rules.

#### Exceptions include:

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

Free zone employees follow the standard UAE employment law plus any additional regulations imposed by their respective free zone authority.

#### Recent Updates

The UAE continues to modernize its labour market. Recent updates include:

- Flexible employment contracts and probation rules
- Improved annual leave entitlements
- Introduction of unemployment benefits and end-of-service benefits
- Streamlined visa and immigration processes, with work visas being stamped and activated upon arrival

2026 Trend: UAE labour law now supports greater flexibility for startups and SMEs, including part-time and freelance employment, which is increasingly common in creative, tech, and digital sectors

## B. Employment Contracts and Working Hours

Under the 2026 UAE Labour Law, unlimited term contracts are no longer valid. All employees now work under limited-term contracts, which must cover a defined period agreed between the employer and employee. Limited-term employment contracts are typically issued for a defined period (commonly up to 3 years) and can be renewed.

### Minimum information in contracts:

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

### Contracts must also provide employees with minimum protections, including:

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

For companies with over 50 employees, internal policies covering these points and other workplace regulations must be implemented.

### Scope of work:

Employers cannot broaden employees' responsibilities beyond what is agreed in the contract. Exceptions:

- If the employee gives written consent to revise their scope of work
- If the change is temporary, up to 90 days

### Non-compete clauses:

- Only enforceable if specifically included in the contract
- Applicable for 2 years after contract termination
- Invalid if the employer unlawfully terminates employment during or after probation

### Standard Working Hours

UAE labour law sets maximum working hours for employees, with exceptions for certain industries (e.g., government, security, agriculture). Key points for 2026:

- Maximum of 8 hours/day or 48 hours/week; overtime must be paid.
- Maximum hours over any 3-week period: 144 hours.
- Ramadan: working hours reduced by 2 hours/day.
- Overtime is capped at 2 hours/day (except in special cases) and must be paid at 125% of hourly rate.
- Condensed hours option: employees can complete 40 hours/week over 3 days if agreed.
- Flexible scheduling allowed based on workload, employer needs, or employee preference.
- Most emirates now operate a 4.5-day public sector work week; Sharjah uses 4 days. Private companies may adopt the same.

## Working Models

Besides regular full-time employment, the 2026 UAE Labour Law introduces several flexible working arrangements:

- **Part-time work:** Employees work for one or more employers for a specified number of hours or days per week.
- **Temporary work:** Employees are hired for a specific duration or a defined task.
- **Flexible work:** Employees can perform all or part of their duties remotely.
- **Remote work:** Both full-time and part-time employees can work partially or fully outside the office.
- **Shared work:** Two employees share one job and split the working hours.

Employees may also work for multiple employers, within specified limits. These arrangements allow employers to meet manpower needs while giving employees non-traditional options to balance work and life.

## Notice Periods

- Limited-term contracts automatically end on the completion date unless renewed.
- During probation, minimum notice period: 2 weeks.
- After probation, minimum notice period: 30 days.
- Maximum notice period: 3 months (can be agreed in advance).

## Resignation and compensation rules:

- Leaving the UAE and returning within 3 months: new employer must compensate the previous employer's hiring costs.
- Leaving your job but staying in the UAE: new employer compensates old employer, and you must give 30-day notice during probation.
- Leaving without notice and absconding: banned from obtaining a UAE work permit for 1 year.

## Other minor updates under the new law:

- Employees have 1 month to vacate employer-provided housing after contract ends.
- Notices can be served during leave; the notice period starts when the employee returns to work.
- Employment can be terminated without notice for reasons including:
  - Gaining personal benefits from the role
  - Assuming false identity or nationality
  - Causing substantial employer loss
  - Violating safety instructions
  - Failing to perform duties
  - Divulging company secrets
  - Being under the influence at work or committing acts against public morals
  - Assaulting colleagues
  - Excessive absenteeism
  - Joining another company without following proper procedures

## C. Employment Benefits

UAE labour law sets out several key benefits for employees, including leave allowances, end-of-service gratuity, and health insurance.

### Leave Benefits

- **Annual leave:** Employees are entitled to 2 days per month after six months of service, and 30 days per year after completing one year. Annual leave rules may allow carryover by agreement, and employees are generally entitled to settlement of accrued unused leave upon termination, in line with UAE Labour Law and internal policy.
- **Maternity & parental leave:** Female employees have 60 days maternity leave (45 days full pay, 15 days half pay), regardless of service duration. Both parents are entitled to 5 days parental leave within six months of the child's birth.
- **Bereavement leave:** 5 working days.
- **Study leave:** Employees with at least 2 years of service can take 10 working days of study leave if enrolled in a certified UAE institution.

### End-of-Service Gratuity (ESG)

- ESG is payable upon termination or resignation (after at least one year of service).
- Calculation:
  - 21 days' pay per year for the first 5 years
  - 30 days' pay per year beyond 5 years
- ESG is pro-rated and capped at 2 years' salary.
- Payment can be made in AED or another currency chosen by the employee and specified in the contract. Payment must be made within 14 days of termination.
- ESG is also payable to the employee's family in case of death.
- End-of-service gratuity may be payable when employment ends, subject to eligibility and UAE Labour Law.

### Health Insurance

- Mandatory for all employees.
- Employers must provide adequate coverage, including urgent and non-urgent care, medical tests, treatments, and examinations.

### Update notes for 2026:

- Maternity & parental leave rules have been standardized and no longer depend on length of service.
- Study leave is explicitly recognized for employees with 2+ years of service.
- ESG rules clarify payment timelines, pro-rata calculations, and contract non-renewal scenarios.





## D. Unemployment Benefits

The UAE unemployment insurance scheme provides eligible employees with temporary income support in case of involuntary job loss, subject to eligibility and subscription requirements. Employees enrolled in the scheme can receive 60% of their basic salary, subject to subscription and contribution requirements.

### There are two categories:

- Employees with a basic salary below AED 16,000 pay a monthly premium of AED 5, and their compensation will not exceed AED 10,000 per month.
- Employees with a basic salary above AED 16,000 pay a monthly premium of AED 10, and their compensation will not exceed AED 20,000 per month.
- Premiums can be paid monthly, quarterly, bi-annually, or annually, and additional benefits may apply depending on the insurance provider.
- This scheme is available to most UAE employees, excluding investors, domestic workers, temporary/contractual staff, juveniles, and retirees receiving a pension while working.
- The UAE's labour law and unemployment scheme align with internationally recognized employment standards, reflecting best practices recommended by organizations such as the International Labour Organization (ILO), while remaining fully compliant with local regulations.

## E. Medical, Visas, and Emirates IDs

Anyone intending to live and work in the UAE requires a residency visa. Obtaining a visa involves several steps and compliance with UAE regulations:

### 1. Entry Permit

The first step is to obtain a UAE entry permit, issued by the Ministry of Labour or relevant authority. Entry permits allow temporary stay in the UAE while completing residency formalities. The duration and allowed extensions depend on the type of visa applied for. Multiple entry permit categories exist, including business, tourism, and education purposes. While you are permitted to leave and re-enter the UAE on an entry permit, frequent travel may delay visa processing.

### 2. Emirates ID

Before completing residency formalities, applicants must obtain an Emirates ID. This involves:

- Submitting your entry permit and passport (original and copy) at an Emirates Identity Authority centre.
- Capturing biometric data, including fingerprints and photo.

The Emirates ID serves as the official identification for all services in the UAE.

### 3. Residency Permit

To live and work in the UAE, you must convert your entry permit into a residency permit. Residency visas are typically issued for multiple years depending on the visa type:

- **Work Visa (Employer-Sponsored):** Standard residency visa linked to employment, usually valid 2–3 years and renewable.
- **Green Visa:** A 5-year renewable visa allowing skilled employees, self-employed professionals, and investors to self-sponsor without an employer. Green Visa holders can also sponsor immediate family members (spouse, children) directly.
- **Golden Visa:** A 10-year renewable visa for investors, entrepreneurs, specialized talents, scientists, outstanding students, humanitarian pioneers, and other high-value contributors. Golden Visa holders do not require a local sponsor.

Residency permits require a medical fitness test, conducted at a government-approved hospital, and registration with the Emirates ID system.

#### 4. Sponsoring Dependents

Once you hold a residency visa, you can sponsor dependents, including:

- **Spouse and children:** Generally, minimum salary AED 4,000 (or AED 3,000 + accommodation). Requirements may vary by emirate.
- **Parents:** Salary thresholds and conditions differ by emirate. Dubai and Abu Dhabi typically require higher income and proof of financial support.
- **Domestic staff:** Can be sponsored if you meet the minimum salary and accommodation criteria. Dependent visas must be applied for during the validity of your residency permit. Sponsors have a grace period to complete dependent visa stamping, typically 60 days from entry.

#### 5. Key Points and Updates for 2026

- UAE entry and residency visas now cover 10 different types to accommodate business, tourism, and education.
- Business Exploration Visa allows investors and entrepreneurs to explore potential opportunities without needing a UAE-based sponsor.
- Self-sponsorship is now possible via Green or Golden Visas. Standard work visas still require employer sponsorship.
- The medical check and Emirates ID registration remain mandatory for all residency permits.
- Always check emirate-specific regulations for family sponsorship, especially for parents or high-dependency cases.

## F. Human Resources and Recruitment

Employers in the UAE must ensure that any employee hired is suitably qualified and eligible to perform their role. Before recruitment, candidates must:

- Hold all necessary competencies, certifications, and qualifications required for the role in the UAE.
- Meet residency and legal requirements to work in the UAE.
- Be of good character, with no criminal convictions.

#### Employer Responsibilities

The UAE's labour law enforces anti-discrimination measures, including:

- No discrimination based on gender, religion, nationality, age, or disability.
- Equal pay for women performing the same work as men.
- Protection against harassment, bullying, and workplace violence.

#### Employers are also encouraged to prioritize hiring UAE nationals:

1. First preference goes to UAE nationals.
2. If no suitable candidates are available, preference is given to other Arab nationals.
3. If still unfilled, positions may be offered to foreign nationals.

#### Probation Period

All new hires are entitled to a probation period of up to six months. During probation, employment may be terminated with two weeks' notice if the employee underperforms.

#### New Emiratization Rules (2023–2026)

The Ministry of Human Resources and Emiratization (MOHRE) updated Emiratization regulations in July 2023.

**Key points include:**

- Private companies with 20–49 employees must employ at least one UAE national in 2024 and an additional UAE national by 2025.
- Banks and insurance companies must meet minimum local employment percentages of 4% and 5%, respectively.
- Companies that fail to comply may face fines:
  - AED 96,000 (~\$26,000) for failing to hire one UAE national.
  - AED 108,000 (~\$30,000) for failing to hire two UAE nationals.

**Affected Sectors**

The regulation applies to 14 key private sectors, including:

1. Information and Communications
2. Financial and Insurance Activities
3. Real Estate
4. Professional and Technical Services
5. Administrative and Support Services
6. Arts and Entertainment
7. Mining and Quarrying
8. Transformative Industries
9. Education
10. Healthcare and Social Work
11. Construction
12. Wholesale and Retail Trade
13. Transportation and Warehousing
14. Hospitality and Residency Services

Employers in these sectors must comply to avoid penalties and ensure alignment with national workforce development goals.

**G. Business Development**

The UAE offers a thriving ecosystem for entrepreneurs, startups, and SMEs, with a variety of business incubators, accelerators, and startup hubs designed to foster innovation and growth. These programs are offered through government-backed initiatives as well as private organizations.

**Government-Backed Initiatives**

- Area 2071 – Led by the Dubai Future Foundation, this initiative aims to nurture global talent, promote innovation, and accelerate the growth of high-potential startups.
- Hub71 – Based in Abu Dhabi, Hub71 provides startups with access to venture capital, mentorship, and global networks.
- Faza Center for Business Incubators and Accelerators – Offers training, qualifications, consultancy, and operational support to Emirati entrepreneurs.

**Private Initiatives**

- in5 – Operated by TECOM Group, in5 provides mentorship, networking events, investment opportunities, and access to co-working spaces for tech, media, and design startups.
- Goodforce Labs – Supports businesses in sustainable development sectors, including food & agriculture, education, finance, and lifestyle.
- Bedayat – A Dubai-based incubator offering training, mentorship, and market access opportunities for emerging entrepreneurs.

### Free Zone Support

Many UAE free zones provide additional business development services, including:

- Bookkeeping and accounting assistance
- Corporate sponsorship and licensing support
- Marketing, branding, and promotional support
- Flexible office solutions, coworking spaces, and physical infrastructure
- Guidance on tax compliance and corporate governance

These programs and services make the UAE an attractive destination for entrepreneurs, helping startups scale quickly while navigating local business requirements.

## CHAPTER 04

# Compliance and Regulation



### A. Regulatory Compliance

Regulatory compliance provides organisations with a clear framework to operate effectively, manage risks, and achieve strategic objectives.

The UAE has implemented robust regulatory frameworks across sectors to maintain its economic competitiveness, attract foreign and local investment, and ensure financial stability. These regulations cover corporate governance, taxation, labour laws, licensing, and sector-specific requirements, creating a balanced, flexible, and sustainable business environment for companies of all sizes.



## B. Tax – Verified 2026 Update

### 1. Corporate Income Tax (CT)

- **Rate:** 9% on taxable profits exceeding AED 375,000.
- **Profits up to AED 375,000:** 0% tax.
- **Applicability:** All UAE businesses operating under a commercial license in the mainland or qualifying free zones (QFZP) that comply with regulatory requirements.
- **Small Business Relief:** Available for businesses with revenue ≤ AED 3 million in the current and prior tax period. (UAE FTA Corporate Tax Guide)

#### Exemptions:

- Dividends and capital gains from qualifying shareholdings.
- Certain qualifying intra-group transactions (conditions apply).
- Businesses engaged in extraction of natural resources (taxed at emirate level).

#### Important Notes:

- Free zone companies must meet substance requirements and restrictions on mainland trading to retain 0% CT on qualifying income.
- Individuals earning a salary are not subject to corporate tax.

### 2. Value Added Tax (VAT)

- **Rate:** 5% standard VAT (introduced Jan 1, 2018).
- **Zero-rated supplies:** Exports outside GCC, specific healthcare, education, and international transport.
- **Exempt supplies:** Residential property, certain financial services, bare land.

#### Registration Thresholds:

- **Mandatory:** taxable supplies > AED 375,000/year.
- **Voluntary:** taxable supplies between AED 187,500 – 375,000/year.

#### Compliance:

- Issue VAT-compliant invoices.
- File periodic VAT returns (usually quarterly).
- Maintain accurate records for 5 years (15 years for real estate).

#### Recent Updates (effective 2026):

- VAT compliance timelines and record-keeping clarified.
- Administrative penalties can be significant and depend on the nature and duration of non-compliance.

### 3. Customs Duty

- Standard customs duty: 5% of CIF value for imported goods.
- Higher duties:
  - Alcohol: 50%
  - Tobacco products (including e-cigarettes & vaping liquids): 100%
- Certain goods (e.g., fresh food, medical supplies, books) may be exempt.

**Sources:** UAE Customs Official Portal

## Key Points for Businesses in 2026

1. Only taxable profits above AED 375,000 are subject to corporate tax; smaller profits remain 0%.
2. Free zone incentives are conditional; businesses must comply with substance and reporting rules.
3. Individuals' salaries and investments are generally not subject to corporate tax, though VAT and customs duties may still apply.
4. VAT compliance is mandatory for qualifying businesses; penalties exist for non-compliance.
5. Customs duty is applicable to imported goods based on classification; check specific exemptions and rates before importing.

## C. Unemployment Insurance Scheme

The UAE Unemployment Insurance Scheme was introduced in 2023 to provide financial support to eligible employees in the private and federal sectors in the event of involuntary termination. The scheme is contributory, meaning employees pay a monthly premium during their employment to qualify for benefits.

### Eligibility

The scheme does not apply to the following groups:

- Business owners and investors managing their own businesses
- Domestic workers
- Temporary or contractual employees
- Juveniles under 18 years of age
- Retirees who already receive a pension and have taken a new employment

All eligible employees were required to start registering for the scheme by June 30, 2023.

### Contribution Categories

#### 1. Category 1 – Basic salary ≤ AED 16,000

- o Monthly contribution: AED 5 (AED 60 annually)
- o Maximum monthly unemployment benefit: AED 10,000

#### 2. Category 2 – Basic salary > AED 16,000

- o Monthly contribution: AED 10 (AED 120 annually)
- o Maximum monthly unemployment benefit: AED 20,000

### Key Conditions

- Employees must have paid contributions for at least 12 consecutive months to be eligible for compensation.
- Failure to register incurs a AED 400 penalty, and non-payment for more than three months results in an additional AED 200 fine.

**Important:** This scheme generally covers eligible employees (including UAE nationals and expatriates), with exclusions such as investors, domestic workers, temporary workers, juveniles, and pensioners returning to work.

## D. Family Companies Law (UAE)

To support the continuity and sustainability of family-owned enterprises, the UAE enacted Federal Decree-Law No. 37 of 2022 on Family Companies, which came into effect in January 2023. The law establishes a clear legal framework tailored specifically to family businesses operating in the UAE.

### Scope and Applicability

- The law applies to family-owned companies that voluntarily choose to register in the Unified Register of Family Companies.
- Registration is optional and requires the consent of family partners holding the majority of shares.
- It applies to most commercial companies governed by the UAE Commercial Companies Law, excluding public joint-stock companies and simple partnership (solidarity) companies.

### Key Provisions

The Family Companies Law introduces mechanisms designed to promote stability, governance, and long-term continuity, including:

#### • Flexible legal forms

Family companies may adopt any legal form permitted under the Commercial Companies Law, including a single-person company, provided ownership remains within the family.

#### • Governance and management structure

The law allows family businesses to define their governance framework, whether managed by a manager or a board of directors, and clarifies:

- o Roles and responsibilities
- o Terms of appointment
- o Conditions and procedures for dismissal

#### • Dispute resolution mechanisms

A Family Business Dispute Resolution Committee may be established in each emirate by decision of the Minister of Justice or the relevant local judicial authority, recognising that unresolved disputes are a primary risk to family business continuity.

#### • Business continuity safeguards

A family company does not automatically dissolve due to:

- o Death of a partner
- o Interdiction
- o Bankruptcy or insolvency of a partner

In such cases, the applicable UAE insolvency and bankruptcy laws apply, while preserving the company's legal existence.

#### • Share transfer controls

- o Shares in a family company may only be transferred in accordance with the company's constitutional documents and the law.
- o Family partners are granted priority rights to acquire shares before they may be transferred to non-family members, subject to agreed conditions.

### Purpose of the Law

**The Family Companies Law is intended to:**

- Support intergenerational succession planning
- Reduce the risk of business disruption due to family disputes
- Encourage diversification while maintaining family control
- Provide legal certainty without imposing mandatory restructuring

## E. Commercial Companies Law (Federal Decree-Law No. 32 of 2021)

As part of a broader legislative reform agenda introduced around the UAE's 50th anniversary, the Government issued Federal Decree-Law No. 32 of 2021 on Commercial Companies, which came into force on 2 January 2022. This law continues to govern corporate structures in the UAE as of 2026, with the aim of enhancing flexibility, transparency, and alignment with international corporate standards.

### Introduction of SPACs and SPVs

#### Special Purpose Acquisition Companies (SPACs)

- SPACs are recognised under the Commercial Companies Law as a form of public joint-stock company (PJSC).
- A SPAC is established for the purpose of acquiring or merging with one or more operating companies.
- The Securities and Commodities Authority (SCA) is the competent regulator and issues the detailed rules governing:
  - Licensing
  - Capital structure
  - Disclosure requirements
  - Acquisition timelines
- The introduction of SPACs forms part of broader reforms enabling mergers, demergers, spin-offs, and public offerings, subject to SCA approval.

SPACs may only be formed and operated in accordance with SCA regulations and are not available as a standard corporate vehicle outside regulated capital markets.

#### Special Purpose Vehicles (SPVs)

- SPVs are permitted as ring-fenced entities established to isolate assets, liabilities, or risks from a parent company.
- They are commonly used in:
  - Structured finance
  - Bond and sukuk issuances
  - Asset holding structures
  - Capital market and credit transactions
- SPVs established under the Commercial Companies Law are subject to SCA oversight where used for regulated financial or securities-related activities.
- In practice, SPVs are often compared to DIFC Prescribed Companies, though they remain distinct and governed by onshore federal law unless incorporated in a financial free zone.

#### Key Amendments Affecting Limited Liability Companies (LLCs)

The law introduced targeted amendments to LLC governance, including:

#### Memorandum of Association (MOA)

- The MOA may expressly include dispute resolution mechanisms, such as arbitration or alternative dispute resolution.
- These provisions must be clearly stated to be enforceable between partners, managers, and shareholders.

#### Powers and Term of the Manager

- If a manager's term expires without a replacement being appointed, the term may be extended for up to six months to ensure continuity of management.



### General Assembly Meetings

- Shareholders may appoint a representative who is not part of the company's management.
- The minimum notice period to convene a general assembly is 25 days, unless otherwise provided by law.
- In an adjourned general assembly meeting, the quorum is deemed valid regardless of the number of partners present, unless the MOA provides stricter requirements.

### Statutory Reserve

- The statutory reserve requirement has been reduced to 5% of net annual profits.
- Contributions may cease once the reserve reaches 50% of the company's share capital, unless the partners decide otherwise.

### Key Amendments Affecting Public Joint-Stock Companies (PJSCs)

The law also introduced material changes for PJSCs, subject at all times to SCA approval and regulation:

#### Founder Share Contributions

- The previous requirement for founders to subscribe to a minimum of 30% and a maximum of 70% of share capital prior to public offering has been removed.
- Founder subscription levels are now determined by:
  - The prospectus
  - Applicable SCA regulations

#### Subscription Period

- Public subscriptions may remain open for a period specified in the prospectus, not exceeding 30 working days.
- Extensions may be granted by the SCA if full subscription is not achieved within the initial period.

#### Nominal Value of Shares

- The statutory cap on the nominal value of PJSC shares has been removed.
- Share values are now determined by the company, subject to disclosure and SCA approval.

#### Conversion to a PJSC

- The requirement to demonstrate 10% net operating profit over the previous two financial years has been removed.
- Conversions remain subject to regulatory review and approval.

#### Issuance of Shares at a Discount

- PJSCs may issue shares below nominal value if market conditions justify it, provided:
  - A special resolution is passed
  - SCA approval is obtained

#### Sale of Shares During Conversion

- There is no longer a fixed statutory cap on the proportion of shares offered for sale during conversion from a private to a public joint-stock company.
- The SCA determines the allowable structure on a case-by-case basis.

### Founder Share Trading

- Statutory restrictions on founders selling their shares after listing have been relaxed.
- Any remaining lock-ups or restrictions arise from:
  - o The prospectus
  - o SCA regulations
  - o Market rules

### Division of a Public Joint-Stock Company

The law permits PJSCs to divide assets, liabilities, rights, and obligations through:

- **Horizontal division**

Shareholders directly own shares in the resulting entity in proportion to their holdings.

- **Vertical division**

Assets are transferred to a subsidiary, with shareholders holding interests indirectly.

Both structures are subject to shareholder approval and SCA oversight.

## F. Economic Substance Regulation (ESR)

Introduced in 2019, the UAE's Economic Substance Regulation (ESR) requires certain UAE-licensed entities — including mainland and free zone companies — to demonstrate that they have adequate economic substance in the UAE when carrying out specific Relevant Activities.

The regulation applies regardless of whether the activity generates income and is aligned with international tax transparency standards.

### Who Must Comply

Any UAE entity conducting a Relevant Activity must comply with ESR requirements and complete annual filings via the Ministry of Finance (MoF) ESR portal.

#### Relevant Activities

- Banking Business
- Insurance Business
- Investment Fund Management Business
- Lease-Finance Business
- Headquarters Business
- Shipping Business
- Holding Company Business
- Intellectual Property (IP) Business
- Distribution and Service Centre Business

### Annual ESR Filing Obligations

ESR compliance consists of two separate annual filings:

#### 1. ESR Notification

- Must be filed within 6 months from the end of the entity's financial year

- Confirms whether a Relevant Activity was conducted
- Mandatory even if no income was earned

## 2. Economic Substance Report

- Must be filed within 12 months from the end of the financial year
- Demonstrates economic substance through:
  - o Core Income-Generating Activities (CIGAs) in the UAE
  - o Adequate staff, premises, and operating expenditure
  - o Appropriate management and control within the UAE

### Indicative ESR Filing Timeline (Example)

Financial Year End	ESR Notification Due	ESR Report Due
31 December 2024	30 June 2025	31 December 2025
31 March 2025	30 September 2025	31 March 2026
30 June 2025	31 December 2025	30 June 2026

Note: Filing deadlines are calculated from the entity's financial year-end. Businesses should always confirm exact dates with their licensing authority.

### Penalties for Non-Compliance

Failure to comply with ESR obligations may result in:

- Penalties ranging from AED 20,000 to AED 400,000
- Exchange of information with foreign tax authorities
- Administrative actions including suspension, revocation, or non-renewal of the trade licence

## G. Ultimate Beneficial Ownership (UBO)

On 24 August 2020, the UAE Cabinet issued Cabinet Decision No. 58 of 2020, aimed at enhancing financial transparency by requiring businesses to disclose the details of their beneficial owners, including those in free zones. This regulation applies to all registered and licensed entities. The Ultimate Beneficial Owner (UBO), who holds the highest level of control and financial benefit in a company, is crucial for ensuring compliance and maintaining transparency in business operations.

### Generally, this provision stipulates the following:

- The requirements of identifying and verifying the beneficial owner
- Details the licensing or registration of legal persons

The requirements of registering and filing the beneficial owner, significant shareholders, partners, and nominee directors with the relevant authority - unless exempt; maintaining a registry; and notifying the authority of any changes within 15 days.

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

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

The Regulations do not apply to companies that are directly or indirectly wholly owned by the federal or local government or their subsidiaries, as well as companies who are registered in the financial free zones in the UAE, namely the Abu Dhabi Global Market and the Dubai International Financial Centre.

### **What constitutes a UBO?**

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

#### **Nominee directors and managers**

- Nominee directors and managers: Individuals who may appear as directors or managers but are acting in accordance with instructions from another person, typically a UBO.
- Partners and shareholders: UBOs also include individuals who are partners or shareholders, but with an added requirement to disclose voting rights and any significant influence over company decisions, in line with the UAE Commercial Companies Law.

## **H. Anti-money laundering**

The United Arab Emirates has a comprehensive anti-money laundering law to raise the country's compliance with international regulations and standards.

Underpinning the anti-money laundering system is Federal Decree No. 20 of 2018, which was issued to develop the legislative and legal structure within the UAE with the aim to:

- Combat money laundering & terrorist financing practices, locally and globally.
- Strengthen the Anti-Money Laundering legal framework which supports the country
- Counter the financing of terrorist operations and suspicious organisations.
- Design the UAE's operational strategy regarding awareness, control, and inspection of relevant activities in business sectors

### **goAML**

The goAML is a platform created by the United Nations Office on Drugs and Crime (UNODC) and released by the Financial Intelligence Unit (FIU). It is one of the UAE strategy to combat various types of financial crimes, including money laundering and terrorist financing.

The system helps financial institutions and other designated non-financial businesses and professions (DNFBPs) detect, report, and prevent money laundering and terrorist financing activities. It also enables the Central Bank to analyze suspicious activity reports (SARs) and take appropriate action.



All DNFBPs within the UAE must register and report suspicious activities and transactions via the goAML portal.

**DNFBPs:**

- Real estate brokers and agents,
- Dealers of precious metals and stones,
- Auditors and accountants,
- Company Service Providers, and
- Legal Consultancy Firms (Except for Lawyers, and Notary Publics)

## I. Insurance

Company insurance is an important aspect of business in the UAE for several reasons. Firstly, it provides protection for businesses from unforeseen risks, such as property damage, legal liabilities, and loss of income. Secondly, it offers financial security for other uncertainties, such as an employee being injured.

While some insurance in the UAE is mandatory, others are optional. The policies that you will require depend on the nature of your business, the emirate in which you trade, and the number of people you employ.

**Common policies include:**

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

**Group health insurance**

In the UAE, some Emirates have made it compulsory for employers to cover health insurance for their expatriate employees. But as a business owner, it is also your responsibility to organise health insurance for all of your employees.

Basic health insurance in the UAE usually covers basic medical expenses for illness or injury, including hospitalisation, outpatient consultations, laboratory tests, surgery, and prescription drugs. It does not typically cover dental or vision care or chronic diseases such as diabetes. Benefits and coverage vary depending on the type of policy and the company where you are getting the insurance.



### Group life insurance

Group life insurance in the UAE is a type of life insurance policy commonly used by employers to provide life insurance protection to their employees. This type of policy provides a lump sum payment to the beneficiaries upon the death of the insured employee and the compensation can be extended to include critical illness and disability.

### Workmen's compensation insurance

Workmen's compensation is an insurance policy that covers financial and medical benefits to employees who are injured or become ill due to work related activities. The employer is legally obligated to provide this insurance and is responsible for paying the premiums.

#### The scope of coverage is usually included for:

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

### Public liability insurance

Public liability insurance in the UAE is not compulsory by law. However, it is strongly recommended for businesses or individuals who engage in public-facing activities. This type of insurance protects against claims made by third parties for injuries or damage caused by the insured's activities.

#### Recommended for:

- Regular customer visits or interaction with the public: If your business has frequent interactions with customers or the public, public liability insurance can protect you against third-party claims.
- Off-site work: If employees work off-site, such as on construction projects or at client locations, public liability insurance is beneficial.
- Access to client equipment or holding other people's property: Businesses dealing with client equipment or property are exposed to claims, and this coverage can protect the company from financial liability.
- Office premises with a liability towards neighbors: If the business occupies premises in a shared or leased space, public liability can cover any accidents or damage that may affect neighbors or other tenants.



## Scaling and Growing Your Business



### A. The role of incubators and accelerators

The UAE is made for businesses, with numerous initiatives and programmes within reach for the country's entrepreneurs. Two of the most common are incubators and accelerators.

While the two have their similarities, there are a few subtle differences - the most notable being that incubators do not tend to have a fixed end date, whereas accelerators usually run for a set duration.

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

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

Accelerator programmes are often overseen by free zones or private groups with funding sourced from investors. On the other hand, most incubators are government-run. These include:

#### Area 2071

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

### **Astrolabs**

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

### **Dubai Future Foundation**

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

### **Hub71**

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

### **Fazaa Center for Business Incubators and Accelerators**

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

For the above programmes and the rest of the UAE's incubators and accelerators, eligibility criteria may vary. In most cases, businesses must be based in the UAE and be in the early startup or seed phase.

## **Benefits of joining a startup incubator or accelerator**

### **A strong support system**

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

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

### **Identifying skill gaps**

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

Joining an accelerator or incubator programme gives entrepreneurs another expert set of eyes observing a business. These experts can highlight skill gaps before they cause an issue, allowing entrepreneurs to hone their skills and procure additional expertise as needed.



### **Become more attractive to potential investors**

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

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

## **Government support**

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

### **Khalifa Fund for Enterprise Development**

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

### **Dubai SME**

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

### **Intelaq programme**

Intelaq supports Emiratis residing in Dubai throughout all the phases of setting up a business. The programme's support comes in the form of licensing and training courses, as well as financial, legal, marketing, technical support and consultancy.

## **B. Venture Capital Funds in the UAE**

As of January 2025, the UAE remains a leading destination for venture capital (VC) in the Middle East, with Dubai serving as a dynamic hub for startups and innovation.

In 2024, UAE-based startups raised approximately \$1.5 billion in venture capital, demonstrating the resilience of the local ecosystem despite a slowdown in global funding. Early-stage investments were particularly strong, with nearly half of all deals ranging from \$1–5 million, signaling a solid foundation for future growth.

Dubai's VC ecosystem has expanded rapidly over recent years, supported by local government initiatives and private sector investment. In November 2023, the Dubai Integrated Economic Zones Authority (DIEZ) launched a \$136 million venture capital fund to support early-stage startups, further strengthening the UAE's position as a regional innovation hub. Prominent VC firms such as Wamda Capital, Middle East Venture Partners (MEVP), BECO Capital, and FasterCapital actively contribute to shaping the startup landscape in the UAE.



The broader Middle East and Africa (MEA) VC market is projected to grow significantly, with estimates suggesting expansion from \$3.89 billion in 2025 to \$6.32 billion by 2030, representing a compound annual growth rate (CAGR) of approximately 10%. With investor confidence and an increasingly supportive ecosystem, the UAE's venture capital sector is well-positioned for continued growth in 2025 and beyond.

### **Common mistakes to avoid when raising funds**

**Raising venture capital is challenging, and timing is crucial. Entrepreneurs should avoid:**

- Going to ground: Securing funding rarely happens at the first or second meeting. Nurturing relationships and keeping potential investors informed about business developments is essential.
- Being too early: Investors want evidence of potential. If a startup is not yet demonstrating traction, early fundraising efforts can be off-putting.
- Being too late: Waiting too long to raise funds can also be problematic. Investors seek significant returns, and if early growth has already occurred, the potential upside may appear limited.

## **C. Networking**

Networking, particularly face to face, is a vital part of doing business in the UAE. Most entrepreneurs in this part of the world do not miss an opportunity to make a new contact – in a coffee shop, the mall, or the airport. On top of this, numerous organised networking events take place every day. These events can be formal such as open days and workshops, or informal such as food tastings and cocktail nights.

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

### **How to become a networking natural**

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

#### **Start small and improve with confidence**

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

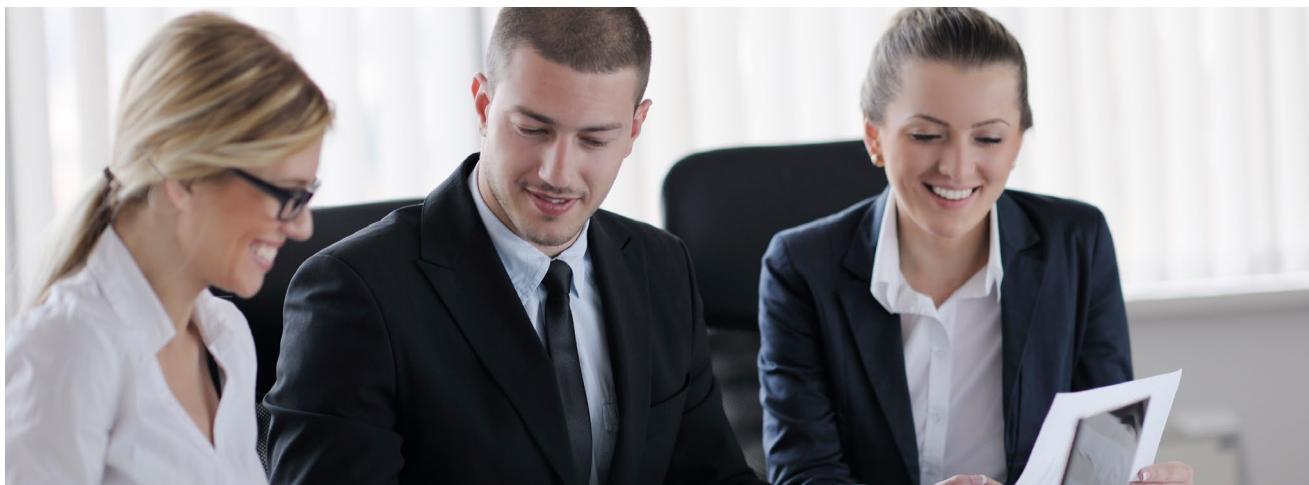
#### **Practice, practice, practice**

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

#### **Try social media before events**

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

## Supporting services for SMEs and startups



The UAE's supportive business ecosystem goes beyond company formation. Most business consultancy firms, with the help of their strategic partners, offer a wide range of services to help entrepreneurs with everything they need, from pre- to post-launching.

### A. Legal advice

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

Working with a UAE company formation specialist can help you overcome this by understanding the country's legal system and complying with its laws. Most companies do not just offer legal advice, but also manage some legal processes on your behalf.

#### Common legal support services offered in the UAE include:

- Drafting legal documents such as contracts, agreements, and deeds
- Providing legal advice on various issues, including corporate law, commercial law, labor law, and criminal law
- Representing clients in court, mediation, and arbitration proceedings
- Assisting with the registration of companies and trademarks
- Handling immigration matters, including visa applications and sponsorship issues
- Assisting with legal compliance and regulatory matters
- Advising on real estate law and property transactions
- Assisting with intellectual property and IP registration
- handling cases related to civil and criminal disputes
- Advising on labor laws and handling labor disputes



## B. Logistics

Over the years, the UAE has invested heavily in improving its logistics and infrastructure. This has helped it become an important hub for international trade and commerce. Today, the UAE is home to some of the world's busiest sea- and airports, providing an important gateway throughout countries in the world.

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

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

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

- Supply chain solutions
- Project logistics
- Freight forwarding
- Cargo services
- Transportation
- Customs documentation
- Warehousing and Distribution solutions
- Freight Forwarding
- Customs Clearance
- Local Transport
- Cross-Border Logistics

## C. Insurance

Insurance is one of the essential parts of doing business in the UAE. It does not just prepare your company for any uncertainties but for your employees as well. With the right kind of cover, your business can be protected against loss should anything unexpected happen while remaining in compliance with the law.

To save you time and money, many free zones and company formation agents partner with renowned insurance companies to help UAE businesses secure the right level of cover at the right price.

### **Common insurance policies for UAE businesses include:**

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

## D. Tax and accounting

Tax and accounting services are important in the UAE. With the country's growth comes an increased need for businesses to ensure they comply with the local tax laws and regulations. One of these is compliance with the mandatory annual audits. Annual audits are required for all entities operating in the country. Companies and businesses must have their accounts audited by a licensed auditor, which must be completed by the end of the financial year.

### **The objective of an audit is to verify the information published in the various financial statements independently of a business including:**

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

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

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





**Common services include:**

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

## **E. Concierge services**

Concierge services are designed to make life easier for local and foreign investors so that their businesses run more efficiently.

Services can range from office management, document handling, event planning, virtual assistant services, travel, and lodging assistance, setting up meetings, and more. They can also assist with legal matters, financial management, and marketing solutions.

Aside from this, many concierge services can also assist with tasks associated with relocation to the UAE, such as help finding accommodation, personal admin, and advice on settling into a new country.



## F. Payment gateway

Having a payment gateway is an integral part of a support for SMEs and startups as they help gain the trust of your customers by providing a fast and secure payment experience.

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

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

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

Security is everything to modern customers, and payment gateways offer an unrivaled level of security that independent merchants can't match.

## G. Media and Marketing

Effective media and marketing campaigns play essential roles in business because they help to communicate and promote products and services that can increase brand awareness and drive sales. As they say, your offer is often only as good as your promotion in the competitive business world.

For this reason, many free zones and company setup agents offer marketing support as part of their value-added business services. Marketing support can take many forms, from branding and design to strategy, content creation, and social media management.

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

## H. Sales and business development

To support these businesses startups and SMEs growth in the UAE, many organisations are offering outsourced sales support. This often goes beyond reaching to potential customers, building relationships, and closing deals.

Many companies offer assistance with customer analytics, go-to-market strategies, lead generation and nurturing, market research, and support drafting RFPs. Outsourcing your sales function in this way allows you to save on staffing costs, get instant access to expert skill sets, and scale your support as needed.

## I. HR solutions

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

In the UAE, play a crucial role in attracting and retaining top talent, managing employee relations, and ensuring compliance with UAE labor laws which can be quite complex. This includes understanding and adhering to regulations related to working hours, overtime pay, and termination procedures.

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

### **Services provided by HR solutions companies in the UAE include:**

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

## J. Technology and support

In today's digital age, businesses rely heavily on technology to operate and compete effectively, most especially during the early-growth stage of your business. This could range from simple advice on the right tech setup for your needs to a complex implementation of equipment, devices, telephony systems, and much more.

The right tech setup dedicated for you will depend on your business's location, size, and activities. Many organisations outsource IT support to assist in building an e-commerce platform or to equip an entire shell and core office from scratch. While some require dedicated in-house resources, while others need help with installation and deployment.

### **Common technology support services include:**

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

## Relocation and Family



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

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

### A. Schools and universities

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

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

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

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

## B. Real estate property

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

### Ownership

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

### Musataha

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

### Usufruct

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

### Long-term lease

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

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

Meanwhile, Dubai only allows foreign ownership of property in freehold areas. Expatriate residents may purchase freehold ownership rights over a property “without restriction, usufruct rights, or leasehold rights for up to 99 years.”

## C. Healthcare services

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

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

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

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

Before moving to the UAE, expatriates will be required to undergo several tests and present these during their application. These include an AIDS test, a pulmonary tuberculosis test, and other procedures that will depend on the expatriate's nature of work upon arriving in the UAE.

## **D. Driving license**

To drive long-term in the UAE, you must obtain a local driving license. If you have a license from an approved country, no test is required, but you must provide a consulate-issued, Arabic-translated letter confirming its validity. Approved countries include Australia, Canada, the UK, the USA, and many in Europe, the GCC, and Asia. Licenses from unlisted countries require passing theory and practical tests.

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

To convert an existing driving license from an approved country, you need to provide several documents, including your passport, residence permit, original license, and eye and health test results. These must be submitted to the Roads and Transport Authority (RTA) or the equivalent authority in your emirate.

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

If you do not hold a driving license from an approved country, you are free to apply for a new license in the UAE. To obtain a new license, you must complete a minimum of 40 driving lessons at an approved driving school, followed by both theoretical and practical tests administered by the RTA.

The required documents for this process include your Emirates ID, passport, residency permit, and eye and health test results. The cost for lessons and tests typically ranges between AED 5,500 and AED 7,000, depending on the emirate and driving school.

### **Age Requirements**

- For light vehicles: 18 years old
- For heavy vehicles and tractors: 20 years old
- For buses: 21 years old

As of March 2025, the UAE's Federal Decree-Law allows individuals aged 17 to obtain a driver's license for certain vehicle categories, under specific conditions.

### **License Validity and Renewal**

- UAE nationals and GCC citizens: 10 years
- Expatriates: 5 years

License renewals can be done online or at authorized centers, and it is important to settle any outstanding traffic fines before applying for renewal.



# THE UAE **BUSINESS SETUP** GUIDE

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