

Dubai Mainland Company. UAE

Registration of a Mainland Company in Dubai, UAE. Service offer

There are two jurisdictions in Dubai for conducting business: Dubai Mainland (beyond the territorial borders of free zones), on the one hand, and more than 20 free zones, on the other. These two jurisdictions offer different advantages depending on the business type and activities.

The Emirate of Dubai is located on the Arabian Peninsula, in the south of the Persian Gulf. Among the seven emirates that make up the UAE, it is the most populated one and second largest after Abu Dhabi.

Major advantages of doing business in the UAE:

- No corporate tax;
- Stable banking system;
- Ability to work with US dollars;
- Quick company registration;
- Ability to create substance in the country of registration;
- Ability to obtain a residence visa for the company's shareholders and employees.

[A Mainland company](#)

is a company registered with the UAE Department of Economic Development (DED). This means that if you choose to conduct business in the UAE Mainland, you will need to register a business entity with the DED, which will then issue a business licence for doing business in the UAE.

Mainland companies can take various legal forms that have specific requirements for registration procedures, operations and corporate structure.

Sole Proprietorship

Activities:

- Types of licences: industrial, commercial, trading, professional, or tourism.
- Some activities are excluded as per DED's business regulations and others require approvals of authorities that regulate these activities.
- If the owner is a national of a country other than the UAE or a Gulf Cooperation Council (GCC) country, they are allowed to obtain a professional licence only.
- The owner of a Sole Proprietorship engaged in [consultancy activities](#) must have a scientific qualification for the activity selected.

Shareholders:

- Only individuals can be shareholders.
- A [professional](#) - type Sole Proprietorship can be owned by an individual of any nationality. If the owner is a national of a country other than the UAE or a GCC country, they will require a [Local Service Agent](#).

Manager:

- A Sole Proprietorship must appoint one manager.
- No requirements as to the residence of the manager.

Share Capital:

- No minimum capital requirement.

- No requirement to pay up the capital for the registration of the entity.

Name:

- The trade name must be related to the commercial activity of the entity.

Branch(es):

- A Sole Proprietorship can have more than one branch. Each branch may undertake one of or all the activities included in the main business licence.

Limited Liability Company

A Limited Liability Company (LLC) is a flexible form of enterprise that combines elements of partnership and corporate structures.

An LLC must have 2 to 50 shareholders, each of whom is liable only to the extent of his or her share in the capital of the company.

An LLC can convert into any other legal form, with the exception of public shareholding company.

Activities:

- Types of licences: industrial, commercial, trading, professional, or tourism.
- Some activities are excluded as per DED's business regulations and others require approvals of authorities that regulate these activities.

Shareholders:

- Both individuals and legal entities can be shareholders.
- At least 51% of an LLC must be owned by a UAE national ([Local Partner](#)).
- Up to 100% of an LLC can be owned by GCC nationals. In this case, the capital can be distributed in different proportions as per the Memorandum of Association.

Manager:

- An LLC must appoint 1 to 11 managers for the business. The managers may be selected from the partners.

Share Capital:

- No minimum capital requirement.
- No requirement to pay up the capital for the registration of the entity.

Trade Name:

- An LLC must have a name derived from its activity or from the name of one or more partners.
- The name must include 'limited liability'.

Branch(es):

- An LLC can have more than one branch. Each branch may undertake one of or all the activities included in the main business licence.

Branch of a Foreign Company

Activities:

- A branch of a foreign company can practise professional activities and some commercial and industrial activities.
- An approval from the Ministry of Economy is required for practising commercial and industrial activities.

Shareholders:

- A branch of a foreign company is 100% owned by the parent company, operates under the same name and conducts the same business as the firm opening a branch in Dubai.
- A branch of a foreign company also requires a [Local Service Agent](#), who can be a UAE national or a company owned by one or more UAE nationals.

Manager:

- The Board of Directors of a foreign company must appoint a manager to open the branch and to represent the company.
- No requirements as to the residence of the manager.

Branch of a Free Zone Company

Activities:

- A branch of a free zone company can carry out commercial, industrial and professional business as long as the activity of the main company is authorised in mainland Dubai.

Shareholders:

- If there is no local shareholder in the main company, or if the local shareholder in the main company owns less than 51% of the shares, a branch of a free zone company will need a [Local Service Agent](#) and an approval from the Ministry of Economy.
- A company that is 100% owned by GCC nationals may open branches without seeking approval from the Ministry of Economy or appointing a Local Service Agent.

COMPANY REGISTRATION

Dubai Mainland Company registration includes the following steps:

1.

Selecting:

- company name to be checked for availability (at least three names), which name:
 - must not be identical or similar to the name of an existing company;
 - can use Latin characters;

- company structure (shareholders, manager, local service agent / partner);
- type of licence (service, trading, industrial, or tourism).

Some activities require special approval from the various authorities (federal and local).

2. Paying fees.

3. Providing documents for directors / shareholders / attorneys (either originals or notarized copies):

- internal and international passports;
- proof of address (unless the internal passport contains an address stamp);
- CV.

The shareholders need to additionally provide:

- personal data in the form of a letter: phone, email, residential address, country of residence, mother's name, marital status, religion, and citizenship.

IMPORTANT: Company officers' prior visit to the UAE is mandatory for company registration. It is irrelevant how old the UAE entry stamp is. If they have never visited the UAE before, they will need to enter the country at least for one day.

For Compliance purposes, the shareholders will also need to sign a Client Questionnaire Form and a Contract for administration.

4. Selecting office space for the company and making a lease agreement.

Every Dubai Mainland company must have an office within the Emirate of Dubai. The minimum office space for one licence is 100 square ft.

To complete the company registration procedure, the Regulator will need to be provided with a signed and officially registered office lease agreement.

Preparation and Submission of Documents for Company Registration

The following documents are prepared for submission to the registration authority:

- Application for company registration (signed by the shareholder);
- No Objection Letter (from the sponsor) – where there is a valid UAE visa issued by another company;
- Memorandum & Articles of Association;
- Power of Attorney (if registration is performed remotely).

Before registering a company, the Dubai Department of Economic Development (Dubai DED) necessarily checks the shareholders and directors of the company (Security Check). At this stage the Regulator may request additional documents, for example, a police clearance certificate.

Upon registration, the Regulator issues the following documents:

- Certificate of Incorporation indicating the registration number and date, type of licence, details of shareholder and share capital of the company;
- Licence for the declared type of business (valid for 1 year);
- Share Certificate;
- Memorandum & Articles of Association.

A company seal is also issued.

The total time to register a Dubai Mainland company is 4 weeks, on average.

Upon registration of the company, you can proceed with visas and bank account opening. A company can open a bank account both at a UAE bank and at a foreign bank – please contact your GSL consultant for details.

IMPORTANT: Since the UAE is not party to the Hague Convention of 5 October 1961, which abolishes the requirement for legalization of foreign official documents, and does not apostille documents, it is necessary to submit the documents of a local company for legalization to the consulate of a country where they will be used.

The fees for translation, notarization, legalization and apostille are charged additionally.

VISA APPLICATION

The UAE does not have such concept as a residence permit. UAE migration rules require the issuance of residence visas which in practice are similar to a residence permit.

A residence visa can be obtained on the following grounds:

- based on owning a UAE onshore company – investor visa;
- by making an employment contract with a UAE onshore company – work visa.

The number of residence visas depends on the business package chosen during registration of the company.

An investor visa is normally issued for 3 years, a work visa – for 2 years. Upon expiration, a visa can be renewed.

Application for residence visas includes the following steps (a visa can only be applied for after registration of the company):

1. Opening an Establishment Card (the migration file of the company) – 5-10 days. This document is necessary for the company to be able to apply for residence visas in the future.
2. Submitting documents for a residence visa and obtaining an Entry Permit (permission to enter the country) – 5-7 days.

To obtain a residence visa, an individual must enter the UAE with an Entry Permit.

If at the time of issuing of Entry Permit the applicant is already in the UAE, then in order to complete the issuance of a residence visa without leaving and re-entering the country, it is necessary to change the status of the visa. The service of changing the status of a visa is provided upon request and is subject to additional charges.

3. Visiting the UAE to obtain a residence visa – in most cases, a visa can be obtained within 5 working days.

The applicant needs to:

- undergo a medical examination (blood test and chest X-ray);
- submit biometric data (retina and fingerprints scan).

After receiving a passport with a residence visa inserted into it, one can leave the country.

4. Obtaining a resident ID card - ID Emirates.
The card is issued a few days after the issuance of a visa. Personal presence is not required to receive it.

IMPORTANT: One is not required to reside in the UAE permanently, but a residence visa will be cancelled if one stays outside the UAE for more than 6 months.

The fees for obtaining a residence visa start from USD 4200. Please contact your consultant for more details on the application.

SUBSEQUENT ADMINISTRATION OF THE COMPANY

VAT

From 1 January 2018, the UAE introduced a Value Added Tax.

VAT as a general consumption tax applies to all transactions with goods and services unless such transaction is exempted or taxed at 0% rate.

The standard VAT rate in the UAE is 5%.

There is no obligation to register for VAT unless sales turnover within the country exceeds the registration threshold, which is AED 375 000 (~ USD 100 000) in the UAE.

Registration as a VAT taxpayer is required in the following cases:

- there is reason to believe that the taxable turnover in the next 30 days will exceed the registration threshold (for example, a contract has been made);
- at the end of the month, the taxable turnover for the previous 12 months actually exceeded the registration threshold;
- the company receives services to be included in the return using the reverse charge method, in excess of the registration threshold.

It is possible to initiate a voluntary registration after exceeding the threshold of taxable transactions in the amount of AED 187 500 (~ USD 50 000).

Registration with the UAE Federal Tax Administration and allocation of the company's Tax Reference Number (TRN) takes 20 business days, on average.

Upon registration with the Federal Tax Administration and allocation of the VAT number, a company must quarterly (or monthly in the case of annual turnover exceeding AED 150 000 000 ~ USD 40 830 900) prepare and file a VAT return, and pay the resulting VAT within 28 days of the VAT period end.

Before registering a company, we recommend that you consult a specialist of the non-resident audit department and a tax adviser to assess the company's tax burden and discuss subsequent administration of the company.

Financial Statements and Audit

Every company registered in UAE Mainland must keep accounting records sufficient to confirm its financial position and reflecting up-to-date information about the assets and liabilities of the company. It is also necessary to prepare annual financial statements of the company and have them audited.

The company's first accounting period begins on the date of incorporation and lasts 6 to 18 months. Every subsequent accounting period lasts exactly 12 months from the end-date of the previous period.

At each reporting date, company directors must prepare financial statements of the company, including auditor's report, and present them to the annual general meeting within three months of the financial year-end.

Companies that have subsidiaries (more than 50%-owned) are required to prepare consolidated financial statements for the group.

Before registering a company, we recommend that you consult a specialist of the non-resident audit department and a tax adviser to assess the company's tax burden and discuss subsequent administration of the company.

Renewal

A company must annually renew its licence, by paying a relevant fee, and its office lease agreement.

The company's renewal date is the anniversary of the issue of the licence. In the case of late payment, the Regulator reserves the right to charge fines, as well as suspend the licence.

Upon renewal, an updated licence is issued.

Fees

Services	Fees (USD)
<p>Dubai Mainland company registration, including licence and company formation services.</p> <p>The cost of package may vary depending on the number of shareholders, type of licence, and number of business activities.</p> <p>This fee is applicable in the case of company with a single shareholder and eligible for 1 residence visa (minimum package) and does NOT include the fees of a local service agent / partner or office rent.</p> <p>Other options – upon request.</p>	14500
<p>Annual renewal of the company, including licence and company renewal services.</p> <p>This fee is applicable in the case of company with a single shareholder and eligible for 1 residence visa (minimum package) and does NOT include the fees of a local service agent / partner or office rent.</p> <p>Other options – upon request.</p>	13500
<p>Obtaining a residence visa (cost of one visa – investor visa), including:</p> <ul style="list-style-type: none"> - payment of all government fees (Entry Permit, Medical Fitness Report & Emirates ID, Visa Stamping on the Passport); - preparing necessary documentation; - accompanying the applicant and transport costs (trip to the hospital and migration authority). 	4200
<p>Renewal of a residence visa (cost of one visa – investor visa)</p> <p>Renewal of a residence visa (investor visa is issued for 3 years) requires taking the same actions and paying the same fees as upon initial application.</p>	4200
<p>Assistance with bank account opening (irrespective of the outcome of application)</p> <p>Corporate account (for legal entity)</p> <p>Personal account (for individual)</p>	2500 2500
Compliance fee	250
<p>Keeping company's accounting records</p> <p>Maintaining a systematic archive of company documents and providing them to the client upon request</p>	200/hour ^[1]

Preparing financial statements, conducting audit, and submitting financial statements to the Regulator	400/hour
Tax advice on VAT and other matters	300/hour
VAT registration	1200
Preparing and submitting VAT returns	200/hour

[1] The fees for preparing financial statements and conducting audit are charged based on the time spent at hourly rates ranging from USD 100 to 400, depending on the type of work and qualification of a specialist involved, but not less than USD 1900 – fees for audited financial statements with a minimum number of transactions.

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Global presence



● GSL offices ● Banks and payment systems where GSL opens accounts ● Jurisdictions where GSL registers companies

Key facts

<p>50+</p> <p>jurisdictions where GSL registers companies</p>	<p>120+</p> <p>banks and EMI where GSL opens accounts</p>	<p>7</p> <p>countries in which GSL offices are open</p>
<p>20+</p> <p>years in business</p>	<p>170+</p> <p>employees work at GSL</p>	<p>16</p> <p>languages spoken by GSL employees</p>