



FAQ'S



DUBAI

1. What Type Of Business Can I Set Up In the UAE?

- **A Mainland Company.** With this structure you can operate anywhere in the UAE and conduct business both within and outside the UAE.
- **Free Zone Company.** Your company operates within specific free zones, offering benefits such as 100% foreign ownership, tax exemptions, and simplified procedures. There are 20 free zones each having areas of specialisation with ready-made customer base and access to highly trained staff and facilities.
- **Offshore Company.** This structure is used for international businesses and who are not permitted to conduct business within the UAE.

2. What Are The Key Benefits of Setting Up A Business In The UAE

- **Geographical Advantage.** Dubai's strategic location at the crossroads of Europe, Asia, and Africa makes it an ideal hub for international trade and business. It serves as a gateway to the Middle East and North African (MENA) markets.
- **Time Zone Convenience.** Dubai's time zone allows for convenient business interactions with Asia, Europe, and the Americas in the same business day.
- **Tax Benefits.** Dubai offers a favourable tax environment with no personal income tax and very low corporate tax. Free zones provide additional benefits, including zero import/export duties and 100% repatriation of profits.
- **Ease of Doing Business.** The UAE ranks high in global ease of doing business indices. The government has streamlined procedures for company registration, licensing, and other administrative processes.
- **Free Zone Advantages.** Dubai has numerous free zones, each offering sector-specific benefits. Free zones allow for 100% foreign ownership, simplified company formation, no customs duties, and easy recruitment procedures.
- **Variety of Free Zones.** Dubai hosts several free zones catering to different industries, such as Dubai Internet City (technology), Dubai Media City (media), Jebel Ali Free Zone (logistics and trade), and Dubai International Financial Centre (finance).
- **World-Class Infrastructure.** Dubai boasts state-of-the-art infrastructure, including advanced telecommunications, modern office spaces, and efficient logistics facilities. It also has one of the busiest airports and seaports in the world.
- **Innovation and Technology.** Dubai is a leader in innovation and smart city initiatives, providing businesses with access to cutting-edge technology and infrastructure.
- **Skilled Workforce.** Dubai attracts a highly skilled and diverse workforce from around the globe, providing businesses with access to top talent in various industries.
- **Quality of Life.** The high standard of living, safety, and modern amenities in Dubai make it an attractive destination for expatriates, helping businesses attract and retain top talent. There



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is excellent healthcare, education, entertainment, and shopping facilities, making it a desirable place for expatriates and their families.

- **Robust Financial Sector.** Dubai's well-regulated financial sector offers access to a wide range of banking services, investment opportunities, and financing options.
- **Stable Currency.** The UAE Dirham is pegged to the US dollar, providing economic stability and reducing foreign exchange risk.
- **Pro-Business Regulations.** The UAE government continuously reforms regulations to support business growth, including allowing 100% foreign ownership in various sectors and simplifying visa processes.
- **Intellectual Property Protection.** Strong intellectual property laws help protect business innovations and investments.
- **Diverse Economy.** While traditionally reliant on oil, Dubai has diversified its economy into sectors like tourism, aviation, real estate, and financial services, reducing economic volatility and providing numerous business opportunities.
- **Networking Opportunities.** Dubai hosts numerous international conferences, trade shows, and business events, providing ample opportunities for networking and business development.
- **Government Support.** Various government initiatives and incentives support start-ups and SMEs, including funding, mentorship programs, and incubation services.
- **Expo 2020 Legacy.** The infrastructure and business opportunities developed for Expo 2020 continue to benefit businesses, driving growth and innovation.
- **Vision 2030.** Dubai's strategic plans, such as Dubai Vision 2030, aim to further diversify the economy and enhance its status as a global business hub, providing long-term growth opportunities.

These benefits make Dubai an attractive destination for entrepreneurs and established businesses looking to expand in the Middle East and beyond.

3. What Types Of Licenses Are Available For Businesses In Dubai?

- **Commercial License.** For trading and commercial activities
- **Professional License.** For service orientated businesses and professionals.
- **Industrial License.** For manufacturing and industrial activities.
- **Tourism License.** For travel and tourism related businesses.

4. How Do I Choose the Right Free Zone For My Business?

- Consider the industry focus of the free zone, available facilities, costs, and specific regulations. Popular free zones include Jebel Ali Free Zone (JAFZA), Dubai Multi Commodities Centre (DMCC), and Dubai Internet City (DIC).

5. What is the process for obtaining a business license in Dubai?

- Choose the business activity and legal structure.
- Reserve a trade name and get initial approval from the Department of Economic Development (DED) or the relevant free zone authority.
- Draft and notarize the Memorandum of Association (MOA).



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- Lease office space and obtain tenancy contracts.
- Submit required documents and pay fees.
- Receive the business license.

6. Is A Local Sponsor Required For Setting Up A Business in Dubai?

- This no longer a requirement. Both Mainland and Free Zones allow 100% foreign ownership.

7. What is the role of a local service agent in Dubai?

- A local service agent (LSA) is required for certain types of professional licenses. The LSA does not own shares but facilitates administrative procedures and liaises with government departments. We can provide these services to you.

8. Do I Need A Physical Office Space To Set Up A Business In Dubai?

- Yes, a physical office space is required to obtain a trade license. However, some free zones offer flexible office solutions like virtual offices or co-working spaces.

9. Can I operate my business from a virtual office?

- Some free zones allow businesses to operate from virtual offices, especially for freelancers and small businesses.

10. What Is The Minimum Capital Requirement To Start A Business In Dubai?

- The minimum capital requirement varies depending on the business type and jurisdiction. Some free zones have no minimum capital requirements, while others may require a specific amount. Please contact us for personalised advice.

11. How Do I Open A Corporate Account In Dubai?

- Obtain your trade license.
- Choose a bank and submit the required documents, including the trade license, passport copies, MOA, and proof of address.
- Some banks may require a business plan or financial projections.
- Thwaytes Capital offers a Multi-Currency Account which will help bridge the gap between your application and setting up a corporate account. This account will also enable you to move money between countries at advantageous rates and pay costs such as accommodation and legal fees.

12. How Do I Hire Employees For My Business In Dubai?

- Obtain an establishment card from the Ministry of Human Resources and Emiratization (MOHRE).
- Apply for work permits and residence visas for your employees.
- Provide health insurance for employees, as it is mandatory in Dubai.
- We can provide you with recruitment services.



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13. How Can I Get A Residence Visa For Me And My Family?

- As a business owner, you can apply for an investor visa. Once you have your visa, you can sponsor your family members for residence visas.
- We can perform all of the necessary requirements for Visas for you. Please contact us for more information on the different types of visas and those which would be most appropriate for you.

14. What Are The On-going Compliance Requirements For A Business In Dubai?

- Renew your trade license annually.
- Maintain proper accounting records and financial statements.
- Comply with UAE labour laws and provide mandatory benefits to employees.
- File and pay VAT if your business meets the threshold for VAT registration.

15. What Are The Tax Obligations For Businesses In Dubai?

- There is no personal income tax in Dubai. However, businesses are subject to corporate tax on profits over AED375,000 (£80,000 approx.). Businesses are also subject to VAT at 5% if their taxable supplies and imports exceed the mandatory registration threshold.

16. What Are Some Key Cultural Considerations For Doing Business In Dubai?

- Respect local customs and Islamic traditions.
- Build personal relationships and network extensively.
- Be mindful of the hierarchical nature of business interactions.
- Dress conservatively and conduct meetings with professionalism.

17. How Can I Conduct Marketing In Dubai?

- Use local business directories, trade shows, and chambers of commerce.
- Engage local market research firms.
- Leverage government resources and free zone authorities for industry insights.
- We offer a comprehensive service to help you market your new business, which, depending on the type and structure of your business, may open up lucrative government contracts.

These FAQs cover the essentials of setting up a business in Dubai, helping you navigate the process more smoothly and efficiently. For individual customised advice for your own business please book a free consultation with one of our consultants who will be happy to answer any questions that you may have.