



UNITED ARAB EMIRATES
MINISTRY OF ECONOMY

UAE Federal Law on Foreign Direct Investment

Grants the foreign investor an ownership up to 100%
As well as incentives & competitive advantages



Foreign Trade Sector

Investment Department

► Scope of Application

1 The provisions of the law apply to foreign direct investment projects to be established in all lands of the country

2 The provisions of the law don't apply on the financial and non-financial free zones

► Benefits and Guarantees



No expropriation
Ensuring the property is not expropriated except for public benefit in exchange for fair compensation.



Not to seize or confiscate project funds unless by a court hearing.



The licensed foreign investment companies are treated like national companies



Ownership
% 100



The right to use real estate



Make financial transfers for project returns outside the country



Ensuring the confidentiality of technical, economic and financial information and investment initiatives



Additional privileges:

- Insert a partner or a number of partners
- Transfer ownership to a new investor
- Amending the articles of association
- Change the legal form of the company
- Merger, acquisition or liquidation

▶ 5 working days only: the maximum period for the approval of the FDI license application for sectors within the positive list

- 1 The foreign investor shall apply for approval of the project license to the Competent Authority for foreign direct investment in the local government to be considered, satisfying the conditions and documents specified by the Licensing Authority and after obtaining the preliminary approval from the Licensing Authority.



- 2 The Competent Authority shall issue its approval of the license application within a maximum period of 5 working days from the date of submission of the application and fulfillment of all required conditions, documents and procedures.



▶ Steps for Licensing an FDI Project specified under the Positive List

Select Business Activity in Positive List and Legal Form

- Limited Liability Company (LLC),
- Private Joint Stock Company, (including the Sole Proprietorship Company.)

Submit a foreign direct investment license application after obtaining the initial approval

Get Approvals of Entities concerned with FDI Company Activity

Obtain Approval and Receive FDI License After Paying the Fees

Registration of the License with the Ministry of Economy (MOE)



1



3



5



7



9



2



4



6



8

The FDI capital shall not be less than the minimum required in the Positive list including

Reserve the Trade Name
The name shall be followed by an indication of the legal form of the company and then the expression "Foreign Direct Investment (FDI)".

Present Proof of Submission for Joining Tawteen Partners Club

Opening a Bank Account on behalf of the company (under incorporation) and depositing at least %20 of the capital



▶ Settling Disputes

Disputes that may arise from the FDI project may be settled through all alternative means of dispute resolution. If it is not settled, the competent court may be referred to the cases of foreign direct investment as a matter of urgency when considering them.



▶ Existing company's change into an FDI company

The existing company may change into an FDI company provided that the following is provided:

- The legal form of the existing company shall be one of the forms specified for FDI Companies.
- If the legal form of the existing company is different from those forms specified for the FDI Companies

▶ Procedures for approving a project license application that is not specified under the positive list



The foreign investor shall submit the application for approval of the project license to the Competent Authority of foreign direct investment, which has the right to not approve the application, or to submit the request to the FDI Committee for consideration, after coordination with the Licensing Authority, and after consultation with the local government in the concerned Emirate.



If the request is submitted to the FDI Committee for consideration, the Committee's recommendation shall be submitted to the UAE Cabinet. In the event of a decision by the UAE Cabinet approving the request, the investor shall be notified through the Competent Authority upon completing the necessary data and documents.



The competent authority may, in the event of a decision of the Council of Ministers approving the request, notify the applicant of the completion of what it deems necessary to provide data, information and documents, and the competent authority shall issue approval of the license within (5) working days from the date of meeting the required documents and procedures.



The decision of the Competent Authority to reject the license request that is not included in the positive list is final, and not subject to appeal.

▶ Steps for the Change of an Existing Company to an FDI Company



Obtaining the approvals of the organization organizing the activity



Bring evidence of the application to join the Emiratisation Partners Club



Obtaining approval and receiving the license after paying the fees



Deposit at least %20 of the capital



Registration of the license with the Ministry of Economy

► The positive list available to the foreign investor at %100 ownership



Agricultural Sector



Conditions and Requirements

1. Use new technology.
2. Realize a high-added value
3. Contribute into research & Development
4. Meet the requirements of UAE licensing entities.

Percentage of National Careers and Training

Join Tawteen Partners Club with the Ministry of Human Resources & Emiratization (MHRE).

Sectors and Activities which :


Minimum capital
7.5
Million/AED

01111	Grain cultivation (wheat, maize, barley, etc.)
01112	Pulses cultivation
01113	Cultivation of legumes, melons, roots and seeds
01114	Sugar cane cultivation
01116	Fiber crop cultivation
0119001	Shoots and flowers plantation
0121	Grapes cultivation
0123001	Fruits and citrus cultivation
0124	Pome and stone fruit cultivation
0125	Cultivation of fruit trees and seedlings and nuts
0126	Oleaginous fruits cultivation
0127	Beverage production cultivation

01289	Cultivation of aromatic, drug and pharmaceutical products
0162	Support activities for animal production
0163	Post-harvest crop activities
0164	Seed treatment for reproduction
0210	Silviculture and other forestry activities
0240	Forestry support services

Sectors and Activities which :


Minimum capital
10
Million/AED

0161	Support activities for crop production
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Conditions and Requirements

1. Use new technology.
2. Realize a high-added value
3. Contribute into research & Development
4. Meet the requirements of UAE licensing entities.



Industrial Sector



Percentage of National Careers and Training

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Sectors and Activities which :



Minimum capital

15

Million/AED

10	Production of food products (except for 1071 production of bakery products, 105 production of dairy products, 108 production of processed animal feed)	2029019	Production of Gelatin and derivative products
11	Beverage industry (except for 1101 alcoholic beverages distillation, purification and mixture, 1102 wine production, 1103 production of alcoholic beverages from barley)	2029021	Base Oil (concentrate fragrance) Industry
14	Garment industry (except for 14109 ready garment tailoring, 1410122 military uniform industry)	2029022	Natural aromatic extracts production
15	Manufacture of leather and associated products	2029023	aromatic distilled water Production
16	Manufacture of woods, wood products and cork, except for furniture; manufacture of articles of straw and plaiting materials	2029024	Matchstick production
2012002	Manufacture of straight or mixed fertilizers	2029025	Pastes or Powders Production
2013	Manufacture of plastic products and synthetic rubber in their elementary forms	2100	Production of man-made fiber products
2021	Manufacture of pesticide and other agricultural chemical products	2100	Production of Pharmaceutical Products and Plant and Chemical Medicinal Products
2022	Production of paints, varnishes and other coats, and printing inks and pastes	22	Production of rubber and plastic products
2023	Production of soap and detergent, cleaning and polishing products, perfumes and cosmetics	23	Production of other non-metallic minerals
2029006	Processed adhesives and glues industry	25	Manufacture of structural metal products except for machinery and equipment (except for 252 Manufacture of Weapons and Ammunition)
2029008	Writing and painting ink industry	26	Manufacture of Computers, electronic and visual products
2029009	Industry of textile and leather finishing chemical materials	3012	Construction of pleasure or sports boats
2029013	Photographic Films and slides Industry	31	Production of furniture
		3312001	Repair and maintenance of train engines
		3312002	Repair and maintenance of ship engines
		3315001	Ship repair and maintenance
		3315004	Repair and maintenance of trains and railway equipment
		3315005	Aircraft engine repair and maintenance
		3315006	Aircraft repair and maintenance

Sectors and Activities which :



Minimum capital

100

Million/
AED

28	Manufacture of machinery and equipment not classified in other place (except for 28259 Manufacture of Tobacco Processing Machinery)	24	Manufacture of Base Metals (except for 242 Manufacture of Precious and Non-ferrous Base Metals, 2432 non-ferrous metal casting)
29	Manufacture of motor vehicles, trailers and semitrailers	27	Manufacture of Electrical Equipment
3011101	Construction of commercial vessels	3020	Manufacture of Train Wagons and locomotives
3011103	Manufacture of vessel parts and floating installations	3090	Manufacture of Transportation equipment not classified otherwise
3011905	Construction of floating or submersible drilling platforms	3250	Manufacture of medical supplies and equipment for dental treatment
3011906	Construction of floating installations		
3011907	Construction of hovercrafts		
3030	Manufacture of aerospace vehicles and associated machinery (except for 3030006 manufacture of Ballistic and Guided Military Missiles)		

Sectors and Activities which :



Minimum capital

20

Million/
AED

Sectors and Activities which :

3230 Manufacture of sports equipment

3240 Manufacture of games and toys

3290 Manufacture of other products not classified in other place

Sectors and Activities which :

3220 Manufacture of Musical Instruments

Minimum capital

3

Million/AED

Minimum capital

2

Million/AED

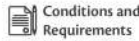


Percentage of National Careers and Training

Join Tawteen Partners Club with the Ministry of Human Resources & Emiratization (MHRE).



Service Sector



Conditions and Requirements



Conditions and Requirements

Sectors and Activities which :



Minimum capital

In accordance with the legislation in force

6910002	Legal Consultancy Firms	(Not to plead before UAE courts, act before any official authorities or perform notarization and authentication tasks) and get the approval of the concerned entities in the UAE	41	Buildings Construction	Permitted only for infrastructure projects of large scale such as airports, high roads, sports facilities and projects worth more than AED 450 M
692	Accounting, Bookkeeping, Audit and tax consultancies		42	Civil Engineering	
711	Architectural and engineering activities and related technical consultancy services		432	Electrical, Plumbing and other Structural Activities	
862	Medical and dental clinics		433	Buildings Completion & Finishing	
75	Veterinary activities		431	Demolition and Site Preparation Works	
620	Computer programming consultancy expertise and associated activities	Provide a technical team of no less than 5 programming professionals by the end of the first year of the Company	439	Other Specialized Construction Activities	
72	Research & Development in Scientific Field		7730009	Leasing of Construction or Demolition Machinery and Equipment	
-7730	Lease of Machinery and other Equipment		851	Pre-school and Primary Education	Excluding public education and subject to approval of the competent authorities for establishment and guiding of educational institution, and also to the conditions of suitability of school facilities and a high level of education quality
77300	Lease of Real Commodity (Except for Car Rental and Leasing Services)		852	Secondary School Education	
731	Advertising		853	Higher Education	
732	Market Research and Polls		854	Other types of education	
702	Consultancy Expertise Activities in Management Field		370	Sewage	
712	Technical Analysis and Tests		382	Waste treatment and disposal	
331	Repair of structured metals and machinery and equipment (except for ships, aircrafts and other means of transport)		3900001	Effects of Pollution and Environment Protection Services	
-8121	Buildings General Cleaning		8211004	Restaurant Management	
81210	Photographing Activities		90009	Creative Activities and Dramatic Arts (Theater)	
742	Photographing Activities		9000104	musical Band	
-8292	Packing activities		9000110	Circus	Only Theater activities, live bands and Circus Activities allowed
82920	Packing activities		8130002	park and resort landscaping	
823	Commercial exhibitions and conferences organization		-9103	Botanical Gardens, Zoos and Natural Reserves Activities	
741	Specialized design activities		91030	Sea and Coastal Commodity Water Transport	
7490005	Legal translation services		-5012	Sea and Coastal Commodity Water Transport	
7490006	Film and TV Show Subtitling and Dubbing Services		50120	Inland Freight Water Transport	
7490012	Printed Materials Translation Services		5022001	Commercial Ship Leasing	
8299002	Interpretation Services		5222002	Vessel Pilotage and Towage	
			5222007	Ferryboat and Bike and Jet-Ski Tug Services	
			new	Holding company activities in intellectual property	

Sectors and Activities which :

Minimum capital

100 Million/AED

471	Retail Trading in Non-socialized Shops(except for cooperative societies 4711001)	
861	Hospitals Activities	Subject to approval of competent authorities, based on economic need tests taking into account the number of hospitals and medical centers in a specific area. In Dubai Healthcare City, such test is not required

Sectors and Activities which :

Minimum capital

70 Million/AED

869	Other activities in Human Health Field
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