

UAE

Positive List for 100% Foreign Ownership

Following previous announcements that the United Arab Emirates (the **UAE**) would open foreign ownership in on-shore entities (i.e. outside of the Free Zones) and maintain foreign ownership restrictions in strategic sectors, the UAE Cabinet approved on 2 July 2019 122 qualifying activities across 13 sectors (the so-called **Positive List**) that will be open to up to 100% foreign ownership.

Positive List

The Positive List includes, *inter alia*, the following segments:

- Renewable energy
- Manufacturing
- Transport & Logistics
- Professional, scientific and technical activities
- Administrative and support services
- Construction

New Specific Obligations

Besides a general obligation to abide by the federal UAE and local laws of each concerned Emirate, and conduct activities as reflected in the applicable Commercial/Trade Licence, companies wishing to benefit from the increased foreign-ownership regime are subject to a number of obligations, such as:

- Evidence of deposit of the company's capital in a bank account;
- Appointment of one or more auditors licensed in the UAE for a renewable period of one year (up to six consecutive years);
- Implementation of Emiratisation policies in the company (further developments are expected on this topic);
- On-going collaboration with the Foreign Direct Investment (**FDI**) (by maintaining regular Accounts for the FDI Project, notifying the date of commencement of work or production date, providing information and statistics).

We refer you to our GCC e-alert of December 2018 for further details on the process to apply for such exemption from the 51% UAE ownership rule.

DUBAI

Dubai Multi Commodities Centre (DMCC) Dual Licensing (Free Zone and On-Shore Licences)

The Dubai Multi Commodities Centre (**DMCC**) announced its latest partnership with the Dubai Department of Economic Development (the **DED**). The two Government entities signed a Strategic Agreement introducing a dual licensing scheme to DMCC member companies enabling them to establish a presence and operations in mainland Dubai under a DED licence.

The Agreement will also enable Free Zone entities to carry out certain services on-shore provided they obtain a No Objection Certificate (NOC) from DMCC first.

The collaboration also commits the DMCC and the DED to exchange information regarding the companies wanting to expand their activities beyond their remit using block chain technology.

Dubai International Financial Centre (DIFC) New Licensing Laws

The Dubai International Financial Centre (**DIFC**) introduced four new licensing laws as part of the new Operating Law and Regulations, including Short-term and Restricted Licences, Commercial Permissions and Dual Licences.

The new laws all come with reduced licence fees and increased flexibility, allowing more firms to conduct business from the DIFC.

Short Term Licence

Under the new Short-Term Licence category, *retail businesses and other non-financial entities will now be able to operate their businesses from the DIFC with flexible rates over shorter timeframes*. This includes a competitively priced registration fee of US\$100 and licence fee ranging from US\$300 to US\$5,100 depending on the duration of the licence.

Restricted Licence

Restricted Licences have been introduced for firms interested in developing or testing new or innovative products and services in the DIFC. Entities obtaining this licence will benefit from a reduced registration fee of US\$100, and with annual licence fees ranging from US\$1,000 to US\$4,000, *allowing more flexibility for innovation, testing and access to the DIFC ecosystem which includes incubator and accelerator programmes*.

Commercial Permissions

The Commercial Permissions category will allow *both DIFC and non-DIFC entities* such as event companies, retail outlets, training providers or educational services *to conduct their main business activities within the DIFC* at competitive rates. Fees for Commercial Permissions range from US\$100 to US\$2,000, depending on the nature of activity and duration of the licence.

Dual Licensing

Finally, Dual Licencing also enables *non-financial and non-retail firms holders of DED licence with an affiliate in the DIFC to operate from the DIFC*. This includes law firms, audit firms, consultancy firms, family businesses, holding companies and corporate service providers, who will benefit from an annual fee of US\$1,000.

RAS AL KHAIMAH

Ras Al Khaimah International Corporate Centre (RAK ICC) Companies permitted to own Freehold in Dubai

The Ras Al Khaimah International Corporate Centre (**RAK ICC**) recently announced that it had entered into a Memorandum of Understanding with the Dubai Land Department pursuant to which RAK ICC companies will be permitted to own Dubai Freehold Properties.

This document is delivered for informative purposes only.

It does not constitute a reference for agreements and/or commitments of any nature.

For any further clarification or research please contact:

Riccardo Sensi
Partner

 Abu Dhabi
 + 971 2 815 3333
 rsensi@gop.it

Elise S. Paul-Hus
Counsel

 Rome
 +39 06 478751
 epaulhus@gop.it



INFORMATION PURSUANT TO ARTICLE 13 OF EU REGULATION NO. 2016/679 (Data Protection Code)

The law firm Gianni, Origoni, Grippo, Cappelli and Partners (hereafter "the Firm") only processes personal data that is freely provided during the course of professional relations or meetings, events, workshops, etc., which are also processed for informative/divulgarion purposes. This newsletter is sent exclusively to those subjects who have expressed an interest in receiving information about the Firm's activities. If it has been sent you by mistake, or should you have decided that you are no longer interested in receiving the above information, you may request that no further information be sent to you by sending an email to: relazionierne@gop.it. The personal data processor is the Firm Gianni, Origoni, Grippo, Cappelli & Partners, whose administrative headquarters are located in Rome, at Via delle Quattro Fontane 20.