

Firstly, INVESTMENT INCENTIVES

Abu Dhabi Emirate is well-known to be one of the major business centers in the Arab Gulf region. It acquired such a prestigious position by means of many factors that can be summarized in the following points:

1. Strategic situation enabling to perform a pioneering role in linking international shipping routes and facilitating goods transportation between The East and the West.
2. Adoption of a free-market economy that encouraged national and foreign capitals to invest in all fields.
3. Income - tax free applied to individuals; companies and foreign company branches.
4. Free transfer of capitals and profits abroad, without any restrictions. This is ensured by the many branches of foreign banks operating in the Emirate.
5. Customs fee exempt applied to food-stuff, intermediary goods used in local industry and other commodities, in addition to all exports and re-exports.
6. The maximum Customs fees lately levied did not exceed (5%) a rate which is considered the lowest if compared with any other levied ones in the region as a whole.
7. Free movement and Travel is guaranteed for everybody whether within or without the Emirate and the country at large.
8. Free practice of economic activities plus investment incentives ensured by prevailing laws and economic rules and regulations.
9. Only minimal rent Charges are

applied to lease of lands allocated for industrial investment purposes.

- Water and electricity consumption rates for both domestic and institutional uses are lower than those usually charged in any part of the world.
- 10 Abu Dhabi is marked with the existence of a modern and advanced infrastructure representing a strong and deeply rooted basis supporting a stable and recovered economy. Such advanced infrastructure includes:
- Two modern international airports in both Abu Dhabi and Al Ain. They are both capacitated to receive giant civil and commercial aircraft.
 - A streamlined and advanced telecommunication network built according to the latest technologies available in the world.
 - Modern and well-equipped seaports with a huge capacity of handling and wharves. (Transport Authority)
- 11 Abu Dhabi Emirate is distinguished for the existence of every service required to lead an easy social life. The Emirate developed many private and public schools providing education for various social classes. They teach curricula in different languages such as Arabic; English; German; Hindu; French and others. This is in addition to the existence of several private colleges and universities availing the opportunity of higher education for expatriates.
- International exhibition centers; shopping malls and department stores are also widely spread to reflect prosperous economic activity.

- Medical services are also rendered to everybody through many hospitals, medical centers and out-patient clinics whether private or public.
 - Diversified leisure; recreation and touristic places are also widely spread beside long silver sandy beaches; sport clubs; hotels and luxurious restaurants. Public parks are well organized and made evergreen by assorted flowers; roses and tulips spread amid evergreen palm tree areas.
 - A set of legislation, such as Intellectual Property Law; Commercial Company Law; UAE Civil Code and Commercial Procedures Law has been completely issued.
- Public libraries and private bookshops meet the demands of cultural and educational aspects, whereas several cinema houses; road network and traffic systems are built according to the most advanced standards.
- A very modern road network is also built according to the latest technologies and highly organized through traffic systems matching international counterparts.
- All these advantages have made Abu Dhabi a fantastic place of attraction for investors and businessmen from every part of the world.

SECONDLY, LAWS REGULATING THE PRACTICE OF ECONOMIC ACTIVITY IN ABU DHABI

Laws:-

Article (23) of Federal Law No. (19) Of 1991 concerning Commercial Dealings provided that:

- It shall not be permissible for non-UAE nationals to run businesses unless upon joining a partner or partners holding the UAE nationality in accordance with the terms and within the limits specified in the Commercial Company Law.
- With reference to the above said Federal Law No. (8) Of 1984 and the amending laws thereof, Article (22) provided as follows:
 - "Observing that commercial activities are confined to nationals as provided in this law or in any other law, every company incorporated in the State must have one or more national partner whose share in the company capital must not be less than 51% of the company capital".
- Article (5) of the said law defined seven types of companies which are (General Partnership, Simple Limited Partnership, Joint Participation ' Venture' Public Joint Stock, Private Joint Stock, Limited Liability Company, Partnership Limited with shares).
- Article (314) of the UAE Commercial Company law also granted foreign companies the right of establishing branches or offices in the country providing that such a branch or office must have a national services agent.

If the agent is a company, it must be a national company in which all partners should be nationals.

The agent's obligations towards the company should, however be confined to rendering necessary services to the company in respect of getting required licenses without sharing in the capital or management or bearing any losses or obligations.

- Article (92) of the UAE Civil Code defined legal entities in such a way that included all associations and enterprises incorporated according to the provisions of the law.
- Trade License Law No. (9) Of 1996 and the amending laws thereof also provided that except those exempted by the Ruler, it shall not be permissible for any person to practice any business activity unless upon acquiring the required license as it is determined.
- Article (31) of Law No. (127) of 2005 amended by law No. (1) of 1984 concerning Abu Dhabi Chamber of Commerce & Industry provided that those national or foreign individuals; companies or enterprises practicing business; industrial; financial or contracting activities within the Emirate, or those having branches or offices to practice permanent or temporary activity shall have to join the Chamber. However, the Chamber's Membership Certificate is necessarily required for licence issuance or renewal in the Emirate.

It is understood from the sense of all these provisions that it is a must for any natural or legal person whether he is a national or foreign investor to acquire a license allowing him to practice requested economic activity.

THIRDLY, TYPES OF LICENCES IN ABU DHABI

APPERTAINING REQUIRED DOCUMENTS

I. National Proprietorship % National)

1. Selection and approval of trade name (Department of Planning & Economy approval).
2. Lease contract involving the headquarters through which the activity is intended to be practiced.
3. Passport photocopy + personal photograph of the national owner.
4. Definition of activity (Commercial; professional or vocational).
5. Acquiring competent authority approval whenever required for certain activities.
6. Completed application forms prepared for the purpose by the Municipality; Commercial Register and Chamber Membership.

II. Commercial Companies (51% Minimum National Share)

1. Getting the selected trade name approved in accordance with the requirements provided in the Commercial Company Law. (Department of Planning & Economy approval).
2. Partnership agreement duly authenticated by the Notary Public (National (s) share should not be less than 51%) and without prejudice to other provisions and requirements provided in the Commercial Company Law in respect of the company type or legal status.

3. Lease contract involving the headquarters through which the activity is intended to be practiced.
4. Passport photocopy + personal photograph of each partner.
5. Definition of required activity. Getting it approved by respective competent authority whenever required for certain types of activities.
6. Bank Certificate, certifying that the company capital has been already paid-up at one of the banks operating in the Emirate, along with a statement showing the cash shares of partners.
7. Completed license application forms, Commercial Register and Chamber Membership.
8. Registration of the Partnership agreement at the Ministry of Economy.

III. Foreign Company Branches:

1. Adopting the same mother company's name for the branch in Abu Dhabi (Department of Planning & Economy approval).
2. Detailed statement on the activity required to be practiced by the branch. Getting it approved by respective competent authority whenever required for certain activities, with consideration to that the branch activity must be from among those practiced by the mother foreign company.
3. Contract agreement with a services agent holding the UAE nationality. The agreement must be duly authenticated by the Notary public.
4. Submission of a duly attested "Undertaking" issued by the mother company pledging to bear any financial liabilities on behalf of its branches in the UAE.

5. Duly attested decision taken by the concerned administrative body at the mother company confirming willingness to open a branch in Abu Dhabi.
6. Duly attested official certificate issued by the competent authority at the country in which the foreign company is registered. The certificate must state for the company registration; legal status; capital; names, capacities and powers of its representatives.
7. Duly attested facsimiles of the mother company's letter of incorporation and articles of association.
8. Latest duly attested couple of balance sheets accredited by the mother company, along with auditor report; profit/loss account and other balance sheet-related explanations.
9. Statement showing main operations and activities practiced by the foreign company outside the UAE, and accounting for its previously accumulated experiences.
10. Duly attested power of attorney in favor of the company's representative in Abu Dhabi, along with his passport photocopy and personal photograph.
11. Passport photocopy and personal photograph of the national services agent if he is a natural person. In case he is a legal entity, an official certificate confirming that all partners are UAE nationality holders should be attached along with copies of issued licenses.
12. Statement showing the number of employees expected to be recruited in the company branch in Abu Dhabi.
13. The branch capital amount must not be less than Dhs. (250,000/).
14. All documents should be translated

into Arabic by an authorized legal translator and duly attested by the UAE Ministry of Justice.

IV. Appointment of Commercial Agent (Exclusive Distributor)

Foreign companies unwilling to acquire license, yet interested in finding access to the UAE markets or seeking to offer their services, may appoint a commercial agent in accordance with the provision of Federal Law No. (18) Of 1981 concerning the organization of commercial agencies and amending Law No. (14) Of 1988. Such agent may promote the foreign company products and services through an exclusive sales or distribution within the specified territory of the agency.

This can be done by virtue of a relevant agreement which should be duly registered at the Ministry of Economy.

However, foreign companies may have one agent to cover the whole UAE territories or one agent in each emirate.

V. Gulf Establishments and Companies:

GCC countries' nationals shall be allowed to practise all economic activities and professions, barring the activities listed in the Ministerial Resolution No. 26 of the year 2005.

FOURTHLY, GENERAL PROCEDURE FOR ACQUIRING LICENCES

1. Applicant may approach the Abu Dhabi Municipality Department, the Department of planning & Economy

or the Abu Dhabi Tourism Authority, (as per the type of requested activity once the required trade name is duly approved by Abu Dhabi Chamber of Commerce & Industry. A special application form should be completed, then attached to other documents as specified in clause (3) hereinbefore.

2. Applications are, thereafter reviewed along with other supporting documents in order to determine whether a submitted application requires approval of competent authority. In such a case, the application is referred to the respective competent authority for approval. Applicant should approach the involved competent authority to see whether further documents or certain explanations are still required.
3. Once being approved by respective competent authority, the applicant is referred to the Chamber for approval and issuance of membership certificate.
4. Once the Chamber Membership Certificate is issued, the applicant should refer to the Department of Planning & Economy or the Abu Dhabi Tourism Authority for registration in the Commercial Register and for Municipality Licence which is not finally acquired unless upon field visit to the applicant premises and fulfillment of all terms and conditions relating to advertising, safety and health requirements in accordance with the rules and regulations applied by Abu Dhabi Municipality.
5. In case the applicant is a commercial company, the Municipality shall refer the applicant to the Ministry of Economy after acquiring the Chamber Membership Certificate. At the Ministry, relevant procedures required

for registration of the company's incorporation are to be completed. (This is also effective for Joint Stock Companies)

6. In case the applicant is a foreign company branch, he shall have to submit an application attached with all documents mentioned in clause (3) hereinbefore to Ministry of Economy. The Ministry, in cooperation with the Abu Dhabi Municipality and the Chamber, presents the application before the esteemed Executive Council in Abu Dhabi seeking required approval.
7. Municipality license should be annually renewed.
8. Once the Licence is issued, applicant should approach the Ministry of Labour to open a special "Company Card" and apply for required labour force. Then he has to approach the Department of Naturalization & Residence to get permits.

FIFTHLY, ACTIVITIES REQUIRING APPROVAL BY COMPETENT AUTHORITIES

Obtainment of the approval given by the authorities mentioned hereinbelow shall be a prerequisite for practising the activities subsumed under each and every respective authority.

EXECUTIVE COUNCIL

Charter Trading- Representation of companies - Travel & Tourism - General Services - Ship & Maritime Agencies - Car Clubs - Aircraft Charter - Foreign Company Branches.

MINISTRY OF INTERIOR

General transport - Driving Schools - Stamp Making Key Cutting - Fire Equipment, Alarm & Safety Systems - Used Car Dealers - Used Auto parts - Car Denting & Painting- Rent - a -car organising festivals and festivities.

MINISTRY OF JUSTICE

Law Firms - Legal Translation - Legal Consulting.

MINISTRY OF LABOUR

Manpower Recruitment - Societies- Nurseries

MINISTRY OF COMMUNICATION

Land Transport - Telecommunication Equipment and Maintenance (To be annually renewed).

MINISTRY OF ECONOMY

Insurance, Insurance Consultancy, Brokers, Inspection Experts, Damage / Loss Assessors.

DEPARTMENT OF INFORMATION

Video & cassette library shops - Software import, export distribution and sales - Bookshops (Newspapers, Books, Magazines)- Cinema Houses & Theaters - Radio | TV | Drama / Movie Production & Artistic Studios - Exhibition organization; Management and Marketing - Printing Presses - press service offices- Publicity & Advertising - Offices Sponsoring art & Drama troupes - Publications & Periodicals - Music, Lute and Ballet - Printing works - Visit & Greeting Cards - Logo & Gift items - advertising printing - printing service offices (To be annually renewed)

TYPES OF COMMERCIAL COMPANIES IN THE UAE - ABU DHABI

TYPE	Incorporation Formalities & National Share%	Number of Partners	Trade Name/Terms of Selection	Company Characteristics and Partners Responsibilities	Capital	Licensed Activities	Management
General Partnership	- All partners should be UAE Nationals. - Agreement written in Arabic, duly authenticated and registered.	(2) at least	Formed of partner(s) name(s) OR a trade name - innovated for the purpose.	Based on confidence & familiarity among all partners who will have the capacity of merchants. Partners are jointly liable in all their assets for the company's obligations.	Unfixed	Any legitimate activity, with consideration to uni purpose and specialization.	As per agreement among partners or with others.
Simple limited Partnership	- 51% minimum national(s) share. - All General Partners should be UAE Nationals. - Agreement written in Arabic, duly authenticated and registered.	(2) at least	Any trade name, provided that no Silent Partner's name is included.	National General Partner is liable in all his assets for the company's obligations and Silent Partner liable only up to his share in the shares in the capital.	Unfixed	Any legitimate activity, with consideration to uni purpose and specialization.	By National General Partner(s)
Public Joint Stock	- Letter of Incorporation & Articles of Association in accordance with the form issued by the Ministry of Economy & Commerce duly authenticated and registered. - 51% minimum national share(s).	(10) at least	Derived from its purpose, but should not be that of natural person and in accordance with the company Law provisions.	- Partner is only liable up to his share in the capital. - Stocks are negotiable.	Dhs (10) million minimum, divided into shares with a value varying between (Dhs. 1-100).	Any legitimate activity, with consideration to uni purpose and specialization.	By a board of directors in accordance with the provisions of the Company Law.
Limited Liability Company	- 51% minimum national share(s) - Agreement written in Arabic, duly authenticated and registered.	(2-50) Partners	Derived from its purpose, OR, from the name of a partner or an innovated name.	All partners are liable for the company obligations up to, and within the limit of their shares in the capital.	Dhs (150) thousands minimum, each share should be (Dhs. 1000) at least.	Any legitimate activity, except those of Insurance, Banking and Financial investment in favour of others.	As per agreement among partners or with others.
Private Joint Stock	- Agreement written in Arabic, duly authenticated and registered. - 51% minimum national share(s)	(3) at least	Derived from its purpose.	Partners are only liable up to their shares in the capital.	Dhs (2) million minimum.	Any legitimate activity, with consideration to uni purpose and specialization.	By a board of directors.
Partnership Limited with shares	- Agreement written in Arabic, duly authenticated and registered. - 51% minimum national share in the capital.	(2) at least	General partner(s)' name(s) OR an innovated trade name.	National General Partner is liable in all his assets and a share holder is liable only up to, and within the limits of his share in the capital.	Dhs (500) thousand minimum.	Any legitimate activity, with consideration to uni purpose and specialization.	By one or more general partners
Joint participation (Venture)	- 51% minimum national share. - Incorporated among partners without being declared towards others. - Agreement written in Arabic, may be authenticated but unregistered.	(2) at least	General partner's name OR any innovated trade name.	Undeclared towards others. If it so happens, then it will be diverted into a General Partnership towards others.	Unfixed	Any legitimate activity, with consideration to uni purpose and specialization.	By the declared general partners known to others.

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