

UNITED ARAB EMIRATES

United Arab Emirates - Mixed (Civil and Sharia)

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In a hurry? Click incorporate now, and startup your company immediately.

Incorporating a company in United Arab Emirates

United Arab Emirates taxes

If you want to incorporate in UAE, this article will educate you on the tax laws for an International Company which is the most common company structure in United Arab Emirates.

International Companies in UAE may be set in 3 of its free-trade areas: Jebel Ali (Dubai), Ajman and RAK (Ras al Khaimah). ICs are entitled to do business internationally and they may have restrictions to trade with residents and own properties within UAE (except Jebel Ali's, which can own certain properties within Dubai). ICs are fully tax exempt. This ranks United Arab Emirates as 1st overall in terms of corporate tax rate worldwide.

An IC in RAK and Ajman may be formed by one or more shareholders and one or more directors, who can be foreign-citizens. ICs in Dubai may be formed by at least 2 shareholders. Corporate shareholders and directors are allowed. Shareholders and directors may not be disclosed publicly. There is no requirement to file accounts.

Currently, there is no value-added tax or sales tax in UAE, which ranks the country as 1st when compared to VAT taxation rate internationally.

Thin capitalization restrictions aren't in play. Thin capitalisation refers to any type of restrictions on companies' debt-to-asset ratios. Dividends received are not taxable. Dividends are distributions of company's earnings, determined by the board of directors, to a particular class of shareholders. Dividends can be one of the following cash payments, shares of stock, or other property. Capital Gains are not subject to taxation. A capital gains tax is levied on the profits that a corporation or natural person realizes when they sell a capital asset for a price that is higher than the purchase price.

There is no withholding taxes in UAE. This means that payments on dividends, interests, royalties or any kind of fees to non-residents are not subject to taxation.

There is no known tax on wealth in United Arab Emirates. There are no known inheritance taxes in AE. There are no well known research and development breaks on taxation in AE.

The above is not tax or legal advice for your company's personal tax obligations. We can point you to a tax advisor in United Arab Emirates who can properly advise you. Contact us today. Click the free consultation button above.

The vat rate in United Arab Emirates is 0% which ranks 1 in the world.

- ✗ Patent box
- ✗ RND credit
- ✗ Wealth tax
- ✗ Estate tax
- ☑ Transfer taxes
- ✗ Asset taxes
- ✗ Capital duties

- 76 Tax treaties
- 0% Offshore Tax
- 0% Corp rate
- Loss carryback years
- Corporate time
- 0% VAT rate
- 0% Capital gains
- 2018 AEOI planned

United Arab Emirates Legalese

When examining a jurisdiction in which to incorporate, the first thing to look at is the legal code. The underlying law in United Arab Emirates is mixed (civil and sharia) law. You will want to get some local advice as to how to best structure a company in United Arab Emirates. Electronic signatures are permitted.

The letters AE is for United Arab Emirates and the most common legal entity structure in United Arab Emirates is an IBC.

When setting up, budget about 15 Days to put together the paperwork and file an IBC in AE. The types of cash you can use to fund your company is frequently any legal tender.

Yes, one is allowed to re-domicile an IBC from AE. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least 1 shareholder. This makes it possible for you to own an IBC in AE by yourself. Corporate Shareholders are encouraged, which means you can have a corporate shareholder. Foreign ownership is encouraged, up to 100% of the total equity of the company.

There is a requirement to have at least 2 directors. Speaking of shareholders, corporate directors are not permitted. Directors should not expect to be private, as they are disclosed. There is not a requirement to have annual meetings.

A registered legal firm must be retained for an address, paid by the company on an annual basis, for an address which can receive any lawsuit papers on behalf of the registered legal entity. Furthermore, a corporate secretary is not required in AE, which can save the company money if you can perform basic corporate governance internally.

There is a Consequently, there is no requirement that these accounts be audited.

Overall we think United Arab Emirates is a good option and have given it a score of 89 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ **Directors not disclosed in a public registry**
- ✗ **Shareholders not disclosed in a public registry**
- ✓ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✗ **Corporate director permitted**
- ✗ **Local Secretary not required**
- ✓ **Local Director not required**
- ✓ **Electronic signature**

- 1 Shareholders required**
- 2 Directors required**
- 15 Days to form**



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Country Info



🚩 National Flag of

الإمارات العربية المتحدة
(ara)

\$ Currency

AED

☎ Area Code

+971

🏰 Capital

Abu Dhabi

📍 Region

Western Asia

🗣 Native Languages

Arabic