



UK Trade
& Investment

Doing Business in the United Arab Emirates





Are you a member of a UK company wishing to export overseas?

Interested in entering or expanding your activity in the UAE market?

This guide sets out what you need to know:

The main objective of this **Doing Business Guide** is to provide you with basic knowledge on the United Arab Emirates (UAE); an overview of its economy, business culture, potential opportunities and an introduction to other relevant issues. Novice exporters, in particular, will find it a useful starting point.

UK Trade & Investment (UKTI) works with UK-based businesses to ensure their success in international markets, and encourage the best overseas companies to look to the UK as their global partner of choice. UKTI has professional advisers both within the UK and across more than 100 international markets.

Further assistance is available from the UKTI team in the UAE. Full contact details are available at the end of this guide.

Important Information - Sanctions and Embargoes

Some countries may be subject to export restrictions due to sanctions and embargoes placed on them by the UN or EU. Exporting companies are responsible for checking that their goods can be exported and that they are using the correct licences.

Further information is available at
<https://www.gov.uk/sanctions-embargoes-and-restrictions>



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1. INTRODUCTION

The UAE is situated in the southeast of the Arabian Peninsula on the Persian Gulf, bordering Oman and Saudi Arabia. The UAE is a federation of seven Emirates each with its own Ruler. These are Abu Dhabi, Dubai, Sharjah, Fujairah, Ajman, Ras Al Khaimah and Umm Al Quwain. Abu Dhabi is the capital and second largest city, which is also the country's centre of political, industrial and cultural activities.

Since its formation in 1971, the UAE has undergone a period of rapid and wide ranging economic and social development, but is considered the regional hub for business in the Middle East and beyond.

Oil and gas revenue, supported by the growth of global finance have enabled the diversification of the UAE's economy.

Strengths of the market

- Strategic geographical location.
- Entry route to other GCC countries.
- No taxation on personal income and capital gains.
- English is widely spoken and accepted as the language of business.
- The UAE is the UK's largest export market in the region.
- Majority of the UAE population are expatriates with circa 120,000 UK residents.
- World Bank Ease of Doing Business Ranking 26th worldwide out of a total of 185 countries.

Opportunities in UAE

The UAE offers major business opportunities in the Middle East with the following priority sectors identified by the federal government;

- Security
- Education
- Healthcare
- Energy
- Travel and tourism
- Financial and Professional services
- Transport and logistics services
- Construction



Trade between UK & UAE

The UAE is the UK's largest civil export market in the Middle East and 12th biggest globally, with UK-UAE bilateral trade in goods and services for 2012 reaching £10.6bn. In the first 9 months of 2013 exports of goods from the UK to the UAE was £6,235,244,116 up 11% on the same period in 2012. The UK is the UAE's 6th largest trading partner in terms of goods imports, which were up 38% for the first 9 months of 2013, compared to the same period in 2012.

The UAE is a key entry point for a £150bn regional market with a significant percentage of UK exports to the UAE being re-exported, particularly to Iran and Saudi Arabia.

In 2012, UK exports to the UAE amounted to £5,101 million. The UK's key competitors were China (£18,288 million), USA (£13,955 million) and Germany (£7,869million).

Exports of goods to the UK from the UAE grew by 59% to £1,427 million in the first half of 2013. This massive increase in imports from UAE over this period was largely driven by imports of 'power generating machinery and equipment' and, to a lesser extent, petroleum products.

Economic Overview

The UAE has one of the highest GDP's per capita in the world with 7.1 % of the world's proven oil reserves, currently producing around 2.6 million barrels a day. The UAE's reserves of oil and natural gas both rank in the top 10 largest in the world.

Abu Dhabi controls 94% of the UAE's overall oil production capacity of 2.7 million barrels per day, but is seeking to diversify their economy so as not to be totally dependent on oil & gas in the future. Dubai's oil & gas reserves are far more limited (4.1%) and as a result, its government has sought an aggressive diversification policy, with a vision to make it the region's business, logistics, media and leisure hub. This diversification strategy has led to Dubai being the destination of choice for the vast majority of permanent UK expatriates based in the UAE (we estimate that up to 80% of UK citizens in the UAE are based in Dubai), as well as it being host to the majority of the approximately one million Britons who visit the UAE each year.

The UAE's diversification strategy has paved the way for the rise of several non-oil sectors, which contribute approximately 70% of the GDP. This will help to make the country's revenue sources more balanced and create a sustainable economy that can withstand long-term oil price volatility.

The UAE is home to various Sovereign Investors and notably one of the world's largest Sovereign Wealth Funds: the Abu Dhabi Investment Authority, whose assets under management are estimated to amount for £376.8 billion. The UAE is the second largest exporter in the region with export totalling £187.4 billion. Its main trading partners are India, Japan and China. The UAE is a significant and dependable investor in the UK economy, injecting capital, creating jobs and contributing to long-term growth.



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Despite global economic turmoil, the UAE economy continues to grow, with GDP standing at close to \$362 billion (2012) with a per capita figure of \$49,000 and the overall economic outlook is positive.

Economic Data

Nominal GDP

£ 215.3 Billion (2012)

Forecast:

£ 221.6 Billion (2013)

£ 269.4 Billion (2018)

Annual Inflation Rate

0.7% (2012)

Forecast:

1.6% (2013)

2.0% (2018)

Population

According to latest population estimates by the World Bank, the UAE population stood at 9.2 million people in December 2012 compared to 4.2 million in January 2006, a growth of 119% in six years as strong economic growth attracted workers from all over the world.

Political Overview

The President of the UAE is the Ruler of Abu Dhabi, Sheikh Khalifa bin Zayed al-Nahyan. The Vice President and Prime Minister is the Ruler of Dubai, Sheikh Mohammed bin Rashid al-Maktoum. Both President and Vice President have appointed Crown Prince's to ensure a smooth line of succession. The Crown Prince of Abu Dhabi, Sheikh Mohammed bin Zayed Al Nahayan is the key decision maker in the UAE, with the exception of Dubai, which has autonomy over most issues.

Supporting the ruling families there is a Cabinet, comprising 24 ministers. An elected Federal National Council is in place and they are proving effective in scrutinising Government spending and delivery.

The rulers of the seven emirates of the UAE form the Federal Supreme Council (FSC), thereby empowering the smaller Emirates within UAE government. The FSC chiefly formulate federal policies, and endorse federal laws and key appointments. The FSC is without legislative power but the majority of its recommendations on legislation are adopted. The UAE's foreign policy is focused towards two key areas: stability (particularly given its proximity to Egypt and Syria) and development (especially with regard to strengthening its ties with Asia).

The UK has recently introduced an electronic visa-waiver scheme for UAE nationals making travel easier while the EU has also struck a deal for visa-free travel for UAE citizens to Europe.



Commercial Overview

The UAE remains the UK's largest market in the Middle East and the 12th largest globally by value in trade in goods and services. It provides access to the wider region including Africa and Asia, and a great deal of investment into the UK. However, despite the long association between the UK and the UAE, the UK has lost share of the expanding market, especially to emerging economies. A number of British companies who have been established in the UAE for over 70 years are now having to review and adapt the way they operate in this market in order to deliver in partnership with a UAE entity a "double bottom line" of profitability, capability and capacity building, if they are to maintain their commercial presence in the UAE long-term.

Abu Dhabi and Dubai are very different places in which to do business. Dubai, with its "free zones", world class transport links, and more liberal approach to trade and investment has been able to attract a vast range of UK companies, including many SMEs, and has successfully built an international financial centre in the Dubai International Finance Centre (DIFC) which is heavily influenced by the City and which operates its Courts under English Common Law.

Abu Dhabi is more conservative and possesses most of the UAE's oil and consequently its wealth. But a younger generation of leaders is now determined to diversify Abu Dhabi's economy, not least for long term economic security. As well as competition from the Europeans and North American companies, UK companies will face increasing and aggressive competition from the high growth Asian economies such as Korea and China.

The UAE can be a demanding and at times frustrating market in which to do business. But its strategic position and the vision of the UAE leadership make it one of the best places to do business in the Gulf. If UK companies are prepared to be here for the long-term, to partner with local UAE companies, to be versatile in their approach to doing business in the different Emirates and to contribute to the development of the UAE and its people in order to meet their vision for the future, then the prospects are good.



Abu Dhabi, Dubai & the Northern Emirates

Abu Dhabi is the UAE's capital and has approximately 7% of the world's proven oil reserves and 5% of gas. The Emirate also has an impressive investment portfolio financed from oil income and is traditionally the cornerstone of the economy with large proven reserves. Abu Dhabi is diversifying its activities with the development of new industrial cities, real estate developments and other major projects including ports, airport expansion and new hotels.

Dubai's economy is developing at its fastest pace since before the global financial crisis in 2007-08 with a growth forecast of 4.7% in 2014 and has established itself as the regions exhibition, financial, trade and tourism hub. It has a significant infrastructure base and is very accessible, with over 170 shipping lines and about 100 airlines.

The Northern Emirates of Sharjah, Fujairah, Ajman, Umm Al Quwain and Ras Al Khaimah each have their own commercial profile and economic priorities. Each Emirate has a port, most of which are running at near capacity and have expansion programmes to cope with increasing demand. Major industries for the smaller emirates include agriculture, tourism and manufacturing. Some also have international airports and economic free zones, which have proved attractive to some UK companies setting up in the UAE.

Sharjah is the third largest of the Northern Emirates and home to two-thirds of the UAE's manufacturing base. It has a fast growing international airport, two free zones and two active ports. The Emirate is more conservative than Dubai; alcohol is illegal and Sharjah's decency law requires that people dress more conservatively than in Dubai.

Ajman is situated to the Northwest of Sharjah and home to a variety of factories producing goods including foodstuffs, beverages, tobacco, textiles, leather goods, paper products and readymade garments. Ajman also has a thriving boat building industry, manufacturing boats ranging from traditional wooden dhows to more sophisticated luxury yachts.

Fujairah is situated on the Gulf of Oman. The Fujairah port was extended in 1985 in order to attract new shipping lines and new business. The port gives access to the UAE without the need to enter the Gulf through the Straits of Hormuz and is among the top three bunkering ports in the world. A number of ongoing projects include the development of storage facilities e.g. for LNG and grain; power generation, water desalination and hotel construction.

Umm Al Quwain has a variety of industrial developments with a cement factory, manufacturing units producing pipes and corrugated sheets. Agriculture is an important part of the local economy and a number of different crops are grown such as dates, wheat and millet. The Emirate is also home to a large poultry farm.

Ras Al Khaimah (RAK) is north east of Umm Al Quwain and is the main farming area of the Northern Emirates. Mining is also one of the foremost activities with two quarries and four cement plants. There are also factories producing tiles and ceramics, glass tableware and pharmaceuticals. Some oil exploration is underway. With a deepwater port situated near the Straits of Hormuz, RAK is in a good location. The Emirate has established a free zone and is also developing a \$1 billion resort and hi-tech park. Jazirat Al Hamrah, combining luxury waterfront residential and resort apartments with a technology park. There is also considerable agricultural potential with 15% of land under cultivation. Several large companies are also involved in dairy products, livestock and poultry production.



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Getting here and advice about your stay

FCO Travel Advice

The FCO website has travel advice to help you prepare for your visits overseas and to stay safe and secure while you are there.

For advice please visit the FCO Travel Section

<https://www.gov.uk/foreign-travel-advice/united-arab-emirates>

By air and land

There are daily regular direct flights from UK Airports (London / Manchester / Birmingham / Newcastle / Glasgow) to Abu Dhabi and Dubai. The journey time is about seven hours.

There is land access to the UAE via Oman and the Royal Kingdom of Saudi Arabia.

At the airport

Abu Dhabi and Dubai Airports are close to the city centres and journey time is around 15-30 minutes. Metered taxis are easily available and many of the larger hotels will provide courtesy cars if booked in advance, which are usually more expensive. Dubai also has an excellent Metro line which currently serves Dubai International Airport Terminals 1 and 3. A second airport has recently opened in Dubai, the Al Maktoum International Airport, which is located in the Jebel Ali area on the outskirts of the city and also just a 40 minute drive from Abu Dhabi. Currently there are no direct flights from the UK to Al Maktoum International; however, some indirect flights are in operation.

Visas

If you are a British Citizen you can get a 30 day visa on arrival. You can extend this for a further 30 days by visiting an immigration office in the UAE and paying an extension fee. If you hold any other type of British Nationality e.g. British Overseas Citizen or British National (Overseas) you will need a Visa from the UAE Consulate before you arrive.

Israeli nationals and travellers with an Israeli stamp in their passport are prohibited from entering the UAE.

For further information please contact:

UAE Embassy

48 Princes Gate

Knightsbridge

LONDON

SW7 2QA

Tel: + 44 (0)207 808 8307

Fax: +44 (0)207 584 0989

Your stay

The UAE has a vast range of international standard hotels although visitors should note that demand for rooms can be very high during the busy conference season (September-March). For further information please consult your travel agent.



2. PREPARING TO EXPORT TO THE UAE

To do business in the UAE, it is necessary to comply with the federal laws governing business activity. It is essential to obtain the correct authorisation and licences prior to conducting trade within the UAE, as well as to be properly advised as to the requirements which apply in each particular Emirate.

In the private sector, there is nothing to prevent a foreign principal from supplying its customers directly in the UAE. If the foreign principal already has an established customer base in the country it may not be necessary to appoint an agent. If, however, the foreign principal's potential business is substantial or no established client base exists, it may be appropriate to appoint an agent.

As far as the public sector is concerned, most governmental ministries and public sector organisations will only deal through an agent. If an agent is to be appointed then the foreign principal must comply with the various requirements laid down by law. Perhaps the most fundamental requirement is that only UAE citizens, or companies which are wholly owned by UAE citizens, are permitted to conduct the business of an agent.

It is, therefore, not possible for foreign nationals or a company incorporated in the UAE which has any foreign participation to conduct these activities. For the avoidance of doubt, other GCC nationals or companies incorporated in other GCC states cannot act as agents in the UAE, either alone or in partnership with a UAE national or company.

British companies wishing to approach the UAE market are advised to undertake market research and planning which can be conducted through the UKTI team.

UKTI's team in the UAE can provide a range of services to British-based companies wishing to grow their business in the UAE market. Our services include the provision of market information, validated lists of agents/potential partners, key market players or potential customers; establishing the interest of such contacts in working with the company; and arranging appointments. In addition, they can also organise events for you to meet contacts or promote a company and its products/services.

You can commission these chargeable services which are operated by UK Trade & Investment (UKTI) to assist UK-based companies wishing to enter or expand their business in overseas markets. Under this service, the Embassy's Trade & Investment Advisers, who have wide local experience and knowledge, can identify business partners and provide the support and advice most relevant to your company's specific needs in the market.

To find out more about commissioning UKTI services, please contact your local UKTI office. See <http://www.ukti.gov.uk/export.html>

We would recommend that UK companies setting up in the UAE also seek professional legal advice. UKTI can supply a list of local law firms. We would like to thank Trowers & Hamblins LLP, a firm of solicitors with offices in the UAE, for contributing to this guide.



3. HOW TO DO BUSINESS IN THE UAE

What companies should consider when doing business/preparing to export

To do business in the UAE, it is necessary to comply with the federal laws governing business activity, including the Commercial Companies Law (CCL), the Commercial Register Law, the Commercial Agencies Law and with wide-ranging Civil and Commercial Codes. If a company intends to trade or invest in the UAE, it is essential to obtain the correct authorisations and licenses.

In addition, it is important to be properly advised as to the requirements which apply in each particular Emirate, as economic activity in the UAE is regulated by each individual Emirate as well as by the Federal Government. There are multiple ways for a foreign business to operate in the UAE. All of these methods of operating a business have their advantages and disadvantages. We strongly recommend soliciting legal advice from a qualified legal firm familiar with UAE law before entering into any agreements or business arrangements.

Direct Trade

International manufacturers and exporters may conduct business with the country by concluding transactions directly with importers and traders who are already established in the market. This type of trade is best suited to low volume trade or to test the market and should not otherwise be used as a permanent arrangement.

Free zones

UAE Commercial law (or Civil code) applies to companies operating within the UAE. The UAE federal constitution, however allows for each Emirate to set up free zones for economic activity that have their own regulation. These zones are designed to encourage foreign investment through relaxed commercial regulations, one of the most notable being the requirement that companies incorporated in the UAE must have 51% of the company's capital owned by a UAE national or nationals. In order to trade outside of the free zone however, a company will usually have to engage an agent or distributor. Free zones cover a range of markets and industries such as media and entertainment (TwoFour54 in Abu Dhabi), academic services (Dubai International Academic City), and healthcare (Dubai Healthcare City). A list of the free zones in the UAE can be found at <http://www.uaefreezones.com/>

UAE Incorporated Companies

UAE Civil Law

The UAE Civil Code regulates the establishment of non-commercial or civil activities. Part III regulates companies (and partnerships) for professional services, speculative venture partnerships, and Shari'a-compliant business arrangements known as madaraba.



UAE Companies Law

UAE companies law applies to all business entities incorporated in the UAE with the exception of business entities formed under the Civil Code, or operating in a free zone. A company must choose one of eight prescribed business arrangements (Joint liability, Sleeping partnership, Joint–Venture, Public Joint–stock, Private Joint–stock, Limited Liability companies, or Partnership Limited by shares). The appropriate arrangement will depend on the particular circumstances of market entry, and should be carefully considered. Regardless of which arrangement a company chooses, all companies incorporated under UAE companies law must have 51% of the capital of the company owned by a UAE National. While this appears to present significant limitations of foreign control of such entities, a company can introduce provisions to protect the foreign investor’s interests.

Branch office (outside a Free Zone)

Companies may obtain a licence to operate a branch office. A branch office will typically be limited to engaging in non-commercial activities (promoting skills and experience in business such as engineering and consultancy services). To engage in commercial activity a company must retain an agent that is 100% owned by a UAE national. A foreign company can also operate a representative office to conduct administrative or marketing functions.

Commercial Agency Arrangements

A foreign company can trade in the UAE through an agency arrangement without establishing a presence in the UAE by entering into a commercial agency arrangement with a UAE national or a 100% UAE owned entity. This type of commercial arrangement is particularly appropriate for foreign manufacturers and traders. These arrangements are governed by Federal Law No. 18 of 1981 (as subsequently amended). An agency agreement can be registered or unregistered, depending upon the content of the agency agreement. There are benefits and drawbacks to both types of agency arrangements, and any commercial agency agreement needs to be drawn up with great care specifying the products and territories to be covered by the agent. UK Trade & Investment recommends that businesses should seek legal advice before entering into a written agreement.

Market entry and start up considerations

Under federal legislation, the principal relevant options available for conducting business in the UAE are:

- participation in a local company or other commercial entity
- establishment of a branch office
- establishment of a branch or subsidiary in one of the Free Zones of the UAE
- appointment of a commercial agent or distributor.

Which of the above options is the most appropriate will usually depend upon the nature of the activities proposed to be undertaken and it may be that a combination of the above options outlined is appropriate for your particular business.



Establishment of a local company or other commercial entity

Under the Commercial Companies Law (CCL), there are seven forms of recognised commercial entity:

- General partnership
- Simple limited partnership
- Partnership limited by shares
- Joint participation (contractual joint venture)
- Limited liability company (LLC)
- Private joint stock company
- Public joint stock company

There is no such thing as an “off the shelf” company in the UAE. Every commercial entity must be specifically established. This is neither a simple nor a speedy process. The most common commercial entity used by foreign companies is the LLC. Legal support is advisable as to all aspects of establishing a UAE company or other commercial entity. Foreign participation is generally limited to no more than 49% and general partners in any of the partnerships listed above must be UAE nationals.

Establishment of a branch office

The CCL allows foreign companies to establish a branch office in the UAE. The scope of activities permitted to be undertaken by branch offices varies from emirate to emirate, although generally a broad range of commercial activity can be undertaken. A foreign company establishing a branch office in one of the emirates must obtain consent from the Ministry of Economy before a local business licence from the government of the relevant emirate is issued. Furthermore the applicant company is required to deposit a bank guarantee in the sum of AED 50,000 to the Ministry of Economy. The branch office must also be sponsored by a UAE national or by a locally registered company wholly owned by UAE nationals. A formal National Agency Agreement is required in which the National Agent undertakes to sponsor and assist the foreign company, usually in return for a fee.

In certain businesses, the permission of a particular authority is required, for example the Central Bank as regards finance, and the Municipality in Dubai as regards engineering and construction.

Appointment of a commercial agent

A foreign business may decide that it does not wish to invest in establishing a local commercial entity or a branch office in UAE if, for example, it simply intends to export goods or services to the UAE. In this situation an agent, distributor or franchisee (which must be either a UAE national or a company wholly owned by UAE nationals) can be appointed.

The Commercial Agencies Law regulates these arrangements. There are certain express requirements as to the content of any agency agreement. UAE commercial agents must register their agency with the Ministry of Economy.



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Prior to signing an agency agreement, it is important both to understand and agree the scope and term of the agency, the available means of terminating the agreement and the precise effect of registration.

Using the free zones of the UAE

The free zones, which operate through an exemption to the CCL, offer a wide variety of valuable benefits to businesses and a degree of flexibility including:

- 100% foreign ownership through branches, single or multiple shareholder companies (known as FZEs, FZCOs or FZ-LLCs)
- No National Agent required for branch offices of foreign companies
- No customs duties on imports and re-exports (except re-exports into onshore UAE)
- Special assistance in obtaining work permits for staff
- Guaranteed exemptions from corporate taxes.

Dubai International Finance Centre

Although not strictly classified as a free zone, Dubai International Finance Centre (DIFC) bears various similar features. DIFC is a separate jurisdiction within Dubai aimed at the financial services sector. It has its own independent financial regulator and laws based upon international standards. As with the free zones, DIFC offers 100% foreign ownership and a streamlined business environment. Abu Dhabi is developing a second financial free-zone, Abu Dhabi Global Market, on Al Maryah Island.

Customs and Regulations

Customs Duties

The UAE imposes 5% customs duty across-the-board on most categories of imports. Products brought into a free zone within the UAE are exempt from import duties. The UAE's customs tariffs are based on the Customs Co-operation Council's nomenclature system. Duties may be levied ad valorem or specific to the goods concerned.

Foodstuff, medicines and goods destined for government or oil companies are generally exempt from duty. Customs duties are levied on the CIF value at the rate of five per cent.

Sharjah, Ras Al Khaimah, Ajman, Fujairah and Umm Al Quwain customs duties are levied on the CIF value.

The Arab-British Chamber of Commerce has a network of agent and sub-agent chambers of commerce throughout the UK that can help companies with enquiries relating to sending samples and temporary imports to the UAE. Companies should contact their local chamber of commerce to find out where their local agent chamber is. The web site of the British Chambers of Commerce has a search facility that allows enquirers to locate their local chamber.



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Additional Taxes

- Corporate income tax: the individual Emirates issue corporate tax decrees although in practice, taxes have only been imposed on oil and gas producing companies and petrochemical producing companies at rates set out in their government concession agreements.
- Capital gains tax: capital gains are not subject to taxation.
- Social security taxes: the UAE does not impose social security taxes.

Legislation and Local Regulations

Commercial law

The Federal Commercial Code has been in effect since 1993 and is a wide ranging law, which directly affects every commercial organisation conducting business in the UAE. The Commercial Code covers such matters as the regulation of commercial activities, including preparation of commercial contracts, and obligations and assumptions that will apply in the absence of express agreement to the contrary.

Enforcement of your commercial rights

The UAE has civil courts, which deal specifically with civil and commercial matters and are governed by strict rules of procedure. The courts of Dubai do not form part of the federal court system but do apply the federal Civil Procedures Code. Although contracts prepared in languages other than Arabic are enforceable before the courts, all pleadings and supporting documentation must be prepared in or translated into Arabic. There is a right of appeal against judgments in given circumstances.

Specific advice should be taken on the potential length and cost of any action prior to commencing proceedings in the UAE. In addition, arbitration should be considered as an alternative means of dispute resolution. The Chambers of Commerce & Industry in both Abu Dhabi and Dubai have established commercial arbitration centres. The UAE has now acceded to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. This means that foreign arbitral awards should be more easily enforceable in the UAE.

Government contracts

Companies doing business with official bodies should note that there are strict regulations affecting government contracts. Also, government bodies operate various standard forms of contract, such as construction and consultancy contracts, which follow international practice but are adapted for local usage. Standard forms of contract also vary between the different Emirates.

Real estate

Although the UAE Civil Code includes a number of provisions dealing with land ownership, leasing, co ownership of floors and apartments and the creation and operation of owners' associations, it does not address the underlying issue of the ownership of property by non-UAE nationals. It has therefore been left to each of the individual Emirates to legislate on



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real estate matters. The Dubai property law (Law No. 7 of 2006) provides the general rule that property ownership in the Emirate shall be restricted to UAE and GCC nationals (and companies wholly owned by them), as well as public shareholding companies, and that other nationalities may be granted a right of property ownership on a freehold or 99 year leasehold basis, in 30 pre-designated areas. In 2007 laws were introduced requiring developers to establish escrow accounts designed to protect off plan purchasers, and concerning the multiple ownership of property.

Traditionally in Abu Dhabi, absolute ownership of land has been vested in the government of Abu Dhabi, which has tended only to grant rights in land to Abu Dhabi nationals and companies 100% owned by UAE nationals. However, Abu Dhabi Law No. 19 of 2005 and Law No. 2 of 2007 altered this position and made available a wider range of property rights to UAE nationals, GCC nationals and expatriates. GCC nationals have the right to own land and buildings in Abu Dhabi, and other expatriates the right to own buildings in certain designated "investment areas". Federally non-UAE and GCC nationals may also acquire a right of usufruct (effectively a lease) for up to 99 years, or a right of musataha (the right to develop the land of another) for up to 50 years, each renewable by mutual consent. Despite the introduction of a number of significant laws which have been passed in order to regulate property ownership and property related transactions in the UAE, there are still important issues which arise from the ownership of land, for example in relation to inheritance and rights of residence.

Debt Collection

In order to minimise the risk of accruing bad debts; exporters should take up credit references on UAE importers with whom they do business. Legal action can be both costly and lengthy and may not be worthwhile for relatively small debts.

Commercial, diplomatic or consular officers are not able to assist in the collection of debts but they may be prepared to offer advice on the best means of settling outstanding difficulties. British banks are able to advise on the different means of securing payment.

Taxation

Certain Emirates, including Abu Dhabi and Dubai, have promulgated income tax legislation but, in practice, it is only applied to companies in the oil, gas and related sectors, and branches of foreign banks. Customs duties are currently levied at a general rate of 5% within the GCC, in accordance with the GCC Customs Union. There is no direct personal taxation in the UAE. Most Emirates levy various municipal taxes and indirect taxation through official fees is commonplace

Importing Goods

Goods which have been manufactured in Israel may not be imported into the UAE. Pornographic material, counterfeit items, cannabis, homemade food stuff, firearms, fireworks, narcotics and opium are also strictly prohibited.



Responding to Tenders

The UAE Offset Programme

Foreign tenders for military (and some civil) supply and service contracts are required to pre-qualify, under the UAE Offset Programme. Further details and some guidance can be obtained directly from the embassy - contact information can be found at the end of this guide.

Recruiting and Retaining Staffing

Employment legislation

There are legislative and other requirements governing the employment of Emirati and expatriate labour in the UAE. These impose certain rights and obligations on both the employer and the employee. To some extent, these differ as between expatriate employees who are brought into the country by their employer and those who are employed locally.

Immigration

Sponsorship by a company of expatriate personnel and visitors to the UAE imposes obligations on that company, and its authorised representatives or managers, as to the conduct of such persons. There are various regulations concerning the issue, renewal and cancellation of visas and labour cards. Great care must be taken not to infringe such regulations and UAE-based employees must respect the customs and laws of the UAE.

Documentation

The necessary documents required for import and export of goods to and from the UAE are as follows:

- Invoices – initiated by supplier
- Certificate of Origin
- Bills of Lading / Airway Bill.

Labelling and Packaging Regulations

Labelling in Arabic is required on all consumer products. Labels need to provide information including details of the manufacturer, product information, and standard quality disclosures. There are some products which must be clearly marked, stamped, branded or labelled so as to indicate the country of origin. Please contact the British Embassy in Abu Dhabi or Dubai for further information. Additionally, many food products may also have to comply with hygiene and ingredients regulations. Labels on foodstuffs must have the following information:

- product and brand names
- production and expiration dates
- country of origin
- name of the manufacturer
- a comprehensive list of ingredients and additives.



Getting your Goods to the Market

All the emirates have modern ports and warehouse facilities. The port of Jebel Ali in Dubai is the largest man-made port in the world with deepwater berths and good warehousing facilities. An expansion of the port is underway. The majority of goods are imported by sea. Much is transferred by truck to neighbouring GCC countries or to smaller ships for onward movement to ports around the region.

In Dubai, Port Rashid and Jebel Ali Port are now amalgamated under the Dubai Ports World. Port Rashid is one of the busiest ports in the Gulf.

The development of the free zones at Jebel Ali and Dubai International Airport has enabled Dubai to dominate the regional business of unloading, breaking down, and reloading cargo for onward shipment.

Delivery Dates

Sea freight from the UK takes approximately 4-6 weeks, with airfreight taking 3-7 days. Goods requiring transfer from the ports will require extra time and this will need to be taken into account when calculating delivery time. Customs clearance can also add a week or two to delivery times.

The British International Freight Association's (BIFA) importer/exporter initiative aims to provide specialist help and assistance to companies who are new to exporting. This service, available through selected BIFA registered members, offers up to one day's free consultancy to advise companies on such matters as modes of transport, distribution methods, costing, documentation and payment terms.

Standards and Technical Regulation

Anti Dumping & Countervailing

As a signatory to the World Trade Organisation (WTO), the UAE can apply anti-dumping or countervailing duties to products which are sold in the UAE for less than they sell in the country of origin in order to gain market share or undermine an existing or emerging industry in the UAE. These additional duties are imposed on a temporary basis to counteract the effects of an unfairly low price or an unfair subsidy to the producer. An example of an unfair subsidy would be government grants, capital loans, favourable loan guarantees, export rebates, or tax incentives. These duties can only be imposed if the imported goods have caused, or are likely to cause, material harm to the UAE domestic market.

Intellectual Property Rights

Federal intellectual property (IP) laws have been in place in the United Arab Emirates since 1992 for the protection and enforcement of intellectual property rights. Further, in 2002, a major legislative overhaul resulted in amending/repealing 1992 laws to meet international standards for intellectual property protection

The UAE is a party to the following main intellectual property protection Treaties:



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- The Paris Convention - the Protection of Industrial Property covering patents and trademarks
- Berne Convention - Literary and Artistic Works
- Patent Cooperation Treaty (PCT)
- Rome Convention - Performers, Producers of Phonograms and Broadcasting Organizations
- WIPO Copyright Treaty (WCT)
- WIPO Performances and Phonograms Treaty (WPPT)
- The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), which forms one of the main Agreements of the World Trade Organization (WTO).

The basic elements of the intellectual property laws of the UAE are as follows:

Trademarks - registration is valid for 10 years as of the date of filing the application renewable for similar periods. A trademark can be infringed by manufacturing, sale and possession of counterfeit goods, as well as imitation, misleading practices, and fraudulent use of registered trademarks. Minimum fines of £935 can be levied and/or prison sentences can be imposed on the infringers. The court has authority to order seizure, confiscation and destruction infringing goods and the equipment/machinery used to commit infringement.

Copyrights - the duration of protection is for the lifetime of the author plus 50 years after his death or 50 years from the date of publication in cases of cinematographic works, works of corporate bodies and works published for the first time after the death of the author. The court has authority to order seizure, confiscation and destruction infringing goods and the equipment/machinery used to commit infringement.

Patents - a patent is valid for 20 years only with annuities payable during that time. The court has authority to order confiscation and destruction of the seizures, tools, or machines and removal of the violating material.

Designs - registration of a design is valid for 10 years only with annuities payable during that time. The court has authority to order confiscation and destruction of the seizures, tools, or machines and removal of the violating material.



4. BUSINESS ETIQUETTE, LANGUAGE AND CULTURE

The UAE has a diverse and multi-cultural society taking into consideration that 80% of the UAE population are expatriates. This has meant that the UAE is regarded as relatively liberal within the region and provides schools, cultural centres and restaurants that cater for international cultures. The national culture revolves around the religion of Islam, although other religions are also tolerated.

The Islamic dress code is not compulsory. Most UAE national (Emiratis) males prefer to wear a kandura, an ankle-length white shirt and most Emirati women wear an abaya, a black over garment covering most part of the body. This attire is particularly well suited for the UAE's hot and dry climate. However, western style clothing is dominant because of the large expatriate population.

More information can be found in the FCO Travel Advice at:
<https://www.gov.uk/foreign-travel-advice/united-arab-emirates>

Language

English is widely spoken throughout the country and where possible translators are available. Whilst it is preferable for written correspondence to be English, Arabic is sometimes preferred within some public sector organisations.

The British Embassy can advise on translators/interpreters if required.

Meetings and Presentations

As in other countries, it is most important to target the right person in your contacts, the decision-maker. It is also preferable to establish new business contacts via an introduction by a mutual contact, exhibitions, networking receptions or through the Embassy in the form of an Overseas Market Introduction Service (OMIS). Through an OMIS, the Embassy can provide a programme arranging service, whereby your company would be introduced to the most appropriate contact and an appointment can be made on your behalf.

Face-to-face meetings are preferred as phone calls and emails are sometimes seen as impersonal. Appointments should be made no more than 2 weeks in advance and confirmed a few days before the actual meeting as priorities may change.

The working week within the private sector is Sunday-Thursday from 9am-5pm and within the public sector from 8am- 2.30pm (some offices are open until 4pm).

Women business travelers

Visiting businesswomen should have few problems in the business environment. Some Muslim men and women won't shake hands with women or men to whom they are not related or married. Take your cue on handshakes from your host. If s/he offers her/his hand, shake it; otherwise make eye contact and nod in acknowledgement as you are introduced to each other.

Negotiations

Personal contact with potential and existing partners/clients and regular visits to the market are of the utmost importance and it is natural for the business relationship to be built over time. It is advised that you consult a lawyer prior to signing an agreement in the UAE.



5. WHAT ARE THE CHALLENGES?

The UAE does not present major challenges to UK companies wishing to develop trade. However, there may be some specific issues which British companies should consider, namely as far as language and terms of payment are concerned. We strongly advise you to contact the relevant sector lead in the UKTI team for general advice on doing business and/or investing in the UAE.

Getting Paid - Terms of Payment

Most UK banks can provide advice on payment. Generally speaking any of the customary methods of payment used in international commercial transactions can be used when doing business with UAE companies. Irrevocable Letter of Credits (L/C) and cash against documents (CAD) terms are the most common methods of payment.

Please note, the Embassy cannot intervene directly in commercial disputes on behalf of UK companies.

6. HOW TO INVEST IN THE UAE

The UAE Commercial Companies Law, Federal Law No 8 of 1984 (as amended by Federal Law No 13 of 1988), governs the activities of foreign companies in the UAE.

Investment Promotion & Protection Agreements (IPPAs) are designed to encourage investor confidence by setting high standards of investor protection applicable in international law. Key elements include provisions for equal and non-discriminatory treatment of investors and their investments, compensation for expropriation, transfer of capital and returns and access to independent settlement of disputes.

7. CONTACTS

If you have a specific export enquiry about the market in the UAE which is not answered by the information on this report, you may contact:

British Embassy in Abu Dhabi

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Abu Dhabi

Email: ukti.abudhabi@fco.gov.uk

Tel: + 971 2 610 1111

Fax: + 971 2 610 1585

British Embassy in Dubai

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Fax: + 971 4 309 4302



UK Trade & Investment

Office hours: 0730 - 1430 (Local Time) 0330 - 1030 (Greenwich Mean Time) Open: Sunday to Thursday

UK Trade & Investment can help you make the most of these opportunities and help you plan your approach to the market. You may find out more about the range of services available to UK companies trading internationally through your local International Trade Team.

<https://www.gov.uk/government/world/united-arab-emirates>