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CORPORATE MIGRATION IN THE UAE

Corporate migration (or corporate “redomiciliation”) is the process by which a company moves its domicile - or place of incorporation - from one jurisdiction to another by changing the country under whose laws it is registered or incorporated, whilst maintaining the same legal identity. The ease with which corporate migration may take place has increased in recent years.

Corporate migration enables companies to avoid liquidating the existing company and transfer portfolio of assets to an entity, incorporated for that purpose in a new jurisdiction.

Why migrate

Companies migrate for a variety of reasons, including:

- to benefit from a favourable tax environment
- switch offshore to onshore status and acquire “substance”
- take advantage of less stringent regulations and scrutiny
- align place of registration with shareholder base

- move to an international financial centre
- access specialist capital markets

Where an existing company migrates to the UAE, the company’s existing legal status, goodwill and operational history is preserved. The process allows companies which currently operate in more expensive, difficult regulatory, high tax and high risk environments in other countries to migrate to the UAE without triggering a disposal of their assets or a diminution in their goodwill or operating history.

Advantages of UAE

- zero tax regime
- no corporate, personal and other taxes
- vast range of corporate vehicles and regimes
- a pro-business environment
- full repatriation of capital and profit
- wide network of double tax treaties
- global headquarters centre

Countries Allowing Corporate Migration

Andorra	Cayman Islands	Lebanon	Philippines
Anguilla	Cook Islands	Liberia	Portugal (Madeira)
Antigua	Costa Rica	Liechtenstein	Samoa
Barbuda	Cyprus	Luxembourg	Seychelles
Aruba	Dominica	Macao	St Kitts and Nevis
Austria	Gibraltar	Malaysia (Labuan)	St Lucia
Bahamas	Grenada	Maldives	St Vincent
Bahrain	Guernsey	Malta	Switzerland
Barbados	Hungary	Marshall Islands	Turks and Caicos
Belgium	Ireland	Mauritius	UAE
Belize	Isle of Man	Montserrat	Uruguay
Bermuda	Israel	Nauru	US Virgin Islands
British Virgin Islands	Jersey	Netherlands Antilles	USA (Delaware)
Brunei	Latvia	Panama	Vanuatu

- presence of internationally recognized financial, legal and business providers
- world-class infrastructure facilities and connectivity
- secrecy and asset protection
- high quality of life
- strategic location on the trade routes of East and West

What is required

The outgoing jurisdiction

- a) the outgoing company must be fully up to date with statutory filings
- b) there must be no on-going legal proceedings against the outgoing company
- c) various documents need to be filed with and obtained from the outgoing registry
- d) a certificate of good standing and certificate of incumbency must be obtained in every case

The incoming jurisdiction

Accordingly an overseas company, if authorized by the laws of the jurisdiction in which it is incorporated, can

apply for continuation as a company in the UAE. The application must include all information and documents required by the UAE including resolutions, certifications, declarations, confirmations, opinions, authorizations and clearances.

UAE Registries for corporate migration

The list below sets out the Registries in the UAE which permit the corporate migration of foreign entities:

- 1 Abu Dhabi Global Market (ADGM) SPV
- 2 Jebel Ali Free Zone (JAFZA) Offshore
- 3 Ras Al Khaimah International Corporate Centre (RAK ICC)
- 4 Abu Dhabi Global Market (ADGM)
- 5 Dubai Creative Cluster Authority (DCCA)
- 6 Dubai International Financial Centre (DIFC)
- 7 Dubai Multi Commodities Center (DMCC)
- 8 Jebel Ali Free Zone (JAFZA)

The Appendix in the pages that follow sets out the main features of each of the above Registries.

ONEWORLD MIDEAST LTD

Oneworld MidEast Ltd (OME) is rendering a wide range of fiduciary and business services to its international clientele. We provide clients the whole spectrum of corporate structures - offshore, free zone, mainland and specialized entities - depending on each client's circumstances and targets. Free zone and mainland entities benefit from an extensive UAE tax treaty network and offshore are easy to set-up and flexible to use.

Our Services

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Business Advisory

Regulatory Compliance
Corporate Strategy
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Global Compliance

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	Abu Dhabi Global Market (ADGM) SPV	Jebel Ali Free Zone (JAFZA) Offshore	Ras Al Khaimah International Corporate Centre (RAK ICC)	Abu Dhabi Global Market (ADGM)
	1	2	3	4
General	Dematerialised SPV offering within themed free zone with core focus on Financial services. Common law regulatory framework	Dubai based IBC registrar within UAE's oldest free zone	Dematerialised IBC offering in RAK located Corporate Registry	Themed free zone with core focus on Financial services. Common law regulatory framework
Available activities	SPV restricted to: <ul style="list-style-type: none"> • Holding • Holding of Dubai & Abu Dhabi real estate • Financing • Proprietary investment • SFO 	Domestically: <ul style="list-style-type: none"> • Holding • Holding Dubai Real Estate • Financing Abroad: <ul style="list-style-type: none"> • Holding • Financing • Services • Trading 	Domestically: <ul style="list-style-type: none"> • Holding • Financing Abroad: <ul style="list-style-type: none"> • Holding • Financing • Services • Trading 	<ul style="list-style-type: none"> • Regulated financial activities • Non-regulated financial activities • Ancillary services activities • Vast range of non-regulated /non-financial business activities
Strengths	<ul style="list-style-type: none"> • Reasonably low costs • High credibility jurisdiction • Common-law framework & Courts • Sophisticated back office able to handle complex structures • Ability to "morph" SPV into (substantiated) ADGM HoldCo 	<ul style="list-style-type: none"> • Compatible with DIFC (non-Muslim) Will and Probate Registry [WPR] regime • Different classes of shares • Permitted to hold Dubai real estate 	<ul style="list-style-type: none"> • Low running costs • Covered by DIFC WPR regime • Ability to have fast track premium RAKEZ subsidiary option 	<ul style="list-style-type: none"> • Wide range of available licenses • Common law regulatory framework & Courts • High credibility vis-à-vis banks • Central location (in Abu Dhabi) • Sophisticated back office able to handle complex structures
Limitations	<ul style="list-style-type: none"> • Restricted range of available activities • No substance • Inability to arrange local residence visas 	<ul style="list-style-type: none"> • Difficulties to open bank accounts in the UAE • Cannot have a physical office in the UAE • No local residence visas 	<ul style="list-style-type: none"> • Lower credibility in high profile trading operations • Difficulties to open bank accounts domestically • Inability to arrange local residence visas 	<ul style="list-style-type: none"> • Higher ongoing costs (license, premises)
Ownership	100% foreign ownership	100% foreign ownership	100% foreign ownership	100% foreign ownership
Registered office	To locate in Al Maryah island	To locate within JAFZA	To locate in the UAE	To locate within ADGM
Minimum share capital	No minimum capital required	AED 1	No minimum capital required	Non-regulated: no minimum capital requirement
Minimum shareholders	1	1	1	1
Time frame	2-3 days	2-3 days	2-3 days	Regulated: 4-6 months Non-regulated: 6-8 weeks
Submission of audited financials at the time of migration	Not required	Not required	Not required	Yes
Audited accounts thereafter	Not required if turnover less than USD 13.5m and/or staff less than 35	Annually	Not required	Annually Not required for small and micro entities
Legalization process of PoA and corporate documents	Not required (notarization sufficient)	Yes	Not required (notarization sufficient)	Not required
Tax status	Total tax and duty exemption, ie 0% corporate tax, no WHT	Total tax and duty exemption, ie 0% corporate tax, no WHT	Total tax and duty exemption, ie 0% corporate tax, no WHT	Total tax and duty exemption, ie 0% corporate tax, no WHT
Double tax treaties (DTT)	No access to DTTs due to reduced substance	No access to DTTs benefits due to reduced substance	No access to DTTs benefits due to reduced substance	Full benefit of DTTs - subject to conditions

	Dubai Creative Cluster (DCCA) 5	Dubai International Financial Centre (DIFC) 6	Dubai Multi Commodities Center (DMCC) 7	Jebel Ali Free Zone (JAFZA) 8
General	Themed multicluster free zone with core focus on services relevant to the industries of IT, Media, Healthcare, Fashion, Movie and Technology	Themed free zone with focus on Financial services. Common law regulatory framework	Generalist free zone with core focus on oil & gas, precious metals and diamond trading	Generalist free zone with core focus on trading, manufacturing and logistics. State-of-the-art logistic facilities – operated by DP World. Direct connection to airport (DWC)
Available activities	Commercial activities covering different sectors including media, arts, education, science and technology etc	<ul style="list-style-type: none"> Regulated financial activities Non-regulated financial activities Ancillary services activities 	<ul style="list-style-type: none"> Professional (services) commercial (trading, including general trading) Industrial 	<ul style="list-style-type: none"> Commercial (trading, including general trading) Industrial Innovation
Strengths	<ul style="list-style-type: none"> Wide range of licences Covered by DIFC WPR regime Central location 	<ul style="list-style-type: none"> Wide range of licences Common law regulatory framework & Courts High credibility vis-à-vis banks Covered by DIFC WPR regime Central location (Dubai) Sophisticated back office; able to handle complex structures 	<ul style="list-style-type: none"> Wide range of licences Central location High credibility vis-à-vis banks Covered by DIFC WPR regime Sophisticated back office able to handle complex structures Virtual offices options (year 1) 	<ul style="list-style-type: none"> High credibility jurisdiction Wide range of licences Covered by DIFC WPR regime JAFZA Port and onsite customs
Limitations	<ul style="list-style-type: none"> Limited range of available activities, eg no trading activities available Expensive facilities 	<ul style="list-style-type: none"> High running costs (license, premises) 	<ul style="list-style-type: none"> Expensive facilities 	<ul style="list-style-type: none"> Expensive facilities No services activities available
Ownership	100% foreign ownership	100% foreign ownership	100% foreign ownership	100% foreign ownership
Registered office	To locate within DCCA	To locate within DIFC	To locate within DMCC	To locate within JAFZA
Minimum share capital	From AED 50,000 (USD 13,590) depending on the activity/segment	From USD 50,000 (AED 183,958) depending on the activity/segment	AED 50,000 (appr. USD 13,700)	No minimum capital for FZE/FZCo however, capital to be sufficient for the licensed activity
Minimum shareholders	1	1	1	1
Time frame	4-6 weeks	Regulated: 4-6 months Non-regulated: 6-8 weeks	8-10 weeks	4-6 weeks
Submission of audited financials at the time of migration	Yes	Yes	Yes	Yes
Audited accounts thereafter	Annually	Annually	Annually	Annually
Legalization process of PoA and corporate documents	Yes	Yes	Yes	Yes
Tax status	Total tax and duty exemption, ie 0% corporate tax, no WHT	Total tax and duty exemption, ie 0% corporate tax, no WHT	Total tax and duty exemption, ie 0% corporate tax, no WHT	Total tax and duty exemption, ie 0% corporate tax, no WHT
Double tax treaties (DTT)	Full benefit of DTTs - subject to conditions	Full benefit of DTTs - subject to conditions	Full benefit of DTTs - subject to conditions	Full benefit of DTTs - subject to conditions