

UNITED ARAB EMIRATES  
MINISTRY OF ECONOMY



الإمارات العربية المتحدة  
وزارة الاقتصاد

## UAE Federal Law on Foreign Direct Investment

Grants the foreign investor an ownership up to 100%  
as well as incentives and competitive advantages



Foreign Trade Sector  
Investment Department

@ Investment@economy.ae

+97143151555

www.economy.gov.ae



## Objectives of law

- ✔ Is the launch of new horizons towards the global economy.
- ✔ Is compatible with the changes of the era and developments in the global arena of foreign ownership.



## Scope of Application

- ✔ Shall apply to all foreign direct investment projects established or licensed in the country.
- ✔ Shall not be applied to the projects established in the financial and non-financial free zones of the country.



## Benefits and Guarantees granted to foreign investment companies



Treating the foreign licensed investment companies as national companies.



The law also guarantees the confidentiality of information and investment initiatives that are submitted to the relevant authorities.



Giving it the possibility of making remittances derived from the project or annual profits or proceeds of liquidation or sale or funds obtained from disputes related to the project, as well as salaries and compensation and entitlements of employees of these companies outside the state.



Not canceling, stopping or restricting the right to use the real estate allocated to the project, except in case of violation of the license conditions.



Has the right to introduce new partners to the company and transfer its ownership to a new investor and infringe Memorandums of Association and the basic system or change the legal form and have a merger or acquisition, without affecting the benefits granted to them with a condition to continue practicing the licensed activity.



Not to seize the project funds or confiscate them, except in accordance with the provisions of the law.



FDI projects shall not be expropriated except for the public interest in exchange for fair compensation.



## Promising sectors for investors

A comprehensive list of and activities available to the foreign investor with an ownership up to 100%. The economic sectors and activities criteria are:

- ✔ Integrate with the visions and strategic plans of the UAE.
- ✔ Have a degree of competence, experience and global reputation.
- ✔ Contribute to innovation ratio.
- ✔ Have a positive impact on the environment.
- ✔ Contribute to the transfer of modern and sophisticated technological methods.
- ✔ Provide job opportunities and training for national cadres.
- ✔ Meet the development needs of the UAE and all its emirates.
- ✔ Contribute to the achievement of high added value of the UAE economy, according to international best practices.



### **5 working days only: the maximum period for the approval of the FDI license application for sectors within the positive list**

- ✓ The foreign investor shall apply for approval of the project license to the Competent Authority for foreign direct investment in the local government to be considered, satisfying the conditions and documents specified by the Licensing Authority and after obtaining the preliminary approval from the Licensing Authority.
- ✓ The Competent Authority shall issue its approval of the license application within a maximum period of 5 working days from the date of submission of the application and fulfillment of all required conditions, documents and procedures.



### **10 working days only: the maximum decision period for the appeals process on license refusal for projects included in the positive list**

- ✓ The applicant may lodge a written grievance with the Competent Authority within 15 working days from the date of issue of the rejection decision or the expiry of that period.
- ✓ The applicant may appeal to the competent court within 30 working days if the appeal is rejected or not settled within 10 working days from the date of submission.
- ✓ The period of appeal shall commence with the competent court from the date of notifying the applicant of the refusal or the delay of the period, as the case may be.



### **5 working days only: maximum period to issue an FDI license not included in the positive list, upon UAE Cabinet approval**

- ✓ The foreign investor shall submit the application for approval of the project license to the Competent Authority of foreign direct investment, which has the right to not approve the application, or to submit the request to the FDI Committee for consideration, after coordination with the Licensing Authority, and after consultation with the local government in the concerned Emirate.
- ✓ If the request is submitted to the FDI Committee for consideration, the Committee's recommendation shall be submitted to the UAE Cabinet. In the event of a decision by the UAE Cabinet approving the request, the investor shall be notified through the Competent Authority upon completing the necessary data and documents.
- ✓ Issuing the approval of the license within 5 working days from the date of completion of all required documents and procedures, and upon UAE Cabinet approval.

The decision of the Competent Authority to reject the license request that is not included in the positive list is final, and not subject to appeal.



### **Settling Disputes**

Disputes that may arise from the FDI project may be settled through all alternative means of dispute resolution. If it is not settled, the competent court may be referred to the cases of foreign direct investment as a matter of urgency when considering them.

In all cases, the entity responsible for licensing the economic activities in the country shall be responsible for publishing and defining the procedures and documents required for the licensing of the foreign investment project, and the name of the company shall be accompanied by its legal form and the term "foreign direct investment".