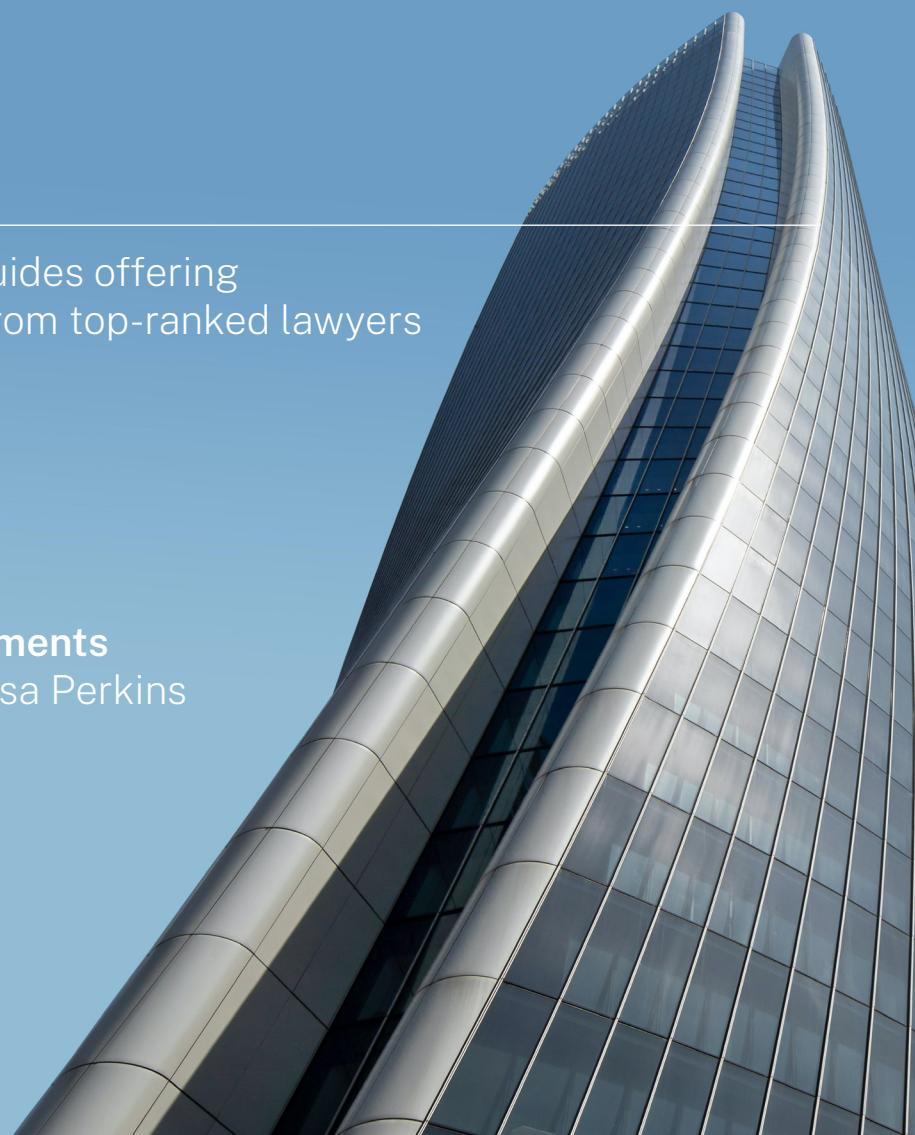
Chambers AND PARTNERS

CHAMBERS GLOBAL PRACTICE GUIDES

Investing In... 2025

Definitive global law guides offering comparative analysis from top-ranked lawyers



UAE: Law and Practice & Trends and Developments

Yasser Omar and Laryssa Perkins
Hadef & Partners LLC

UAE

Law and Practice

Contributed by:
Yasser Omar and Laryssa Perkins
Hadef & Partners LLC

Contents

1. Legal System and Regulatory Framework p.5
1.1 Legal System p.5
1.2 Regulatory Framework for FDI p.6

2. Recent Developments and Market Trends p.7
2.1 Recent Developments and Market Trends p.7

3. Mergers and Acquisitions p.7
3.1 Transaction Structures p.7
3.2 Regulation of Domestic M&A Transactions p.7

4. Corporate Governance and Disclosure/Reporting p.8
4.1 Corporate Governance Framework p.8
4.2 Relationship Between Companies and Minority Investors p.9
4.3 Disclosure and Reporting Obligations p.10

5. Capital Markets p.11
5.1 Capital Markets p.11
5.2 Securities Regulation p.11
5.3 Investment Funds p.11

6. Antitrust/Competition p.12
6.1 Applicable Regulator and Process Overview p.12
6.2 Criteria for Review p.13
6.3 Remedies and Commitments p.14
6.4 Enforcement p.14

7. Foreign Investment/National Security p.15
7.1 Applicable Regulator and Process Overview p.15
7.2 Criteria for Review p.15
7.3 Remedies and Commitments p.15
7.4 Enforcement p.15

8. Other Review/Approvals p.15
8.1 Other Regimes p.15

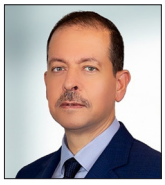
9. Tax p.15
9.1 Taxation of Business Activities p.15
9.2 Withholding Taxes on Dividends, Interest, Etc p.16
9.3 Tax Mitigation Strategies p.16
9.4 Tax on Sale or Other Dispositions of FDI p.16
9.5 Anti-Evasion Regimes p.17

10. Employment and Labour p.17
10.1 Employment and Labour Framework p.17
10.2 Employee Compensation p.17
10.3 Employment Protection p.18

11. Intellectual Property and Data Protection p.18
11.1 Intellectual Property Considerations for Approval of FDI p.18
11.2 Intellectual Property Protections p.19
11.3 Data Protection and Privacy Considerations p.20

Hadef & Partners LLC has a long-standing presence in the UAE and is regarded as having a deep understanding of the region's business and legal environment. Across its Abu Dhabi and Dubai offices, the firm has one of the largest corporate and commercial service offerings in the region, covering all aspects of corporate, licensing, structuring, regulatory and general transactional work including inward investment, mergers and acquisitions, private equity and venture capital, joint ventures and initial public offerings. The firm has recently been involved in advising NMDC Energy PJSC on its IPO and ADX listing, advising Phoenix Group on its IPO and ADX listing and advising Pure Health Holding on its IPO and ADX listing. It has also recently been involved in advising Invictus Investment Company PLC on becoming the first Abu Dhabi Global Market (ADGM) company to list on the ADX growth market, advising Presight AI Holding PLC on its IPO and ADX listing and advising Bayanat AI PLC on its IPO and ADX listing.

Authors



Yasser Omar is executive partner and head of Hadef & Partners corporate and commercial practice in Abu Dhabi. He is a well-regarded and leading figure in the UAE in capital markets and is referred to and sought out by many advisors as a go-to professional in this area. Additionally, he is the first name many of the key regulators in the UAE such as the Central Bank, the Securities and Commodities Authority (SCA) and the Abu Dhabi Stock Exchange (ADX) think of for advice. He is fluent in Arabic and English and holds a professional certificate in legal translation from the American University in Cairo.

Laryssa Perkins is a senior associate in Hadef & Partners corporate team in Abu Dhabi. She is an Australian-qualified solicitor with extensive experience across a range of corporate and commercial matters, including capital markets, mergers and acquisitions, and corporate governance. She most recently assisted with the IPO and ADX listing of NMDC Energy PJSC and is involved in the preparatory stages of a number of other initial public offerings in the UAE. She is also a published author having been featured in the Governance Institute of Australia's Governance Directions Journal.

Hadef & Partners LLC

The Blue Tower (12th Floor)
Sheikh Khalifa Street
Abu Dhabi
UAE

Tel: +971 22 055 300
Email: y.omar@hadefpartners.com
Web: www.hadefpartners.com

1. Legal System and Regulatory Framework

1.1 Legal System

The legal system in the UAE depends on the jurisdiction in which a business operates but can broadly be divided into two categories: mainland and free zones.

The mainland regime follows a civil law system. The primary law governing mainland companies is Federal Decree-Law No 32 of 2021 on Commercial Companies (the "CCL"). Unless exempted, the CCL applies to all commercial companies established in the UAE and, provisions relating to foreign companies, apply to foreign companies with a head office, branch or representative office in the UAE.

There are many free zones in the UAE and the legal framework in each free zone varies depending on whether the free zone is a financial free zone or not and the regulations established by the relevant free zone authority. By virtue of the UAE Constitution, the financial free zones in the UAE (currently, the Abu Dhabi Global Market (the "ADGM") and the Dubai International Financial Centre (the "DIFC")) are subject to all federal laws other than federal civil and commercial laws.

This enables financial free zones in the UAE to adopt their own civil and commercial laws. The ADGM has adopted the English common law system, while the DIFC has adopted a legal and regulatory framework based on the common law principles of English law. Non-financial free zones in the UAE are subject to the UAE federal legal system supplemented by the relevant free zone regulations.

Accordingly, the CCL does not apply to companies incorporated and operating in the ADGM or the DIFC as each of these zones have their own company law and regulations. Furthermore, the CCL does not apply to companies that are incorporated in other free zones in the UAE where there is a special provision stipulated to this effect in the laws and regulations of the relevant free zone. In some free zones, such as the Jebel Ali Free Zone (Jafza), the application of the CCL is expressly excluded but the registrar may apply certain provisions of the CCL where the Jafza regulations are silent on a certain matter.

Notwithstanding this, if a free zone company (whether in a financial free zone or otherwise)

conducts commercial activities outside the relevant free zone in the UAE then the CCL applies.

1.2 Regulatory Framework for FDI

If a foreign investor is looking to establish a company in the UAE, it must obtain a licence for the company from the relevant federal and/or emirate-level authority (for a mainland company) or the relevant free zone authority (for a free zone company) to carry on its proposed commercial activities. Through the commercial licensing regime, there may be restrictions on the sorts of activities that a foreign investor can engage in.

Mainland Companies

Historically, foreign investors could only own up to 49% of a UAE mainland company, subject to limited exceptions. At least 51% of the shares had to be owned by one or more UAE nationals, or a company which was itself wholly owned by one or more UAE nationals.

The current CCL, which came into force on 2 January 2022, now permits 100% foreign ownership of mainland companies. This facilitates foreign investors to establish a local presence in the UAE and to operate in the UAE (outside the free zones) while retaining control of the business.

The Departments of Economic Development (DED) of each emirate identify the commercial activities which foreign investors, whether natural or legal, are permitted to conduct in the UAE.

Foreign investors are not permitted, pursuant to Cabinet Decision No 55 of 2021, to engage in activities with a strategic impact in the UAE unless approved to do so by the relevant federal authority concerned with regulating the activity with a strategic impact. Activities with a strategic impact are as follows:

- security, defence and military activities;
- banks, exchange houses, finance companies and insurance;
- currency printing;
- telecommunications;
- pilgrimage (Hajj) and Umra services;
- Quran centres; and
- services related to fisheries.

There are also estrictions on the ownership of real property in certain designated areas according to the relevant property law.

Free Zone Companies

Free zones are specially designated areas in the UAE established to attract foreign investment, by encouraging companies to set up businesses and locate their operations there. Accordingly, the ability for 100% foreign ownership in free zones has historically been one of the key features of free zones. Free zones have therefore been the primary forum in which foreign investors conduct commercial activities in the UAE.

The activities for a company incorporated in a free zone are restricted to permitted business activities within the relevant free zone. The business activities permitted by the relevant free zone authority in each free zone vary and are limited to those activities permitted to be carried out by the relevant free zone authority as per the law establishing the free zone and its authority.

Sector-Specific

Depending on the nature of the business activity, an authority that regulates the activity (other than the licensing authority) may require a certain minimum percentage of UAE shareholding such as the Central Bank of the UAE (the "CBUAE") which requires a minimum of 60% UAE shareholding in banks incorporated in the UAE mainland.

2. Recent Developments and Market Trends

2.1 Recent Developments and Market Trends

The UAE has witnessed a significant influx of financial institutions and high net worth individuals relocating their operations to the region. According to the World Investment Report 2024 by the UN Conference on Trade and Development, the UAE ranked second globally after the United States in the number of greenfield foreign direct investment (FDI) announcements in 2023. This growth has been supported by the UAE's efforts to diversify and modernise its economy. Foreign ownership reforms have enabled foreigners to own and control mainland entities which can operate across the UAE (outside the free zones) albeit certain activities require a minimum UAE shareholding.

The UAE has also implemented measures to enable the removal of the UAE from enhanced monitoring under the Financial Action Task Force, the global money laundering and terrorist financing watchdog. The UAE has introduced a federal corporate tax regime applicable to juridical persons and certain individuals who conduct a business activity in the UAE (other than exempt persons) for tax periods starting on or after 1 June 2023. The first corporate tax filings are due in September 2025. It will therefore be interesting to observe the impact the introduction of a corporate tax regime has on foreign investment in the UAE and the way businesses are structured moving forward.

3. Mergers and Acquisitions

3.1 Transaction Structures

In the UAE, the structure for a merger and acquisition involving a UAE target will typically be driven by factors such as the corporate structure of the target entity (ie, mainland or free zone), the subject matter of the proposed transaction (ie, shares or business assets) and the commercial objectives of the parties.

While the stock markets in the UAE continue to develop, M&A activity in the UAE continues to be mostly comprised of private transactions carried out either as a share transfer or an asset transfer.

3.2 Regulation of Domestic M&A Transactions

M&A transactions involving private UAE company targets (whether mainland or free zone) primarily need to comply with the governing documents and applicable companies regulations for the target entity, which may involve board and/or shareholder approval. If the transaction involves a change-of-control or change of management, the transfer of encumbered shares or assets, or the transfer of regulatory licences, approvals or notifications may also need to be sought by the target from certain third parties.

For mainland targets, if the buyer is a foreign entity, the relevant DED will typically require notarised and legalised copies (in Arabic) of the buyer's constitutional documents, and the power of attorney authorising representatives of the buyer to sign the relevant transaction documents. The share/asset sale/purchase agreement must also be notarised by a notary public or a contracts authenticator.

For a share transfer, the approval of the relevant DED or free zone authority is typically required.

Depending on the transaction, further regulatory approvals may also be required such as from the Minister of Economy (the "Minister") (see **6. Antitrust/Competition**), the municipality in the relevant emirate, the CBUAE or the relevant financial regulator.

Acquisition

Free zone

The specific requirements for an acquisition of a UAE target incorporated in a free zone will vary depending on which free zone the target company is incorporated and operating in.

Mainland (private)

In addition to the general consideration set out above, if the target entity is a private joint stock company, there are specific requirements to be satisfied in relation to an acquisition, including Article 266 of the CCL which only permits a transfer after the balance sheet and profit and loss statement for at least one fiscal year since the registration of the company in the commercial register has been published, unless the transfer is, for example, to another shareholder.

Mainland (public)

The acquisition of a public joint stock company incorporated in the UAE whose shares have been offered for public subscription or have been listed on one of the financial markets in the UAE must comply with the conditions and procedures issued by the Securities and Commission Authority (the "SCA") under Decision of the Chairman of the SCA Board No 18/RM of 2017 Concerning the Rules of Acquisition and Merger of Public Shareholding Companies and SCA Administrative Resolution No 62/RT of 2017 on Technical Requirements for the Acquisition and Merger Regime (collectively, the "SCA M&A Rules").

Merger

Free zone

The specific requirements for a merger with or between UAE companies incorporated in a free zone will vary depending on which free zone the UAE merging companies are incorporated and operating in.

Mainland

A merger involving onshore companies must comply with Chapter 2 (Merger) of Title 7 (Conversion, Merger, and Acquisition of Companies) of the CCL. Where the companies are private joint stock companies, the merger is also subject to Ministerial Decision No 137 of 2024 on the Regulation of the Registrar's Work, Controls of Private Joint Stock Companies and the Rules of Governance (the "MOE Merger and Governance Rules"). If the companies are public joint stock companies (PJSCs), the merger is also subject to the SCA M&A Rules. Additionally, if one of the companies to the merger is licensed by the CBUAE, the merger will also be subject to additional requirements as set out by the CBUAE.

4. Corporate Governance and Disclosure/Reporting

4.1 Corporate Governance Framework

Mainland

For mainland companies the key corporate governance rules and requirements are set out in the CCL.

The Minister may also issue decisions regulating the governance for companies other than PJSCs, such as the MOE Merger and Governance Rules which apply to private joint stock companies.

For PJSCs listed in the UAE, the SCA Board of Directors has issued corporate governance rules under Decision of the Chairman of the SCA Board No 03/RM of 2020 Concerning Approval of Joint Stock Companies Governance Guide (the "Governance Guide") to regulate PJSCs in the UAE. The principles and objectives of the corporate governance rules are centred around the pillars of accountability, fairness, disclosure, transparency and responsibility.

The Governance Guide covers concepts such as board composition, directors' duties, management of conflicts of interest and related parties, shareholder rights, risk management, compliance and audit, and disclosure obligations. However, the Governance Guide does not apply to foreign companies listed in the UAE, financial free zone companies or free zone companies.

Free Zones

The specific governance rules applicable to a free zone company will vary depending on the free zone in which the company is incorporated and operating in.

Sector-Specific

Companies operating in certain industries may also be subject to additional governance requirements. For example, banks and other financial institutions licensed by the CBUAE must also comply with any governance regulations or rules issued by the CBUAE, including Central Bank Circular No 83 of 2019 on the Corporate Governance Regulation for Banks and the underlying standards issued pursuant to that Circular which aim to ensure the soundness of banks in the UAE and contribute to financial stability and consumer protection.

4.2 Relationship Between Companies and Minority Investors

Alongside statutory minority shareholder protections, the rights of minority shareholders tend to be protected through shareholder agreements, which may include board rights and a list of reserved matters which require the minority shareholders' consent, and in the memorandum and articles of association.

Mainland

For mainland LLCs, some of the statutory minority shareholder protections in the CCL include pre-emptive rights on the transfer of shares to third parties, the right for a partner holding at least 10% of the share capital to request the manager to call a general assembly and the requirement for any amendment to the share capital of an LLC or its memorandum of association to be approved by partners holding at least 75% of the shares represented in a general meeting (noting general meetings require a quorum of partners holding at least 50% of the shares, unless the memorandum of association specifies a higher percentage).

For mainland PJSCs, some of the statutory minority shareholder protections in the CCL include the following.

- Pre-emptive rights on the issue of new shares, which cannot be altered by the company's governing documents (Article 199).
- Shareholders holding at least 5% of the share capital have the right to:
  (a) submit an application to the SCA (or the competent authority) where the concerned shareholder(s) deem that the company's affairs are or have been conducted in a manner detrimental to the interests of the company's shareholders or some of them, or that the company intends to

perform an act or to omit an act in such a way that would be prejudicial to its shareholders (Article 164);
(b) request to list certain topics on the agenda of the general assembly (Article 182(2)); and
(c) request the SCA to issue a decision to stay decisions passed by the general assembly of the company which are to the detriment of the shareholders or in favour of a certain class of shareholders or which bring a special benefit to the board members or others (Article 193).

- Shareholders holding at least 10% of the share capital have the right to:
(a) request the board of directors to call a general assembly (Article 176(1)); and
(b) request the Minister (for LLCs) or the SCA (for PJSCs) to order to inspect the company in respect of serious breaches attributed to the board members or the auditors upon performing their duties provided for in the CCL or the company's memorandum or articles of association where there are reasons that suggest the occurrence of such violations (Article 342).

For PJSCs listed in the UAE, the Governance Guide also provides, for example, shareholders holding at least 5% of the share capital the right to review the company records and documents relating to related party transactions and to file a lawsuit before the competent court to cancel the related party transaction.

Free Zones

The specific protection available for minority shareholders in a free zone company will vary depending on the free zone in which the company is incorporated and operating in. For example, for ADGM entities, the Companies Regulations 2020 provides pre-emptive rights on issues of shares subject to certain exceptions, exclusions and disapplication provisions (Article 520), certain matters (ie, amending the articles of association, share rights or share capital) to be resolved by a special resolution (ie, at least 75% of the voting share capital), and the right for shareholders holding:

- at least 5% of the share capital to require the directors to call a general meeting (Article 320(2));
- at least 10% of the share capital to require the company to obtain an audit of its accounts for a financial year where the company is not otherwise required to undertake an audit (Article 448); and
- at least 15% of the class of share in question to apply to the court to have a variation to the rights of that class cancelled.

4.3 Disclosure and Reporting Obligations

There are no specific disclosure obligations for FDI in the UAE. However, general disclosure requirements apply to all persons making, holding or disposing of shares in companies.

Private Companies

In the case of private companies, as mentioned in **3.2 Regulation of Domestic M&A Transactions**, any transfer of shares has to be lodged by the company with the relevant DED or free zone authority. The information required in such lodgement (including the new shareholder's identity and shareholding) will be reflected, for example, in the company's commercial licence (for mainland companies) and in the public electronic register (for financial free zone companies).

Listed Companies

In the case of any shareholding in a UAE company (mainland or free zone) listed on a stock

market in the UAE, there are additional disclosure and reporting obligations pursuant to the relevant market rules and, in the context of the ADX and DFM, the decisions of the SCA. For example, under Decision of the Chairman of the SCA Board No 3 of 2000 on the Disclosure and Transparency Regulation (as amended), a natural or legal person must notify the relevant market immediately upon holding 5% or more of the company's shares listed on the relevant market, or 10% or more of the shares of a parent company, subsidiary, sister company or allied company listed on the relevant market, and each subsequent 1% change to that holding.

5. Capital Markets

5.1 Capital Markets

Companies can access funding and financing through capital markets and bank financing.

There are three main equity securities exchanges in the UAE:

- the Abu Dhabi Securities Exchange (the "ADX"), which is based in Abu Dhabi and is primarily regulated by the SCA;
- the Dubai Financial Market (the "DFM"), which is based in Dubai and is primarily regulated by the SCA; and
- the NASDAQ Dubai (the "NASDAQD"), which is based in the DIFC and regulated by the Dubai Financial Services Authority (the "DFSA").

The ADX and the DFM are the primary exchanges for the IPO of companies registered in Abu Dhabi (whether inside or outside the free zones of Abu Dhabi) and in Dubai (whether inside or outside the free zones of Dubai), respectively. Companies registered in other emirates within the UAE may list on the ADX or the DFM.

All of the securities exchanges accept international listing. However, the ADX and the DFM only accept listings of foreign companies on a dual listing basis and not on a primary listing basis.

5.2 Securities Regulation

The ADX and the DFM

For mainland companies, the key securities law and regulations for undertaking an initial public offering are set out in the CCL and Decision of the Chairman of the SCA Board No 11/RM of 2016 on the Regulations for Issuing and Offering Shares of Public Joint Stock Companies (the "Offering Regulations"), as well as for listings on the ADX, the ADX Operational Rules Booklet, and on the DFM, the DFM Module Two Listing Rules and the DFM Module Three Membership, Trading, and Derivatives Rules.

The Offering Regulations prescribe the conditions for approval to make an initial public offering for mainland companies, foreign companies and free zone companies.

NASDAQD

The key securities laws and regulations in the NASDAQD are as follows:

- DIFC Law No 1 of 2012 (the "Markets Law"); and
- the DFSA Markets Rules (MKT/VER23/08-24).

5.3 Investment Funds

In relation to foreign investors structured as investment funds and making a FDI into the UAE, there is generally no requirement for an investment to be reviewed or approved by any

UAE regulatory authority for the sole reason that the investment is from a foreign source.

Foreign investment funds that intend to list its units on a securities exchange in the UAE will be reviewed as part of the listing process by the relevant regulatory authority to ensure that it complies with the specified requirements for a foreign fund. In particular, a foreign fund looking to list on:

- the ADX must comply with the requirements set out in the ADX Operational Rules Booklet, including (among other things) the fund satisfying the technical requirements of listing in the ADX, appointing at least one liquidity provider approved by the ADX, appointing a representative of the foreign fund in the UAE, and the approval or no objection of the regulatory authority in which the foreign fund is listed at its place of incorporation;
- the DFM must comply with the requirements set out in the DFM Module Two Listing Rules, including (among other things) being listed on the main foreign market in its place of establishment, with a net asset value of not less than AED40 million (or such other amount as the DFM deems appropriate), and an offer of no less than 30% of the total units existing as at the application date, and appointing a local representative in the UAE; and
- the NASDAQD must comply with the requirements of the DFSA Markets Rules, including (among other things) being a designated fund from a recognised jurisdiction or a fund approved by the DFSA as a fund subject to equivalent regulation as that applying to a public fund, and meets the criteria specified for (as applicable) a property fund, an exchange-traded fund or an Islamic exchange-traded fund.

6. Antitrust/Competition

6.1 Applicable Regulator and Process Overview

Mainland and Free Zones (Other Than Financial Free Zones)

The UAE has an antitrust and merger control regime. The Ministry of Economy (the "Ministry") is the regulatory authority responsible for implementing, monitoring and enforcing Federal Decree-Law No 36 of 2023 on the Regulation of Competition (the "Competition Law") which came into force on 28 December 2023. As of the date of publication, the implementing regulations to the Competition Law are yet to be issued. Accordingly, many of the regulations, decisions and laws issued pursuant to the former Federal Law No 4 of 2012 on the Regulation of Competition continue to have effect until replaced, including:

- Cabinet Decision No 37 of 2014 on the implementing regulations to Federal Law No 4 of 2012 on the Regulation of Competition; and
- Cabinet Decision No 13 of 2016 on the rates and rules applying to the Competition Law (the "Threshold Resolution"), (collectively, the "Competition Law Framework").

Under the Competition Law Framework, unless exempted, any economic concentration activity which results in a party establishing or reinforcing control (either independently or in collaboration with others) over another party or parties, requires that a merger control notification be submitted to the Ministry at least 90 days prior to the proposed date of the relevant action taking place, where any of the following conditions are/would be met by virtue of the relevant activity:

- the total value of annual sales of the parties in the relevant market during the last fiscal year

exceeds the amount determined by the UAE Cabinet based on the Minister's proposal (as of the date of publication, guidance relating to the threshold amount has not been published and is expected to be included in the anticipated implementing regulations to the Competition Law);
- the total share of the relevant market occupied by the parties exceeds 40% (the current threshold set by the Threshold Resolution) of the total transactions of the relevant market ("Dominant Position") as a result of such transaction; or
- the total annual sales or share of the relevant market is enhanced (where one or both of the parties already individually occupies a Dominant Position) as a result of the transaction.

The Minister has 90 days to consider the application, which can be extended for a further 45 days. Until such time the relevant activity is approved or otherwise exempted by the Minister, the parties are prohibited from completing the transaction. If the review period lapses without a decision issued by the Minister, this will be considered a rejection.

The Competition Law Framework does not apply to:

- any agreement, practice or action related to a specific good or service which is regulated by a federal or local body entitled to regulate, control or supervise a specific economic sector within the UAE including the competition rules that govern that sector, unless the sectoral regulatory body and the Ministry agree for the Ministry to take over this matter (in whole or in part);
- establishments owned by the federal government that are determined by a Cabinet Decision based on the Minister's proposal after co-ordination with the relevant local authority; and
- establishments owned by one of the emirates' governments, operating within the emirate, and which are determined by a decision issued by the local government.

In addition to regulating economic concentration, the Competition Law also prohibits predatory pricing and restrictive agreements (which may include, but are not limited to, agreements setting the price of goods or services contrary to the market price, implementing collusive tendering, freezing or limiting production or development, and/or restricting the free flow of goods or services from a specific market).

Financial Free Zones

As of the date of publication, neither the ADGM nor the DIFC have separate legislation to regulate antitrust or merger control.

6.2 Criteria for Review

Until such time as the implementing regulations to the Competition Law are issued, pursuant to the existing implementing regulations, the following documents are to be submitted in Arabic (or at least with a certified Arabic translation) to the Competition Authority at the Ministry in relation to seeking approval for an economic concentration process:

- the approved notification form;
- the relevant term sheet or agreement setting out the proposed economic concentration process (whether executed or in a draft form);
- the constitutional documents of the parties, duly certified;
- the financial statements of the parties for the last two financial years, duly certified;
- the shareholder registers of the relevant parties; and

- an economic report analysing the positive impact of the transaction on the relevant market and the proposed commitments and actions of the parties to reduce any potential negative impacts.

The existing implementing regulations also provide that the Competition Authority at the Ministry will consider these documents to verify the economic concentration activity for the purposes of preparing a report for the Minister to review to decide on the application based on the following indicators:

- the real and potential competition level in the concerned market;
- how easy it is for new establishments to enter the concerned market;
- the extent of the potential impact on the prices of the relevant commodities or services;
- the extent of the existence of legal obstacles affecting the entry of new competitors;
- the probability of emergence of a dominant position in the concerned market;
- the extent of the potential impact on creation, innovation and technical competence;
- the extent of contribution in the promotion of investment or export, or the enhancement of the national establishments' ability to compete internationally; and
- the extent of the impact on the interests of consumers.

6.3 Remedies and Commitments

Parties to the proposed economic concentration activity can voluntarily submit an undertaking to implement measures designed to prevent the anti-competitive consequences of the proposed activity within 30 days of submitting a complete application.

Under Article 15 of the existing implementing regulations, where it is determined the provisions of the Competition Law have been breached, with the exception of conduct in breach of the confidential provisions by Ministry employees, the Minister may enter into a settlement with parties before the filing of a criminal case. However, the violating parties must pay a fine no less than double the minimum fine provided by the Competition Law. The settlement is effective upon paying the fine.

6.4 Enforcement

Under the Competition Law, the Minister may:

- approve the economic concentration operation;
- approve the economic concentration operation, conditional upon the concerned parties' commitment to fulfil the terms and obligations they have undertaken or those ascertained by the Minister;
- reject the economic concentration operation; or
- exempt the economic concentration operation from the conditions specified in Article 12 of the Competition Law.

Once the decision is made by the Minister, the relevant competent authorities have the power and authority to enforce the decision, which may include the ability for the Ministry to prohibit or otherwise interfere with a transaction within its competency to combat any form of activities or practices in breach of the provisions of the Competition Law.

Under Article 14 of the existing implementing regulations, any concerned party can request for the Minister to review its decision within 14 days from the date the applicant becomes aware of the decision. The Competition Regulatory Com-

mittee will review the request and submit its recommendation to the Minister within 10 days from the date on which the request was referred. The Minister is to adopt a final decision within 30 days from the filing of the request. If a decision is not adopted within this timeframe, the request is deemed to be rejected. Decisions issued by the Minister can be appealed before the competent court (following the procedures set out in Article 34 of the Competition Law).

Under Articles 25 and 26 of the Competition Law, any person who fails to notify a reportable economic concentration transaction may be fined between 2% and 10% of the annual total sales achieved by the violating parties within the UAE during the last fiscal year, or if this is not possible to determine, the penalties will be between AED500,000 and AED5 million. Additionally, if parties initiate any actions or procedures to conclude the economic concentration operation during the review period, a fine of between AED500,000 and AED5 million will be imposed.

Under Article 24 of the Competition Law, any person violating the predatory pricing and restrictive agreement requirements will be fined not less than AED100,000 and not more than 10% of the annual total sales realised by the violating party during the last fiscal year, or, if this is not possible to determine, the penalties will be between AED500,000 and AED5 million.

7. Foreign Investment/National Security

7.1 Applicable Regulator and Process Overview

There is generally no requirement for a FDI into the UAE to be reviewed or approved by a UAE regulatory authority. However, certain sectors are subject to the supervision of certain regulators such as banks and oil and gas companies. It is up to the regulators to run any security checks.

7.2 Criteria for Review

See **6. Antitrust/Competition** for more information on the competition legal framework in the UAE.

7.3 Remedies and Commitments

See **6. Antitrust/Competition** for more information on the competition legal framework in the UAE.

7.4 Enforcement

See **6. Antitrust/Competition** for more information on the competition legal framework in the UAE.

8. Other Review/Approvals

8.1 Other Regimes

In Abu Dhabi, the ownership of real estate is subject to certain restrictions. Foreigners (non-Gulf Cooperation Council (GCC) nationals) can own real estate assets only within certain zones as designated by the government. Foreigners therefore need to check the applicable real estate regulations in the emirate they wish to invest in.

9. Tax

9.1 Taxation of Business Activities

A company incorporated in the UAE (or effectively managed from the UAE) would constitute a resident taxable person and will be subject to corporate tax (CT) at 9% on its worldwide taxable income (provided that the first AED375,000 is taxed at 0%). A non-resident company will only

be subject to CT in the UAE to the extent that it has established a permanent establishment (PE) in the UAE, in which case the profits attributable to the PE will be subject to CT.

Companies incorporated in or operating through a branch in a free zone may be eligible for tax relief on its qualifying income (taxed at 0%) where it qualifies as a qualifying free zone person. Generally an unincorporated partnership vehicle will be disregarded for UAE tax purposes with the partners accounting for CT on their portion of the partnership income.

VAT is imposed at 5% (unless otherwise exempt or zero-rated) on taxable supplies of goods and services in the UAE by any taxable person (ie, a person registered or obligated to register for VAT), and on the import of certain goods and services. The responsibility for the payment of VAT will fall on either the taxable person making the supply in the UAE, or on the importer of the concerned goods or concerned services.

9.2 Withholding Taxes on Dividends, Interest, Etc

At present UAE sourced payments to non-residents are not subject to any withholding tax. Although the UAE Corporate Tax Law includes a provision for imposing withholding tax, at present no categories of source income have been specified on which the withholding tax will be imposed or the rate of the withholding tax. Further guidance from the Ministry of Finance on this is awaited.

The UAE has an extensive treaty network. In the event that a withholding tax were to be introduced in future, these treaties could be invoked to obtain a reduced rate. In this regard, the UAE Corporate Tax Law does not currently contain any specific ownership, holding period or "treaty shopping" provisions that would limit eligibility for such a reduced rate, provided that the applicable treaty itself might contain such conditions.

9.3 Tax Mitigation Strategies

Given that the UAE corporate tax regime is still in its infancy, tax planning strategies are still developing. As qualifying free zone companies are eligible for a 0% tax rate on their qualifying income, the use of these vehicles for conducting qualifying activities and the associated structuring of these vehicles is particularly topical at present. Qualifying activities include manufacturing, processing, holding companies, shipping, logistics, distribution, aviation finance, related party financing, family offices, fund management and headquarter companies. Free zone relief is also available in relation to the exploitation of qualifying intellectual property assets.

The use of family foundations (a legally opaque but tax transparent vehicle) is also commonly seen as part of personal wealth structuring in the UAE at present as this provides potential tax benefits particularly in relation to holding immovable property.

Lastly, the UAE Corporate Tax Law allows for the transfer of assessed losses and tax grouping under prescribed circumstances and could therefore potentially be utilised as part of a group's tax structuring.

9.4 Tax on Sale or Other Dispositions of FDI

A non-resident juridical investor would only be subject to capital gains tax in the UAE where the gains are attributable to either a PE in the UAE or arise from immovable property in the UAE. A non-resident natural person will only be subject to capital gains where this is derived from carrying on a business or business activities in

the UAE provided the annual turnover from the activities exceed AED1 million.

Should a foreign investor fall under any of these categories, a further participation exemption is provided in relation to capital gains derived from the disposal of shares or other capital interest in a juridical person provided certain requirements are met in relation to the participating interest, including:

- an ownership interest of at least 5% or aggregated acquisition cost of AED4 million or more;
- holding period of at least 12 months; the participation is subject to CT (or similar tax in the foreign jurisdiction) at a rate not less than 9%;
- the participation interest entitles the taxable person to receive not less than 5% of the profits and liquidation proceeds; and
- not more than 50% of the direct/indirect assets of the participation consist of ownership interests or entitlements that would not have qualified for the participation exemption if held directly by the taxable person.

9.5 Anti-Evasion Regimes

At present the Corporate Tax Law does not contain any specific anti-avoidance rules in relation to FDI or "anti-hybrid" rules. However, it does contain a general anti-avoidance rule that can be applied to a transaction, if having regard to all the relevant circumstances, it can reasonably be concluded by the tax authority that:

- entering into or carrying out the transaction or arrangement, or any part of it, is not for a valid commercial or other non-fiscal reason which reflects economic reality; and
- the main purpose or one of the main purposes of the transaction or arrangement, or any part of it, is to obtain a corporate tax advantage that is not consistent with the intention or purpose of the Corporate Tax Law.

10. Employment and Labour

10.1 Employment and Labour Framework

Private onshore UAE entities are governed by UAE Federal Decree-Law No 33 of 2021 (as amended) (the"Labour Law"), along with the implementing regulations. The free zones apply their own regulations, which require compliance with the minimum standards of the Labour Law. The DIFC and the ADGM are free zones which provide an employment framework which is more aligned to the UK employment regime, often making these financial free zones attractive to overseas investors and multinational companies.

Collective bargaining and rights, trade unions and employee/works councils do not exist in the UAE.

All employees are required to hold a valid sponsored residency visa and work permit to work in the region.

The management of the employment relationship and the termination of employment is generally considered to be straightforward, with dismissal with notice or without notice in specific circumstances available to employers. Employment contracts are required to be for a fixed term but notice to terminate can still be served during the term.

10.2 Employee Compensation

Compensation is usually split between basic salary and allowances, such as housing, transport and other allowances. Onshore companies are

not required to provide pension arrangements, aside from GCC nationals. The ADGM and the DIFC have separate arrangements which are more aligned to pension contributions.

Onshore employees receive an end of service gratuity which is based on final basic salary and length of service. This gratuity, along with all other employment income, is paid tax-free in the UAE.

Employers have to provide medical insurance in the UAE.

10.3 Employment Protection

The UAE does not recognise mandatory transfers of employment, or protection of employee rights where an acquisition or transfer of a business occurs. There is no equivalent to TUPE or the acquired rights directive, as in Europe.

The process may involve termination of employment, and payment of any outstanding dues such as gratuity, and new employment may (or may not) be offered with the new business entity. Agreements to delay the end of service payments until the end of the employment can be reached between the interested parties and employees, along with recognition of continuity of employment.

11. Intellectual Property and Data Protection

11.1 Intellectual Property Considerations for Approval of FDI

There are a number of industry sectors where, due to national interests (whether security, economic or cultural), a more detailed review is undertaken from an intellectual property perspective.

These industry sectors include the following.

- Telecommunications and technology: as an advocate of a digital economy, and taking steps to achieve widespread implementation by the 2030s, this is a core sector for the UAE and close attention is paid to the nature of FDI in this sector, in particular whether any technology transfer agreements could be adverse to national interests.
- Defence: the UAE has a significant domestic defence industry and particular attention is paid to FDI in this sector to avoid unauthorised dissemination of sensitive information and/or technologies.
- Financial services: as an increasingly popular destination for financial investment, while also playing a key anchor role in this sector in the Middle East, close attention is paid to FDI generally, but in particular with regards to fintech and digital banking, and associated security and protection measures.
- Pharmaceuticals: the UAE has some of the world's most rigorous evaluation and approval processes for pharmaceuticals, as well as an increasing number of UAE home-grown pharmaceutical entities. In terms of the protection of intellectual property rights and confidential information, as well as the protection of consumer health and safety, FDI in this sector is subject to multiple layers of review.

In conducting FDI reviews, various criteria are taken into account and are tailored to the particular industry sector. These evaluative criteria include the following:

- Economic impact: to what extent will the FDI result in job creation, infrastructure development, or other benefits to the UAE economy?
- National security: does the FDI concern industry sectors related to national security,

critical infrastructure, or sensitive technology? For example, defence and cybersecurity.
- IP compliance: to what extent does the FDI, and the underlying entity, recognise intellectual property rights? What (if any) agreements, relationships or similar are in place between the UAE and the country of the FDI applicant?
- Sustainability and environmental impact: what are the environmental implications of the FDI? Does it accord with the UAE's commitment to sustainability?
- Economic diversification goals: does the FDI support the economic diversification strategies of the UAE? Growth sectors in this diversification, and which are of particular important and appeal, are technology, renewable energy, healthcare, and finance.

11.2 Intellectual Property Protections

The UAE places a significant emphasis on the protection, enforcement, and commercialisation of IP rights. A series of updates to the various intellectual property laws in the UAE took place in 2021. These included the following.

- Law 11 of 2021 in Relation to the Protection of Industrial Property Rights.
- Decree-Law 36 of 2021 in Relation to the Protection of Trade Marks.
- Decree-Law 38 of 2021 in Relation to the Protection of Copyrights and Neighbouring Rights.

The Ministry, in which the various IP offices in the UAE are located, has taken consistent steps to ensure the effective application of these laws and set up the accompanying jurisdictional framework to facilitate these changes, with the focus on increased efficiency and the application of best in class principles to the application of these laws and user interactions with the IP offices.

These laws are aligned with international best practices and also with giving effect to the operation of international conventions and treaties which the UAE is signatory to. These include the following.

- The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).
- The Paris Convention for the Protection of Industrial Property.
- The Berne Convention for the Protection of Literary and Artistic Works.
- The Patent Cooperation Treaty (PCT).

The integration of national IP strategies with the economic agenda of the UAE has seen a number of initiatives, the most notable of which was in February 2024 with the announcement of 11 interconnected initiatives centralised around four core themes:

- promoting comprehensive protection of intellectual property rights and fostering a culture of innovation;
- reducing the infringement of intellectual property rights holders;
- facilitating the resolution of disputes; and
- enhancing IP-related services offered by the Ministry, including through the use of AI and user-friendly interfaces.

However, it is important to note specific factors in the following areas.

- Compulsory licensing: provisions for compulsory licensing (for example, in relation to a national emergency) exist across the IP legislative framework but, in practice, these have rarely been utilised.
- AI works: the UAE has, for a number of years, utilised AI across a number of sectors and, in October 2024, implemented the UAE's official

AI Policy. The Policy was jointly developed by the Office of the Assistant Foreign Minister for Advanced Science and Technology and the Office of the Minister of State for Artificial Intelligence, Digital Economy, and Remote Work Applications. It contains six core principles:

(a) advancement;
(b) co-operation;
(c) community;
(d) ethics;
(e) sustainability; and
(f) security (as with the rest of the world, the specific parameters around the IP rights subsisting in AI-generated works remain to be settled).

- Secondary political authorisation: in industry sectors where there are national security factors to consider, restrictions may be imposed on how certain IP rights can be held or enforced.

11.3 Data Protection and Privacy Considerations

There are three primary data protection laws in the UAE. They are as follows.

- Federal Decree-Law No 45 of 2021 Concerning the Protection of Personal Data (the "PDPL"). The PDPL regulates the processing of personal data in the UAE, with a focus on ensuring transparency, data subject rights, and data security. Based on many of the principles set out in the General Data Protection Regulation (the "GDPR)", it applies to entities processing data of individuals residing in the UAE, regardless of where the processing entity is located, so it can have extraterritorial effects if a foreign company processes the personal data of individuals in the UAE.
- The DIFC Data Protection Law, DIFC Law No 5 of 2020 (the "DP Law"): the DP Law operates in the DIFC and, like the PDPL, is based closely on the GDPR.
- The ADGM Data Protection Regulations 2021: these Regulations, again based on the GDPR, govern data protection within the ADGM.

While the PDPL is in force, it is not yet being enforced. It is necessary for the implementing regulations to be issued first (and as of November 2024 were still pending). After this, there will be a six-month grace period for entities to whom the PDPL applies to take steps to ensure compliance. Information such as financial penalties for breaches are not yet known. These will be set out in the implementing regulations. For the DP Law and the ADGM Data Protection Regulations 2021, there are significant potential financial penalties (from USD10,000 to USD100,000 in the DIFC and up to USD28 million in the ADGM). Application of a multiplier penalty for particularly egregious breaches is possible.

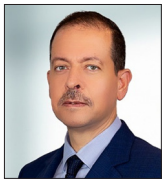
On a practical level, the similarities between the GDPR and the PDPL are such that, notwithstanding that the implementing regulations have not yet been issued, many entities are structuring their data protection policies and procedures to be in place now and, where necessary, adapted when the implementing regulations are issued.

Trends and Developments

Contributed by:
Yasser Omar and Laryssa Perkins
Hadef & Partners LLC

Hadef & Partners LLC has a long-standing presence in the UAE and is regarded as having a deep understanding of the region's business and legal environment. Across its Abu Dhabi and Dubai offices, the firm has one of the largest corporate and commercial service offerings in the region, covering all aspects of corporate, licensing, structuring, regulatory and general transactional work including inward investment, mergers and acquisitions, private equity and venture capital, joint ventures and initial public offerings. The firm has recently been involved in advising NMDC Energy PJSC on its IPO and ADX listing, advising Phoenix Group on its IPO and ADX listing and advising Pure Health Holding on its IPO and ADX listing. It has also recently been involved in advising Invictus Investment Company PLC on becoming the first Abu Dhabi Global Market (ADGM) company to list on the ADX growth market, advising Presight AI Holding PLC on its IPO and ADX listing and advising Bayanat AI PLC on its IPO and ADX listing.

Authors



Yasser Omar is executive partner and head of Hadef & Partners corporate and commercial practice in Abu Dhabi. He is a well-regarded and leading figure in the UAE in capital markets and is referred to and sought out by many advisors as a go-to professional in this area. Additionally, he is the first name many of the key regulators in the UAE such as the Central Bank, the Securities and Commodities Authority (SCA) and the Abu Dhabi Stock Exchange (ADX) think of for advice. He is fluent in Arabic and English and holds a professional certificate in legal translation from the American University in Cairo.

Laryssa Perkins is a senior associate in Hadef & Partners corporate team in Abu Dhabi. She is an Australian-qualified solicitor with extensive experience across a range of corporate and commercial matters, including capital markets, mergers and acquisitions, and corporate governance. She most recently assisted with the IPO and ADX listing of NMDC Energy PJSC and is involved in the preparatory stages of a number of other initial public offerings in the UAE. She is also a published author having been featured in the Governance Institute of Australia's Governance Directions Journal.

Contributed by: Yasser Omar and Laryssa Perkins, **Hadef & Partners LLC**

Hadef & Partners LLC

The Blue Tower (12th Floor)
Sheikh Khalifa Street
Abu Dhabi
UAE

Tel: +971 22 055 300
Email: y.omar@hadefpartners.com
Web: www.hadefpartners.com

Introduction

The UAE is a leading destination for foreign direct investment (FDI) and has witnessed a significant influx of financial institutions and high net worth individuals relocating their operations to the region. The World Investment Report 2024 by the UN Conference on Trade and Development reported that FDI into the UAE reached approximately USD30.69 billion in 2023, up from USD22.74 billion in 2022, and placed the UAE second globally after the United States in the number of greenfield FDI announcements in 2023.

As the country continues to diversify its economy beyond oil, it has focused on cementing its status as an international business and investment hub by leveraging its strategic location and implementing measures to drive FDI. These measures include foreign ownership reforms and the removal of the UAE from enhanced monitoring under the Financial Action Task Force, the global money laundering and terrorist financing watchdog. By focusing strategic investments in sustainability, innovation, and digital transformation, the UAE is positioning itself as a global leader in key sectors including advanced industries, contributing to both regional and global economic growth.

Market Activity and Trends

M&A activity

The UAE's economic activity has remained strong in 2024, driven by robust domestic activity and sustained efforts to modernise and diversify the economy, even as the global economy has slowed. According to the EY MENA M&A Insights 9M 2024 report, the MENA region, despite heightened geopolitical tensions, witnessed an increase in M&A activity with a total of 522 deals amounting to USD71 billion, representing a 9% increase in deal volume and a 7% increase in deal value from the same period in 2023.

The UAE and Saudi Arabia were the preferred destinations for investors, with 239 deals reaching a combined disclosed value of USD24.5 billion. In the UAE, a key driver of deal activity has been sovereign wealth funds, such as the Abu Dhabi Investment Authority and Mubadala. With the UAE forecasted to achieve 6.7% growth in 2025, up from 3.8% in 2024, according to the International Monetary Fund (IMF), strong M&A deal activity in the UAE is anticipated in 2025.

Industrialisation

The UAE launched a ten-year national strategy (Operation 300bn)in 2021, which aims to expand its industrial sector to AED300 billion by 2031.

While accelerating the growth of existing industries, the initiative aims to develop sectors that reduce the UAE's dependency on global supply chains, such as agriculture and healthcare, and those that position the UAE as a global hub for future industries, including space, medtech, and Fourth Industrial Revolution (4IR) technologies.

Agriculture

As part of its vision to enhance food security and reduce dependence on global food markets, the UAE launched the National Food Security Strategy 2051, which aims to position the UAE as the top country in the Global Food Security Index by 2051. The Strategy focuses on increasing the country's self-sufficiency in food production through the adoption of cutting-edge technologies.

These innovations may include vertical farming, hydroponics, and smart agriculture systems that optimise water usage and crop yields. The UAE's commitment to advancing agricultural technologies is also aligned with its broader sustainability goals, particularly in water-scarce environments. By integrating AI, robotics, and precision farming, the Strategy aims to address the challenges of food production in an arid climate while also enhancing the nation's capacity to respond to global supply chain disruptions.

In addition, partnerships with global agricultural research institutions are helping to advance new crop varieties suited to local conditions, further strengthening the country's food security.

Healthcare

The UAE is also focused on transforming its healthcare sector through innovation and strategic investments. The country has invested heavily in healthcare infrastructure, including the establishment of world-class hospitals (such as the Cleveland Clinic Abu Dhabi) and research facilities.

A key area of focus is the use of AI and big data to enhance diagnostic capabilities and patient outcomes. The UAE is embracing precision medicine, which tailors healthcare treatments to individual genetic profiles, as well as developing telemedicine services to improve access to healthcare. Through partnerships with leading global institutions, the UAE is also advancing in areas like biopharmaceuticals, genomic research, and medical robotics.

Technology

Advanced technologies are at the heart of the UAE's industrial development strategy. Operation 300bn focuses on enhancing the UAE's position as a pioneering global destination for technology and innovation by encouraging the development of 4IR ventures, which include automation technologies, quantum computing, and blockchain applications, all of which will contribute to a more diversified industrial base.

The Industrial Technology Transformation Index was launched as part of the Technology Transformation Programme to assist in measuring the maturity of technological transformation and sustainability practices in the industrial sector with the aim of enhancing technology adoption. The creation of smart cities – such as Masdar City in Abu Dhabi and Dubai Silicon Oasis – is also part of the strategy to make the UAE a global leader in digital transformation and technological innovation.

Privatisation of state assets

To fund economic diversification, the market has observed the Abu Dhabi and Dubai governments privatising government-owned entities (such as ADNOC Distribution, Parkin, and Salik) by offer-

ing a portion of the shares in these companies to the public and listing the shares on the local securities exchange. This trend in undertaking an IPO and listing of government assets aims to boost inward foreign investment while also increasing the size and liquidity of the financial markets with a view to boosting the overall economic activity and encouraging listings of private domestic companies.

Legal Developments

Foreign ownership reform

A major reform of onshore UAE corporate law came into force on 2 January 2022 permitting 100% foreign ownership of certain mainland UAE companies. This reform aims to strengthen the UAE's position as an international investment destination.

Foreign investors could previously only own up to 49% in a mainland UAE company, subject to limited exceptions. At least 51% of the shares in a UAE mainland company had to be owned by one or more UAE nationals or a company which was itself wholly owned by one or more UAE nationals.

While free zone companies have allowed 100% foreign ownership, free zone companies are restricted to operating within the relevant free zone. This reform to the ownership of mainland companies allows foreign investors the ability to own and control a corporate vehicle that permits operations across the UAE (outside the free zones) without a local sponsor, avoiding the complexity and legal uncertainty of previous arrangements. Naturally, foreign investors looking to engage in activities of strategic impact (such as defence, banking and telecommunications) remain subject to certain restrictions.

Introduction of corporate tax

The UAE has introduced a federal corporate tax applicable to juridical persons and certain individuals who conduct a business activity in the UAE (other than exempt persons) for tax periods starting on or after 1 June 2023. As of the date of this chapter, the corporate tax rate is 0% for annual taxable income up to AED375,000 and 9% beyond that threshold. A 0% tax rate is also provided for certain categories of qualifying income derived by persons operating in designated free zones.

The UAE is a member of the OECD/G20 Inclusive Framework on base erosion and profit shifting. Following the release of the OECD's Pillar Two initiative, which provides for a global minimum corporate tax rate of 15% on large multinational companies with consolidated global revenue of EUR750 million or more, the UAE announced in December 2024 that a domestic minimum top-up tax of 15% will be imposed on affected persons from 1 January 2025. Further details are awaited.

By introducing corporate tax, the UAE aims to diversify its revenue to support future economic resilience and sustainability and position itself as a leading global hub for business and investment by demonstrating its commitment to meeting international standards for tax transparency and fairness. It will be interesting to observe how the introduction of corporate tax affects foreign investment and the structuring of businesses in the UAE.

Outlook for 2025

The UAE's economic outlook for 2025 remains positive. Despite the challenges posed by geopolitical tensions in the broader MENA region, the UAE has maintained resilient economic performance, supported by its favourable business

environment and substantial capital inflows. Notably, the UAE's commitment to reform and sustainability, along with substantial investments in key sectors such as agriculture, healthcare, and technology, positions it for long-term growth.

Looking ahead, the UAE is poised to remain the fastest-growing economy in the Gulf Cooperation Council (GCC) with growth projections by the IMF of 6.7% in 2025, driven by increased oil production and the continued expansion of non-oil sectors. The country's thriving tourism industry and strong trade relationships further bolster its positive economic trajectory. Ultimately, the UAE's ongoing focus on innovation, sustainability, and economic diversification will continue to support its position as a key global economic player.

CHAMBERS GLOBAL PRACTICE GUIDES

Chambers Global Practice Guides bring you up-to-date, expert legal commentary on the main practice areas from around the globe. Focusing on the practical legal issues affecting businesses, the guides enable readers to compare legislation and procedure and read trend forecasts from legal experts from across key jurisdictions.

To find out more information about how we select contributors, email Katie.Burrington@chambers.com