



# Expo 2020

*A game changer for Dubai and UAE*

## The UAE

**For two and a half millennia, the Gulf coast has been a crossroads of the world. From the Persian Royal Road to the Han Dynasty's Silk Road, from the trading posts of the 19th century to the hypermodernity of today's UAE, people have always converged here. They come not only to do business, but also to share ideas, experience and inspiration.**

Dubai has played a central role in this development underlining its credentials to host an event like Expo at the figurative and literal crossroads of the world.

It is strange to imagine that 20 years ago, Sheikh Zayed Road, Dubai's main thoroughfare, was mostly sand. Now it is one of the world's most modern urban landscapes, linked by multi-lane highways and a technologically advanced Metro system and tram system. Indeed, in four decades, the country's soft and hard infrastructure has developed to such an extent that the UAE today might be one of the most hyper-connected places on the planet, where more than 200 different nationalities mingle daily.

Our business and governance structures allow us to play an increasingly pivotal role in the global economy. We are a nation that continues to blossom, attracting foreign investment and creating jobs.

Our position as a central hub for trade and tourism continues to bring people to Dubai, allowing us to forge new partnerships and improve on the strong transport links that we have developed. The opening of new terminals at both Jebel Ali Port and Dubai World Central will further strengthen this network.

We have also developed strong hospitality and retail sectors, capable of handling the scale of thoroughfare that an event like Expo will bring.

Our passion for bringing people together has been the driving force behind our desire to bring the World Expo to Dubai, the UAE and indeed the entire Middle East, Africa and South Asia (MEASA) region for the first time.

In November 2013, the United Arab Emirates won the right to host the World Expo in Dubai in 2020. This will be the first time that the World Expo is staged in the Middle East, North Africa and South Asia (MEASA). Since the first Great Fair of 1851, World Expos have continued to be one of the largest and most enduring global mega-events. Lasting six months, World Expos attract millions of visitors who explore and discover pavilions, exhibits and cultural events staged by hundreds of participants including nations, international organizations and businesses.

Dubai's World Expo is held under the theme of Connecting Minds, Creating the Future, echoing the powerful spirit of partnership and co-operation that has driven the UAE's success in pioneering new paths of development and innovation. Through this theme, Expo 2020

Dubai will serve as a catalyst, connecting minds from around the world and inspiring participants to mobilise around shared challenges, during a World Expo of unprecedented global scope, under the sub-themes of: Mobility, Sustainability & Opportunity.

Expo 2020 Dubai is expected to attract 25 million visits, 70 per cent of which will be from overseas. This will be the first Expo in which the majority of visitors stem from beyond a nation's borders. Running from 20 October 2020 through 10 April 2021, the Expo will launch the country's Golden Jubilee celebrations and serve as a springboard from which to inaugurate a progressive and sustainable vision for the coming decades.



## Theme

Each Expo carries a central theme, the guiding principle of which is to be of “universal concern to all of humanity”.

At Expo 2020 Dubai, our theme is ‘Connecting Minds, Creating the Future’. The overall theme recognises that generating sustainable solutions to global problems demands collaboration across cultures and regions whilst the subthemes of Opportunity, Mobility and Sustainability define the principal drivers of progress.

Dubai’s Arabic name - Al Wasl - means ‘the connection’, and this is reflected in Dubai’s modern day position as a central hub between East and West. With an anticipated 25 million visits to our Expo, and 70 per cent of visitors predicted to come from overseas, it will be the most globally inclusive event in Expo history.

Expo 2020 Dubai is building upon its theme and using it as a design principle for the event. The theme will be visible in how we engage with participants, create opportunities for the public and private sector to work together, and how we will strive to make collaboration an essential instrument to deliver an event with the level of quality and impact needed to mark this out as a truly transformative Expo.



To make this possible, Expo 2020 Dubai will explore three sub themes, which have been identified as key drivers of global development.

- **Opportunity** - Unlocking new possibilities for people and communities to become successful contributors to the future
- **Mobility** - Creating smarter and more productive physical and virtual connections
- **Sustainability** - Pursuing our hopes of progress without compromising the needs of future generations

Expo 2020 Dubai aims to gather the global community so that together, we can forge new partnerships and find solutions to these core issues, ultimately leaving behind a strong transformative social and economic legacy across our region and the world.

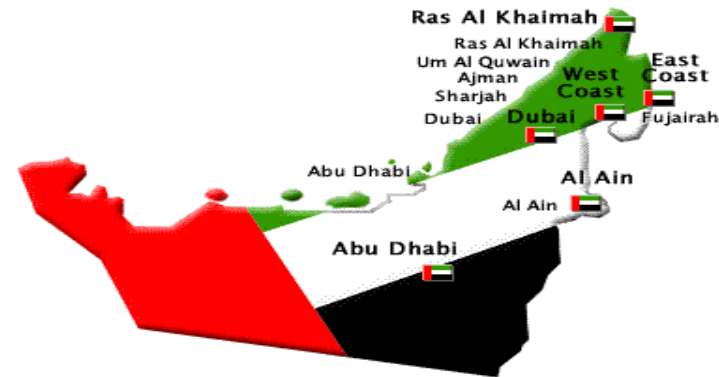
## UAE Profile

The UAE has continued to grow to become one of the largest economies in the Middle East. The country offers endless investment opportunities to local and international investors and attracts trade due to a number of free zones located throughout the Emirate which offer lucrative incentives attracting investment. Currently there are over 20 free zones in the UAE which offer differing benefits throughout the region allowing investors to choose the favorable option for their needs.

### Geographical Location

The UAE is a federation of seven emirates, the constituent emirates are Abu Dhabi, Dubai, Sharjah, Ajman, Ras al-Khaimah, Fujairah, and Umm al-Quwain. The capital is Abu Dhabi, which is also the state's center of commercial and cultural activities. Dubai is seen as the most attractive emirate for business.

The UAE is located on the Eastern coast of the Arabian Peninsula. It is within close proximity to Oman, Saudi Arabia and Qatar. It is located within the northern approach to the Strait of Hormuz, a pivotal point for world crude oil.



The total area of the UAE is approximately 77,700 square kilometers, Abu Dhabi being the largest emirate and Ajman being the smallest.

Petroleum and natural gas are two of the predominant natural resources which encourage investment and trade. The UAE has close transport links internationally, with airports located in Abu Dhabi, Dubai and Sharjah. Dubai Airport serves as one of the major international hubs in the Middle East, which allows it to contribute to the economy with current figures showing that it “supports over 250,000 jobs in Dubai and contributes over US\$22 billion, which represents around 19% of total employment in Dubai, and 28% of Dubai’s GDP”. The aviation industry continues to grow, with expected figures in 2020 showing a significant increase to this industry.



### Population

The population of the UAE is 8.1 million according to United Nations statistics. The region has a high migration rate and has one of the world's largest growing populations specifically due to the migration. The region has a large expatriate community who come from the United States, India, Pakistan and the United Kingdom to name a few. This has supported the UAE in ensuring the highest skilled workforce is available to support the local community to continue strengthening the economy.

### Language

The native language of the UAE is Arabic which is widely spoken by the local community. English is the second language of the UAE, however due to the high levels of migration the region also benefits from a diverse language skill set with the following languages spoken across the UAE; Urdu, Hindi, Persian, Pashto, Malayalam, Bengali, Tamil, Balochi, Russian, Tagalog and Mandarin Chinese.

### Climate

Due to the UAE being mainly located on prior desert land, it lies in the arid tropical zone. The climate is characterized by high temperatures and humidity in summer with the temperature reaching above 50 degrees celsius. During the winter months, the region has irregular rainfall with the annual average rarely exceeding no more than 10 inches.

### Currency

The currency for the UAE is Dirhams, the currency abbreviation is AED. There are a number of international banks located within the region which makes foreign currency exchange easily accessible.

### Business hours/time zone

The working week in the UAE is Sunday to Thursday with Friday and Saturday being the national weekend. The time zone is +4hrs GMT which allows the UAE to continue to respond to international business needs throughout the world, with many seeing the region as the MENA business hub.

### Government

The UAE is a constitutional federation of seven emirates; Abu Dhabi, Dubai, Sharjah, Ajman, Umm al-Qaiwain, Ras Al Khaimah and Fujairah. The federation was formally established in December of 1971. The term of elected office for the Vice President is five years, with the current Vice President of the UAE being Sheikh Mohammed bin Rashid Al Maktoum. The UAEs political system, which is a unique combination of the traditional and the modern, has underpinned this political success, enabling the country to develop a modern administrative structure, whilst ensuring that traditions are maintained, adapted and preserved.

### Investment and business opportunities

There are many options open to international companies seeking to establish a business in the UAE. Apart from forming a trading relationship through commercial agencies, for many companies there are distinct advantages in having an on-the-spot presence. This makes it easier to research market prospects, make contacts, liaise with customers and see through the details of any transactions.

### Direct trade

International companies wanting to trade directly with the UAE by supplying goods and services from abroad should appoint a commercial agent who is already established in the market. The agent must be a UAE National, or a company solely owned by a UAE National. The foreign principal and the agent in the UAE are required to enter into a commercial agency agreement specifying the products and the territories to be covered by the contract. They should also comply with the relevant provisions of the Federal Commercial Agency Law and the procedures and conditions prescribed therein. It should be noted that a commercial agent can not carry out activities in the UAE unless the name is entered in the Commercial Agency Register maintained at the Ministry of Economy and Commerce.

The economy in the UAE has continued to grow throughout the years and has overcome the economic downturn rapidly. It has increased by more than six fold over the past 26 years to become the fourth largest economy in the Arab world. Recent years has witnessed the emergence of pioneer industries in view of the advantages and incentives granted to investors along with the simplicity of procedures for practicing businesses in the UAE. The UAE economy rose by 20.8% in 2012 to \$360 billion supported by diverse sector strength, ranking it third in the Middle East and 30th in the world.

The UAE offers lucrative investment incentives and opportunities to local and international investors which are not as widely accessible internationally.

Significant among these are no corporate or income tax, no personal income tax, no foreign exchange controls, 100% repatriation of capital and profits, amongst many other benefits which attract foreign investors to the region.

### Abu Dhabi

Abu Dhabi is the capital of the UAE and is ruled by Khalifa bin Zayed Al Nahyan, who also is the president of the UAE. It has a population of over one million people of whom 80% are expatriates.

One of the worlds largest producers of oil, Abu Dhabi has actively attempted to diversify its economy in recent years through investments in financial services and tourism. Abu Dhabi has adopted rapid industrialization as a strategic option with a view to diversify the income. As a result the share of GDP of the non-oil sector, mainly the industrial sector has steadily increased.

The Government has continued to increase investments in the emirate, besides steps to attract foreign direct investments. With privatization as the key work in the economic development, the Government and the Abu Dhabi Chamber of Commerce and Industry have been making strenuous efforts to attract private capital. This has increased the tempo of the industrial activity and production in the emirate.

### Dubai

Oil has played a progressively diminishing role in the Emirates. In 1985, the oil sector contributed to just under half of Dubai's GDP, in 1993 that figure had fallen to 24% and by 2007 to less than 6%. It has been predicted that by 2015, oil revenues are expected to account for less than 1% of Dubai's GDP.

Investment in the UAE reflects the continued growth of the region post the economic downturn experienced around the world. The UAE GDP per capita is currently third in the world and second in the Middle East after Qatar and Kuwait, the UAE has almost US\$ 1 trillion in foreign invested assets.

Economic restructuring has been underpinned by efforts to strengthen the business climate, boost investment and foster the emergence of a more vibrant private sector which continues to ensure that Dubai is seen as the emerging leader in re-export, following the likes of Hong Kong and Singapore.

The UAE has no personal income, corporate or withholding taxes. The country is characterised by an almost complete absence of taxation.

### Bank and Petroleum Taxes

With the exception of banks and oil companies no corporate income tax is payable by businesses in the UAE. Oil companies' pay up to 55% tax on UAE sourced taxable income whereas foreign banks pay 20% tax on taxable income generated in the Emirate. The taxable income of

banks is as per the audited financial statements whereas that of oil companies is as per the concession agreement. Oil companies also pay royalties on production.

### Customs Tax

Imports into the UAE can only be undertaken by those importers who have the appropriate trade license. Import duties have been largely standardised at 5%, but there are many exemptions, including food, building materials, medical products and any item destined for a free zone. Cigarettes are the exception to the general rule with the federal government approving 100% tax. A 50% tax is levied on alcohol.

### Free Trade Agreements

The UAE is under an agreement with the GCC (Gulf Cooperation Council) and therefore required to levy 10% duty on all luxury goods. By law, approximately 70 goods have been exempted from tariffs, including medicines, agricultural machinery, un-worked silver and gold, iron and steel for use in construction, and raw or partially worked materials for use by local manufacturers. Goods produced within the GCC are also exempt from duties as are goods destined for a Free Zone.



### Municipality Taxes

Municipality service charges are levied on individuals living and working in the UAE. Service charge percentages vary among the emirates. A service charge of five to ten per cent is charged on food purchased in restaurants. Furthermore, hotels charge a ten to fifteen per cent service charge per night on room rates. These charges are usually included in the customer's bill, which the municipality will collect from restaurants and hotels.

### UAE Free Zone Taxes

Free Zones contain financial incentives to establish manufacturing industries in the UAE. These are primarily focused on exemption from all taxes and duties levied on profits or production.

The major incentives offered by the UAE Free Trade Zones are:

- 100% foreign ownership with 100% repatriation of capital and profits.
- No corporate taxes for 50 years
- No personal income taxes.
- Exemptions from customs duties.
- Absence of currency restrictions.

One of the important aspects of doing business in the UAE is the legal structure. In the past, each Emirate followed its own procedures governing the operations of foreign business interests. Since 1984, steps have been taken to introduce a

codified companies' law applicable throughout the UAE. Federal Law No. 8 of 1984, as amended by Federal Law No.13 of 1988 – the "Commercial Companies Law" – and its by-laws have been issued.

The Commercial Companies Law also defines several categories of legal entities which can be established in the UAE. It sets out the requirements for companies in terms of shareholders, directors, minimum capital levels and incorporation procedures. It further lays down provisions governing conversions, merger and dissolution of companies.

### Licenses

The basic requirement for all business activity in the UAE is to secure one of the following three categories of licenses:

- Commercial licenses covering all kinds of trading activity;
- Industrial licenses for establishing industrial or manufacturing activity.
- Professional licenses covering professions, services, craftsmen and artisans;

These licenses are issued by the Department of Economic Development with the exception of licenses for hotels and other tourism related businesses which are issued by the Department of Tourism and Commerce Marketing. However, licenses for some categories of business require prior approval from certain ministries and other authorities, such as:

- Banks, financial institutions and financial service providers - from the Central Bank of the UAE;
- Manufacturing companies - from Ministry of Finance and Industry;
- Pharmaceutical and medical products - from the Ministry of Health;

More detailed procedures apply to businesses engaged in oil or gas production and related industries. In general, all commercial and industrial businesses in the UAE should be registered with the Chamber of Commerce and Industry.

### Legal Structure

Some of the important legal entities, permitted to be registered under the Commercial Companies Law, are broadly characterized as under:

### Limited Liability Company

A Limited Liability Company can be formed by a minimum of two and a maximum of fifty shareholders whose liability is limited to their shares in the company's capital. At least 51% of the share capital of the company should be owned by UAE National(s). Such companies are recognized as offering a suitable structure for foreign individuals or organisations interested in developing a long term relationship with the local business community.

In the UAE, there is no minimum capital required (to be contributed in cash or in kind) for the Limited Liability Company engaged in business activity other than general trading. Although the maximum foreign equity participation in a Limited Liability Company is 49%. Profits can be distributed in different proportions as agreed by the promoters/shareholders of the company. With the approval of the UAE National Shareholder(s), the entire business operations of the company may be entrusted to the foreign shareholder(s). The foreign shareholder(s) can, therefore, claim a higher share of profit in case such shareholder(s) provides exclusive management and/or any special services or facilities to the company. As far as the protection of the minority shareholder(s) interest is concerned, this can be done by way of shareholders resolutions and certain related security documents.

In case the UAE national partner is not practical and only acts as the companies local sponsor for annual fee. Supplement agreement will be signed by each parties to ensure and the rights and obligations for both.

Although the rules and regulations for establishing Limited Liability Companies are generally similar in all the seven Emirates of UAE.

### Branches and Representative Offices of Foreign Companies

Foreign countries may not practice its main business in the state, and may not establish branches unless licensed to do that by the Ministry of Economy after obtaining the approval of the concerned authorities, which license shall specify the business it is licensed to practice, provided that such license may not be issued unless the company has a national agent.

The obligations of the agent towards his company and third parties shall be limited to rendering the services required for the company without holding any responsibility or financial commitment in respect of his company's branch or office business or activity inside the Emirate or abroad.

The representatives offices and branches of the foreign companies shall be the headquarters of its business and its business shall be subject to the provisions of the UAE law.

The main difference between a branch office and a representative office is that a branch office may exercise freely the activities for which it is licensed whereas a representative office may practice only promotional business for the products and services provided by the parent company.

The branch name and activity should be the same of the parent company in the country of origin. The foreign companies and its branches shall have an independent budget, independent profit /loss accounts, and shall have an auditor.

If the foreign companies or its branches practiced their business inside the state without carrying out the above mentioned provisions, the persons practicing such business shall be personally and severally responsible for that.

### Professional Firm

Under the local laws of the various Emirates, foreign nationals are permitted to open a Professional firm in their own name or in partnership with UAE Nationals or foreign nationals to practice a vocation or a profession such as legal consultancy, IT services, accountancy, management consultancy and other similar services. Such establishments can, as per current regulations, be 100% foreign owned and do not require a UAE National as a partner.

However, it may be noted that for carrying out certain specific professional activities, it is necessary to comply with the related laws and regulations which include obtaining prior approvals from the concerned Government and Local Authorities and appointing a UAE National as a Partner or Service Agent.

## Dubai International Finance Centre

The Dubai International Finance Centre more commonly known as DIFC houses some of the largest financial services, banking, legal and accountancy firms in the world. It was developed and resembles the financial hubs in New York, London and Hong Kong. Its primary aim is to serve the vast region of the Middle East, North Africa and South East Asia, which allows many to believe that Dubai is soon to become the MENA business hub of the world.

The DIFC focuses on several sectors within the financial industry such as banking services, capital markets, asset management and fund registration, insurance and reinsurance, Islamic finance, business processing operations and ancillary services.

The Dubai International Finance Centre was established to create a regional capital market, offering investors and issuers of capital world class regulations and standards. The hallmarks are integrity, transparency and efficiency.

The DIFC offers organisations that reside there a highly attractive investment environment including:

- 100% foreign ownership



- 0% tax rate on income and profits
- Wide network of double taxation treaties available to UAE incorporated entities
- No restrictions on foreign exchange or capital/profit repatriation
- Transparent operating environment with high standards of rules and regulations
- Strict supervision and enforcement on money laundering laws
- State of the art infrastructure, data protection/security

However, unlike 'offshore' tax havens, DIFC is a fully fledged 'onshore' capital market, comparable to Hong Kong, London and New York.

### The Dubai Financial Services Authority (DFSA)

As the independent regulator of financial and ancillary services undertaken in or from the DIFC, the DFSA licenses, authorises and registers businesses and individuals who wish to conduct these services in the Centre; supervises their activities and will enforce the law where necessary.





## UAE Free Zones

The introduction of Free Zones has transformed the economic market of the UAE within the last 20 years, bringing about tremendous change in the industrial scene of this young nation. The pioneer in the Free Zone Empire in the UAE is Jebel Ali Free Zone, which was started in Dubai on 9th February, 1985. Jebel Ali Free Zone being the first Free Zone in the country has created the benchmark for regulations and incentives. Its rapid growth has also provided a powerful economic inspiration to the other Emirates, which have set up their own Free Zones to attract investment. Success of any viable Free Zone largely depends on quality of service and facilities it offers and the UAE is a brilliant example of this hypothesis. With the number of Free Zones increasing, their impact on the UAE economy has deepened.

The primary UAE Free Zones are listed hereunder and each provide differing incentives which can be found in the appendices:

1. Jebel Ali Free Zone, Dubai (JAFZA)
2. Dubai Airport Free Zone (DAFZA)
3. Dubai Multi Commodities Centre & Jumerah Lake Towers (DMCC & JLT)
4. Dubai Internet City (DIC)
5. Dubai Media City (DMC)
6. Dubai Healthcare City
7. Dubai Studio City (DSC)
8. Dubai International Academic City (DIAC)
9. Dubai knowledge village (DKV)
10. International Media Production Zone (DMPZ)
11. Dubai Biotechnology & Research Park ( DuBiotech)
12. Dubai Outsourcing Zone (DOZ)
13. Dubai World Central (Dubai Logistics City)
14. Dubai Gold & Diamond Park,(DGDP)
15. Sharjah Airport International Free Zone (SAIF Zone)



16. Hamriyah Free Zone, Sharjah (HFZ)
17. Ras Al Khaimah Free Zone (RAK)
18. Saadiyat Free Trade Zone
19. Abu Dhabi Airport FZ
20. Twofour54 – Abu Dhabi
21. MASDAR City – Abu Dhabi
22. Khalifa Industrial Zone (Kizad) - Abu Dhabi

## About Quantum Al Badi

### Here to help you grow...

We are a progressive and forward thinking accounting firm, working on the ethos that clients want a service that is both innovative and value for money. We are based in central Abu Dhabi's business hub with offices in Dubai, Al Ain and RAK.

### What about Us

We're really good at is taking a problem and finding a solution that covers all the angles and suits your needs, not ours. We combine real strength in advising businesses at all stages of their development with an intimate private client relationship and family office service. Our partners come from big 4 firms backgrounds and thrive on being able to apply their knowledge and skills in an agile and entrepreneurial environment without the constraints and distractions of the hierarchy of big 4 firms. We are totally focused on clients and helping them to achieve their objectives and ambitions.



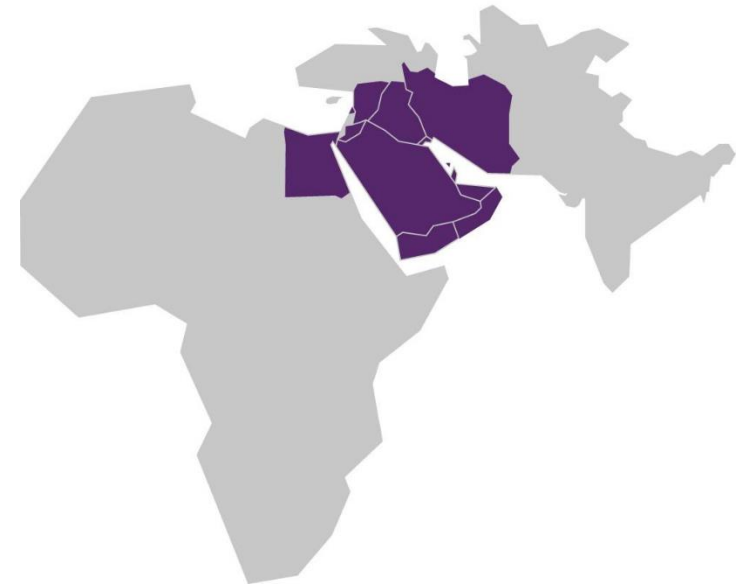
## Quantum Al Badi (QA) MENA

The extensive local and regional knowledge gained through the years has supported the development of the firm's reputation for providing a distinctive client service to its local, national and international client base.

The firm adopts best in class international tools, methodologies and independence/ risk management standards across all service lines in order to ensure the service provided is to the highest technical, professional and ethical standards for the benefit of all our clients.

QA combines the international reach, depth and expertise of the larger firms with the personal attention, value for money and relationship approach of the smaller firms. This service focus has made us the leading firm in each of our chosen markets, and the business advisers of choice to dynamic businesses.

Our extensive Middle East and North Africa reach provides us with access to large number of professional employees, spread across the multiple offices.



## International Associations

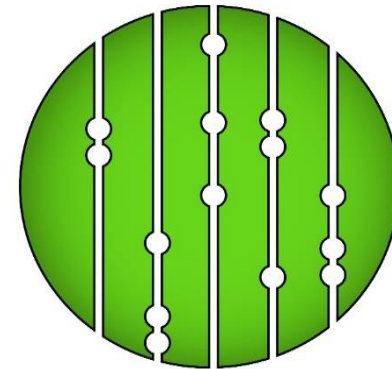
**Abacus Worldwide independent member firms offer a wide range of services some of which include:**

- Audit/Business Assurance and Tax Compliance Services
- Business Management and Consulting Services
- Financial Planning, Litigation Support and M&A Services
- Commercial, Real Estate and Tax Law, Insolvency
- Trademark and Intellectual Property

Proactive teams, led by approachable partners in these firms, use insights, experience and instinct to solve complex issues for privately owned, publicly listed and public sector clients. Our member firms are well versed with delivering a consistent and distinctive client service across borders, which ensures a seamless service for multi-national organisations.

These firms help dynamic organisations unlock their potential for growth by providing meaningful, actionable advice through a broad range of services.

INDEPENDENT MEMBER OF



ABACUS  
WORLDWIDE

Quantum Al Badi Chartered Accountants is an active member of Abacus Worldwide as the newest MENA (Middle East and Africa) region member firm of Abacus Worldwide, a progressive international association of independent accounting, consulting and legal firms.

Through membership in Abacus Worldwide, Quantum Al Badi Chartered Accountants strongly enhances its ability to provide assistance, referrals and increased knowledge to clients with international business needs. In addition, clients of the firm will benefit directly from the relationships and resources that are exchanged between member firms of Abacus Worldwide. Similarly, Quantum Al Badi Chartered Accountants will provide other Abacus members with access to the firm's expertise in the Government and Public Sector, and Retail/Consumer, Real Estate, Healthcare and Technology industries, and to their vast knowledge of the MENA (Middle East and Africa) market.

### Abacus Worldwide

Abacus Worldwide is an international association of independent accounting, consulting and legal firms focused on connecting like-minded quality firms for the sole purpose of providing member firms with the knowledge and resources they need to grow in today's multifaceted business environment. Abacus Worldwide aims to offer a cost effective and convenient resource to growing firms.

Their goal is to assist member firms in meeting client needs locally and internationally by fostering corporations with the right firms in the right locations.

For more information about Quantum Al Badi Chartered Accountant, visit the firm website at [www.qaca.ae](http://www.qaca.ae). For more information about Abacus Worldwide, visit the association website at [www.abacusworldwide.org](http://www.abacusworldwide.org).

