

# Starting a Business, An Introduction



## **STEPS TO OBTAIN A COMMERCIAL LICENSE**

### **1. TYPES OF COMMERCIAL LICENSE**

- Commercial license is for companies that work in trade or have a private commercial activity.
- Industrial license is issued in the event of a desire to establish an industrial activity or is specific to companies that work in manufacturing and production.
- Professional license for workers in craft professions and services.
- Tourism license is issued for companies that work in tourism or hospitality in the Emirates.
- Free zone licenses.

### **2. STEPS FOR OBTAINING A LICENSE**

To issue a commercial license of various types, the following steps must be followed:

- The applicant must specify the economic activity of the company in order to know the legal form of the work, and to know which of the activities will be carried out, and even if the company operates in many activities, the license is commercial.
- Determining the partners and the legal form is an important step in issuing a commercial license.
- Reserving the trade name is the most important step so that there is no suspicion and that it is specific to the commercial activity, then the payment authorization and transaction number are issued and used when paying, and it is also possible to pay fees through electronic services or in cash or by using a credit card or an acceptable check.
- Receiving the initial approval certificate is one of the most important documents that must be issued by the Department of Economic Development in Dubai, which proves that there is no refusal to establish the company.
- The applicant must confirm the legal form of the institution by signing the founding contracts or concluding various agreements.
- The company's location must be known through the documents and contracts provided by the Ejari website, and the papers must be brought from the Real Estate Regulatory Authority.
- There are some commercial activities that require some special approvals from different security authorities and must be attached to the commercial license application papers.
- The applicant receives the license through the electronic services of the Department of Economic Development or one of the happiness centres spread across the Emirates.

### **3. DOCUMENTS REQUIRED FOR THE INITIAL APPROVAL CERTIFICATE**

The initial approval certificate is one of the most important documents that must be attached to the papers required to issue a commercial license in Dubai. There are some documents that must be available to issue this certificate, which are as follows:

- The commercial license application form.
- A copy of the applicant's passport or valid ID.
- A copy of the residence or visit visa for residents and those belonging to the Gulf Cooperation Council countries.
- A letter stating that the sponsor has no objection to the resident from other countries.
- The company's articles of association must be submitted.
- A comprehensive feasibility study of the commercial activity.
- The decision submitted by the company's board of directors to open the new headquarters in Dubai.
- A letter of authorization from the facility's manager.
- A copy of the original commercial register of the company.
- A copy of the company's articles of association.
- A copy of the company's basic license.
- After submitting the documents for the initial approval, a payment authorization and the number allocated to the transaction will be issued, and it will be used when paying the fees.

### **4. PROCEDURE COMMERCIAL LICENSE FEES (IN DUBAI)**

4.1 Commercial license fees vary according to the type of license and the nationality of the partners.

These are the various fee names:

- License registration fees
- Knowledge Dirham fees
- Innovation Dirham fees
- Trade name advertisements
- Service request form
- Foreign trade name fees
- General trade activity fees
- Investment activity fees
- Business centre fees
- Construction contracting activity fees
- Trader license

- Home based business (Intelmaq)

#### 4.2 TYPICAL ESTABLISHMENT CONTRACTS /SERVICE AGENT CONTRACT FEES

- For each party's signature to authenticate the signatures of the document whose value does not exceed AED 100,000.
- 0.5% of the value of the document and a maximum of AED 15,000 to authenticate the signatures of the document whose value exceeds AED 100,000.
- A fee to postpone the completion of the transaction after its registration, upon the request of the parties concerned on the next day.
- A fee for the signature of one of the parties to the document at a different service centre.
- A fee for each party's electronic signature on the document.

#### 4.3 FEE PAYMENT CHANNELS

##### Direct Debit

- Dubai Islamic Bank
- Dubai Commercial Bank
- Emirates Islamic Bank

##### Cash and Cheque Payment

- Afaq Islamic Finance
- Noor Islamic Bank
- Dubai Commercial Bank
- Emirates Islamic Bank

### 5. How to register a trademark in Dubai One of the important systems that must have laws and protection is trademarks

The UAE has set conditions for registering a trademark in all the Emirates. Before starting to talk about how and the conditions for registering a trademark in Dubai, it is necessary to know the nature of the trademark, as it is what distinguishes the product from others or its counterpart in the market, with the aim of protecting the rights of the merchant from others using his trademark and protecting the consumer from mixing between products of all kinds. In this article, we will provide you with all the details related to registering trademarks.

## **REGISTER A TRADEMARK IN DUBAI**

Due to the development and widespread spread of businesses, there has become a need to create systems and laws that work to protect these brands, with the aim of regulating legitimate commercial competition and ensuring the rights and duties of project owners. The most important thing stipulated by the law is the necessity of registering a trademark with the Ministry of Economy, which is the government agency responsible for registration, or seeking assistance from one of the trademark registration offices in the Emirates.

### **5.1 Trademark Registration Procedures**

Please follow the following steps and procedures to register your trademarks:

- Visit the official website of the Ministry of Economy in the UAE “[www.economy.ae](http://www.economy.ae)” and submit the application.
- The application will be transferred to the relevant department and the applicant will be notified of the decision within 30 days from the date of submission.
- After the application is accepted, its owner will publish an advertisement in two local newspapers issued in Arabic at his own expense for one day only.
- Publishing in the Trademark Bulletin issued at the end of the month.
- After completing the above steps, there will be an objection period, where the trademark must be registered within 30 days from the last advertisement for the trademark.
- The trademark must be registered within 30 days after the expiry of the objection period.
- If registration is not completed within the specified period, late fees will be imposed, the value of which is:
  - Late payment fine for paying trademark publication fees
  - annually and the entire part of the month is calculated
  - For paying trademark registration fees
  - the full part of the month is calculated.

### **5.2 Documents required when registering trademarks**

- Trade license
- Legal agency

### 5.3 Trademark registration fees in Dubai

The trademark registration fees in Dubai are determined according to the value of the invoice.

### 5.4 Terms and Conditions for Registering a Trademark in Dubai

When submitting a trademark registration application in Dubai, the trademark must be distinctive and not similar to any trademark that has been approved or has been submitted for approval, with no specific form required for the trademark, as it may be drawn or written. It is also prohibited to register a commercial brand in the UAE in the following cases:

- Trademarks that do not have any distinctive character or character.
- Marks that violate public morals and order.
- General logos, flags and symbols of any country, international organizations or governments.
- Red Crescent or Red Cross logos and other similar symbols
- Marks similar or similar to symbols of a religious nature
- Geographical names that create a kind of ambiguity about the source or origin of the product
- International medals and medals and coins or paper
- Any translated version of a known or registered trademark that causes confusion to the consumer

### 5.5 Validity of trademark registration in the Emirates

The validity of trademark registration in the Emirates is 10 years from the date of its official registration.

## 6- Guide to establishing businesses in the free zones in Dubai Establishing businesses in the free zones in Dubai4 minutes to read

Dubai is considered the business capital of the country, and it is the first destination that investors and businessmen resort to start their own project or expand their current business. The free zones in Dubai provide a range of advantages for those wishing to open businesses in them, and they all have their own rules, foundations and requirements. Before starting business, you must first determine the type of business and its requirements, then learn about the steps to establish a company in the free zone in Dubai and all the necessary procedures for that, which we will present to you in this article.

## 6.1 Types of Free Zones in Dubai

There are two types of free zones in Dubai, which are:

- Free Zone Company - Limited Liability
- Free Zone Establishment

It is worth noting that the main difference between the two types is in the number of shareholders and their legal status, whether they are natural or legal, and each free zone in Dubai has its own set of rules that are different from others, and therefore business owners must ensure that the company's status is consistent with the legal requirements of the free zone in which they wish to operate, and refer to the authority concerned with managing each free zone individually.

The number of free zones in Dubai is constantly increasing, and here are some of the most popular areas that individuals resort to in order to set up a company in the Dubai Free Zone:

- Dubai Airport Free Zone
- Dubai Design District
- Dubai Healthcare City
- Dubai International Academic City
- Dubai Internet City
- Dubai International Financial Centre
- Dubai Knowledge Park
- Dubai Media City
- Gold and Diamond Park
- Dubai Multi Commodities Centre
- Dubai Silicon Oasis
- Dubai Production City
- Jebel Ali Free Zone Authority
- Dubai South
- Dubai Media Production City
- Dubai Studio City

## 6.2 Advantages of Starting a Business in Dubai Free Zones

You may wonder what a free zone is in Dubai and what are the benefits of starting a business or establishing a company in the free zone in Dubai. It can be defined as economic zones launched by the government to encourage the establishment of companies and the start of economic and commercial businesses, and offers the following advantages:

- Tax exemptions on companies and personal taxes
- Customs benefits and other incentives for foreign investors
- Disposing of full profits without reduction
- Full individual ownership
- No restrictions on cash transactions
- Full exemption from import and export tax

## 6.3 Steps to establish a company in the free zone in Dubai

Establishing a company in the free zone in Dubai requires taking into account some steps and principles.

When starting a business in the free zones in Dubai, a number of legal points and steps must be taken into account, which are:

- Determining the type of activity to obtain a business license
- Determining capital requirements
- Choosing a trade name that complies with the conditions of the economic development departments
- Applying for a commercial license (the type of license you seek to obtain depends on the primary activity of your business)
- Choosing work offices and facilities
- Obtaining initial approvals:
  - Application form to obtain initial approval, the required data must be fulfilled.
  - Business plan.
  - Copy of the existing commercial license/registration certificate (for existing companies, this applies to local companies only).
  - Coloured copies of the passports of the shareholders of the company, and the appointed manager or board member of the new company.



- Signature form for each of the shareholders of the company, and the appointed manager or board member of the new company.
- Audited financial reports on the company's budget for two years, or a reference certificate from the bank of each shareholder.
- No-objection letter from the current sponsor (for individuals).
- Title deed of the real estate unit.
- Letter of intent.
- Form with the commercial registry identification code of the manager/board member (submit the original copy officially notarized by a notary public).

### **Establishment registration**

- Application for registration with full data.
- Board of Directors' decision to appoint a company manager/board member (officially notarized by a notary public and certified).
- Legal agency through which the manager/board member is authorized (officially notarized by a notary public and certified).
- Articles of Association and bylaws of the company (officially notarized by a notary public and certified).
- Signature form Director/Member of Management (officially notarized and certified by a notary public).
- Personal photo of the Director/Member of Management with a white background.
- Information about the Share Capital.

#### **6.4 Types of activities and businesses that can be carried out in free zones**

It is necessary to determine the business activity that you want to carry out, in order to identify the appropriate free zone.

The businesses and commercial activities that can be carried out vary according to the selected free zone. For example, in the Dubai Multi Commodities Centre, you can choose from 600 commercial activities distributed across 20 sectors, such as energy, commodities, gold, diamonds, technology, construction, fast-moving consumer goods, healthcare, aviation and shipping, education, media, professional services, financial, personal and community services.

As for the **Dubai International Financial** Centre, you can carry out financial and non-financial activities, as financial activities include banks, insurance, wealth management, and capital markets, while non-financial activities include retail stores, restaurants, five-star hotels, art galleries and academic institutes.

#### 6.5 **Cost of a Business License in Dubai Free Zone**

Each free zone in Dubai has its own set of capital rules. For example, you can set up a free zone establishment (FZE) in Dubai Airport Free Zone with a minimum capital requirement of AED 1,000. In Dubai Multi Commodities Centre, business set-up packages are offered to suit your budget. There is the Jump Start package, which is ideal for start-ups, SMEs and entrepreneurs, and is worth AED 43,620,000. The Prime Plus package, which is designed for medium and large companies, is worth AED 75,880,000. Therefore, the money required to start a business in Dubai free zones depends on the area and field chosen.