

100% FOREIGN OWNERSHIP - 10 YEAR RESIDENCY IN THE UAE

UAE's game-changing investment law aims to allow up to 100% ownership to foreign investors in some specific onshore business sectors. It is expected to prop up private and foreign direct investments when it will be finally introduced in the last quarter of this year. The new rule was approved at the Cabinet meeting chaired by His Highness Sheikh Mohammad Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai at the Presidential Palace in Abu Dhabi.

Sultan bin Saeed Al Mansouri, Minister of Economy, noted that the law will increase the allowed percentage of foreign ownership of local investment projects, up to 100% in certain specified sectors, based on key standards that include a project's level of integration with the country's strategic and development plans and the size of invested foreign capital, as well as its potential to realise added value, support the country's human resources and advance its technological development, and its compliance with the principles of environmental protection and the green economy.

Presently, foreigners can fully own a company if it's located in a free zone. The changes, which also include offering some foreigners long-term residency permits, will take effect by the end of this year. The law, eagerly awaited by the business community is expected to change not only the investment landscape of the UAE, but also create significant growth opportunities by attracting more foreign direct investments, especially into the non-oil sectors.

The UAE's Ministry of Economy, which will coordinate the implementation of the new rules, will follow up on its developments with a report due to be submitted to cabinet in Q3 this year - which is when the UAE will enforce the cabinet's decision.

According to the new visa system, investors and professionals in the medical, scientific, research and technical fields along with their families, as well as all scientists and creative people, will get 10 years UAE residence visa.

The new residency system will also grant a 5-years residency visa for students studying the country and a 10-years residency visa for the top achievers.

WHAT THE LAW AIMS TO PROVIDE

- 10-year-residence visa for investors, specialists, doctors, engineers, researchers, scientists, creative people, and their families- other categories yet to be confirmed
- Five-year visa for students in the UAE – 10-year residence visa for top students
- 100 per cent ownership for international investors – segment or industry yet to be confirmed.

WHAT WE WILL KNOW IN THE COMING MONTHS (TENTATIVE THIRD QUARTER OF 2018)

- Final list of categories who will be eligible for 10 years residence visa
- Process to identify top students
- Final list of industry, segment, sectors, etc. eligible for 100% investment
- Effective date of the new law to be officially implemented