

## **STARTING A BUSINESS IN UNITED ARAB EMIRATES**

2023-24 / DCSFZ / RAKIA-1.3 / E-BOOK-1



**“A Day Without Business Services is like a Day Without Sunshine.”**

## **RAS Al Khaimah Investment Authority**

**2023-2024**

**This eBook is designed and published by Devotion Business Services.**

## **RAK Investment Authority**

Ras Al Khaimah Investment Authority (RAKIA) was constituted by Emiri Decree No. (2)/2005 issued by the late Sheikh Saqr Bin Muhammad Al Qasimi in view of reinforcing the investment climate of this member of the United Arab Emirates (UAE) and promoting various economic sectors.<sup>[1]</sup> Its establishment was linked to a World Bank study and investment promotion event in May 2005 ("Invest and Live in Ras Al Khaimah")<sup>[2]</sup> initiated and pursued by the Swiss-Lebanese engineer Khater Massaad who was a long-time adviser to Sheikh Saud Bin Saqr Al-Qasimi, the creator of RAK Ceramics and the longtime CEO of RAKIA.

Sectors under development include industrial parks, education and technology, real estate, transportation, manufacturing and energy, as well as offshore operations and other investments.<sup>[3]</sup> Contrary to popular opinion, RAKIA is not a proper sovereign wealth fund (SWF) that would rely for example on steady income from oil or gas. Instead, RAKIA is an industrial licensing and promotion agency to attract investments into Ras Al-Khaimah.<sup>[4]</sup> The Government of Ras Al Khaimah as the owner of RAKIA raises funds from financial markets and passes this borrowed money on to RAKIA.

## **KEY TAKEAWAYS**

- Ras Al Khaimah Investment Authority was a licensing and promotional organization in the Ras Al Khaimah region of the United Arab Emirates.
- RAKIA promoted the economic development of and investment in the emirate by working with other parties, including international companies.
- The organization was established in 2005 under a royal decree by Sheikh Saqr Bin Muhammad Al Qasimi.
- RAKIA was not a sovereign wealth fund but was loaned money raised by the government through financial markets.
- Authorities merged RAKIA and the Ras Al Khaimah Free Trade Zone in April 2017 to form the RAK Economic Zone.

## **RAKIA Advantages :**

1. 100% foreign owned enterprise
2. 100% repatriation of capital & profits
3. 100% Corporate, personal income tax exemptions
4. Exemption of import & export taxes
5. No foreign exchange control

6. Avoidance of double taxation with many countries
7. Absence of restrictions on hiring of expatriates
8. Liberal labor laws
9. Up to 30 per cent lower cost of doing business than other locations in the region
10. One-Stop -Shop for all investor's needs
11. Well-developed industrial infrastructure
12. Cost Competitiveness & logistics advantage
13. Comprehensive master planning for growth
14. Stable Government and investor friendly policies.

## **Following industries you can setup in RAK Investment Authority**

We covers all the following industries, even if your industry not in list you can consult with us we can help you setup.

1. **Not Sure? Let's help you**
2. E-commerce
3. Insurance
4. Non-profit

5. Accounting & Auditing Firm
6. Educational Institution
7. Law Firm
8. Oil & Gas
9. Agriculture & Fishing
10. Events Organizing
11. Manufacturing
12. Real Estate
13. Cargo & Freight-forwarding
14. Financial Institution
15. Media & Entertainment
16. Technical Services
17. Construction / Contracting
18. General Trading
19. Money Exchange
20. Tourism & Hospitality
21. Consulting
22. Health Care
23. NGO
24. **Other**

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## **Business Setup Requirements & Procedure**

### **Requirements for RAKIA free zone company registration**

1. Proof of tradename reservation (our firm's task)
2. Proof of initial approval for the activities (our firm's task)
3. Passport copies of the shareholders
4. Passport copy and CV (resume) of the manager
5. Personal information sheet of each shareholder and manager (template will be forwarded by our firm)
6. Lease agreement (documents)—having a physical address for your business/office is mandatory in the UAE. The rent on average within the free zone area is USD 25 up to USD 45 per sq. ft. (USD 225 up to USD 400 per sq. m.). Our firm can assist you while searching for your physical address. You can learn more about leasing and rental cost here. (This item will be required only after we obtain the initial approval from the authority.)
7. Notarized and attested Power of Attorney appointing our firm as your legal representative, so that we can act on your behalf and/or on behalf of the shareholders (template will be forwarded by our firm).
8. There are some activities which might require third-party/authority pre-approval—accordingly, additional cost and professional fees might be applicable.

9. Also during the process, the authorities might require a few other documents

### **Additional Documents Required for a Corporate Shareholder**

- Attested and notarized Memorandum of Association/Article of Association—it must be attested from the UAE Embassy at the place of origin
- Board resolution must be resolute by the board of directors of your existing company/entity at the place of origin expressing the intent of establishing a new setup abroad. It must be attested and notarized by the UAE Embassy (template will be forwarded by our firm).
- Certificate of registration (if applicable) of your existing company/entity, license, or certificate of incorporation must be attested and notarized by the UAE Embassy