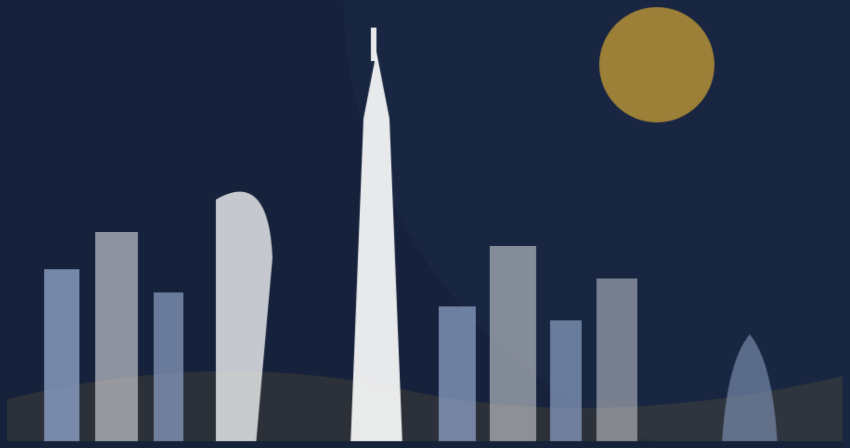
UAE COMPANY SETUP, BANKING & COMPLIANCE

A Practical Guide for Indian Businesses & Advisors



WHAT WE WILL COVER

- Decision Tree & Free Zone Selection
- Company Setup Process
- Corporate Tax & VAT
- Transfer Pricing
- Mainland vs Free Zone / Emirates
- Visa, Insurance & Banking
- E-Invoicing & Compliance
- Liquidation

About the Speaker

PREETI BHATNAGAR

CIA (US) | CPA (US)

Speaker Profile

- Dual-qualified professional: Certified Internal Auditor (US) and Certified Public Accountant (US)
- Advises Indian businesses and their CAs on UAE market-entry, structuring, and banking strategy
- Specialist focus on UAE Corporate Tax, transfer pricing readiness, audit, VAT, E-Invoicing and regulatory compliances with approx. 20 years of experience
- Founder partner of Strat Merdian Consulting FZCO Dubai and associated with MAATS Auditors LLC Dubai also.

Provides international tax advisory, tax return preparation and audit support across the US, UK, Canada, Australia, Singapore and other jurisdictions through Strat Meridian's global network.

Why Are Indian Businesses Expanding to UAE?

Global Location

Tax Efficient

International Banking

Fast Company Formation

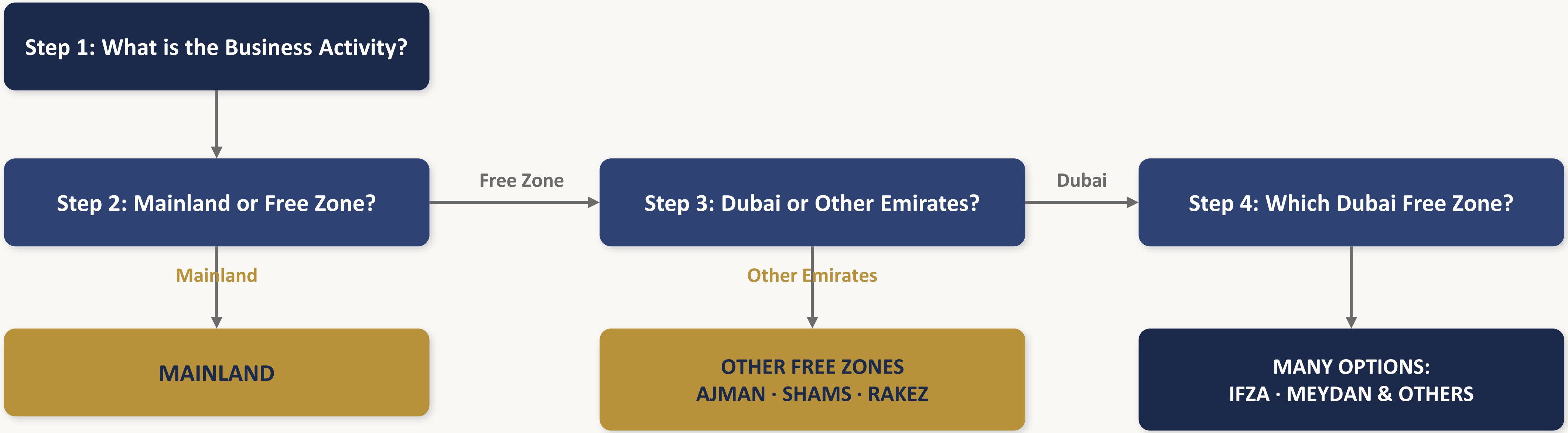
India-UAE Trade Corridor

Business Friendly Environment

3.5M+	$100B+	0%	40+
Indians call UAE home — the largest expat community	India–UAE bilateral trade under CEPA (FY 2025–26)	Personal income tax for individuals	Free Zones spread across all 7 Emirates

UAE is no longer only a trading hub — it is increasingly used as a regional headquarters and investment platform.

Decision Tree: Where Should You Set Up?



Choose the business activity first — the right jurisdiction follows from it.

Mainland vs Free Zone & Choosing the Right Emirate

Criteria	Mainland	Free Zone
Cost	Higher	Lower
Office	Usually required	Flexi-desk available
Setup speed	Medium	Fast
Suitable for	UAE operations	Regional / intl. business / High Sea Sale
Popular activities	Retail, contracting, audit firm	Trading, consulting, IT

DUBAI, Abu Dhabi

Premium brand & ecosystem; higher setup & office cost

SHARJAH · AJMAN · RAK ·

Lower setup cost; similar tax treatment; suited to startups & SMEs

Key Message:
Choose the activity first, not the jurisdiction.
Practical Advice: If physical presence is not critical, consider non-Dubai Free Zones for significant cost savings.

Visa, Insurance & Banking Considerations

UAE Residence Visa

- ✓ Residency status & access to banking
- ✓ Family sponsorship possible
- ✓ Easier business operations
- ✓ UAE-resident GM recommended for smoother banking

Medical Insurance

Free Zone	Requirement
SHAMS	Mandatory
Others	Recommended

Banks Focus On

- ✓ Business activity
- ✓ Source of funds
- ✓ Shareholder profile
- ✓ UAE connection
- ✓ Expected turnover

Common Documents Required

- ✓ Passport
- ✓ Address proof (India Aadhaar is generally not accepted)
- ✓ Business profile
- ✓ Source of wealth

Key Message: Banking approval is often more challenging than company incorporation.

Company Setup Process — 4-Step SOP

STEP 1

Client Info & Requirement Assessment

- ✓ Business activity (most critical)
- ✓ No. of visas required
- ✓ Mainland vs Free Zone & Emirate
- ✓ Office type; GM (UAE-resident preferred)

STEP 2

Documents, AML & Structuring

- ✓ KYC docs: passport, Emirates ID/visa, address proof
- ✓ AML screening completed before accepting any funds
- ✓ Share capital
- ✓ GM & Secretary structuring (one person may hold both)

STEP 3

Name Reservation & Initial Approval

- ✓ 3 –5 trade name options submitted
- ✓ Authority confirms activity & structure
- ✓ MOA drafted & signed
- ✓ Initial approval obtained

STEP 4

Incorporation & Bank Account

- ✓ Portal submission + UBO declaration (>20%)
- ✓ Payment to authority after approval
- ✓ License & Establishment Card issued
- ✓ Bank account opening (GM helps approval)

Typical Timeline: License can issue in 1–3 days from form completion; overall process generally takes 1–2 weeks

Compliance Snapshot & Key UAE Thresholds

E-Invoicing – Phased Rollout

Begin ASP onboarding & readiness planning ahead of mandatory dates

Stage	Turnover	ASP Selection Due Date	Mandatory From
Pilot (voluntary)	Any business	Not applicable (voluntary)	1 Jul 2026
Phase 1	≥ AED 50 Million	**30 Oct 2026**	1 Jan 2027
Phase 2	< AED 50 Million	**31 Mar 2027**	1 Jul 2027

Corporate Tax

Registration, rates & key thresholds

Item	Threshold / Rate
Registration	Mandatory for all Taxable Persons (incl. Free Zone); register within prescribed timeline of incorporation/license
Tax Rates	0% up to AED 375,000; 9% above AED 375,000; 0% on Qualifying Free Zone Income
Small Business Relief	Revenue ≤ AED 3 Million
Local File / Master File	Per UAE TP thresholds
Connected Persons – Salary Benchmarking	Payments > AED 500,000 to an owner/director must be at market value & disclosed

VAT

Item	Threshold
Mandatory Registration	AED 375,000
Voluntary Registration	AED 187,500

Accounting, UBO & Audit: Maintain books, update UBO records; many Free Zones require audited financials before license renewal.

Annual Compliance Checklist

- License Renewal
- Corporate Tax Registration & Return
- VAT Returns (if registered)
- Audited Financials (if required by Free Zone)
- Accounting Records & UBO Updates
- Transfer Pricing Documentation (if applicable)

UAE Transfer Pricing

Applies to all transactions between Related Parties & Connected Persons — must be priced at arm's length (market value), including for Free Zone Persons.

Disclosure Form (TPDF)

- ✓ Related Party Schedule: required if aggregate transactions > AED 40 million; then each category (goods, services, IP, interest, assets, liabilities, other) > AED 4 million disclosed
- ✓ Connected Persons Schedule: required if aggregate payment/benefit to a single Connected Person (incl. related parties) > AED 500,000 — covers owner/director salary & benefits

Master File & Local File

- ✓ Required if Taxable Person's UAE revenue ≥ AED 200 million, or
- ✓ Part of an MNE Group with consolidated global revenue ≥ AED 3.15 billion
- ✓ Must be contemporaneous; producible to the FTA within 30 days of request

Country-by-Country Reporting

- ✓ Applies to MNE Groups with consolidated global revenue ≥ AED 3.15 billion
- ✓ Filed within 12 months of the MNE Group's fiscal year end
- ✓ UAE-resident Ultimate Parent Entity must notify the Ministry of Finance

Deadline & Penalty: The TPDF is filed with the CT Return, due 9 months from the tax period end. Even below the thresholds, all taxable persons (including Free Zone entities) must apply the arm's length principle and keep records to support pricing; incomplete or late disclosure can trigger penalties and FTA scrutiny.

Liquidation Process

PHASE 1 — OPERATIONAL WIND-DOWN

1. Board Resolution →
2. Appoint Liquidator (if required) →
3. Clear Outstanding Liabilities →
4. Cancel Visas →
5. Close Bank Account

PHASE 2 — AUDIT, TAX & REGULATORY CLOSURE

Required by most Free Zone authorities before a license can be formally cancelled.

6. Liquidation Report by UAE-Registered Auditor →
7. Financial Statement Submission →
8. CT Return Filing (Final Period)
9. CT Deregistration →
10. CT Return Filing – Partial Year →
11. License Cancellation by FZ Authority

Important: Closing the license does not automatically close tax, banking, immigration, or regulatory obligations.

Thank You

Questions & Discussion

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