



Relocating & Living in Dubai



Whitmill
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Over recent years, the UAE has increasingly emerged as one of the most popular jurisdictions for the relocation of high net worth individuals (HNWIs), even becoming a preferred alternative to traditional jurisdictions such as the UK, Switzerland, Monaco and Singapore.

With no taxes applied on individuals, straightforward administrative requirements and low processing costs, coupled with political stability, excellent accessibility and sunny weather all year round, the UAE is indeed a very attractive proposal as a residency jurisdiction.

The UAE's position has further been reinforced by the ongoing tax backlash in other hubs – e.g. amended UK regimes pertaining to “non-doms”, first signs of erosion of the Forfeit – fixed single sum tax system in Switzerland as well as plans from various countries to tighten the screw on Europe's low tax onshore and offshore centres.

Why Relocate in the UAE?

- exemption from income tax and wealth tax for individuals
- no quotas on the number of issued residence permits
- no requirement to obtain a fiscal situs from the foreign country
- no minimum requirement regarding time spent annually in the jurisdiction other than visiting the UAE at least once every six months
- no requirement to effectively reside in the UAE
- competitive costs for issuance and renewal of the residence permit
- competitive costs of ongoing substantiation
- presence of internationally recognised financial legal and tax service providers
- primary hub and platform to access international business
- political stability
- pleasant climate

Lifestyle

There is a very low crime rate in the UAE and the country is clean with modern facilities. Foreign newspapers, magazines, films and videos are readily available. There is also a wide range of entertainment available including clubs, cinemas, bars, restaurants, theatres, desert safaris, and there are many sporting facilities and hotels.

Transport

The UAE has a comprehensive road network with driving on the right hand side of the road. Taxis and the Dubai Metro are the main forms of public transport. Visitors may hire a car if they hold an international driving license. Major international car rental companies operate in the UAE.

Education

There are government schools in all the emirates providing free primary and secondary education to UAE nationals. There are private foreign schools offering the academic curriculum of the UK, the US and other countries such as Italy, Japan, Iran, France, Germany, India

and Pakistan as well as the international baccalaureate.

Medical services

The department of health and medical service provides medical care to all UAE nationals, visitors and resident expatriates. The department issues health cards to individuals that entitle them to subsidised consultation and free medicines. Fees on medical examination by consultants in hospitals are less for health card holders than for non-card holders while UAE nationals who hold health cards are exempt from these charges.

Working hours

Normal hours of work are eight hours a day.

Relocation to Dubai described as “new Switzerland”

Dubai is widely described as the “new Switzerland”. Many advantages exist for HNWIs in Dubai to fit this description, including:

- pro-business and advantageous tax regime, no personal and corporate taxes, no capital restrictions and 100 percent repatriation of capital and profits
- bank confidentiality and no exchange of information agreements with any country
- sound and developed economy with significant natural resources, state reserves and growth prospects
- mature, safe, well capitalised and regulated banking sector
- banking system that allows 24/7 online transfer capabilities and cash withdrawals
- stable currency pegged to the US dollar eliminating currency risks
- a regime that prohibits unethical and high risk activities
- no social unrest and low crime rate
- abundance of high end accommodation facilities, marinas, entertainment, luxury lifestyle and world class shopping
- business hub with significant commercial activity and profusion of top end office space, staff and executives for employment
- world class health system
- top international schools and universities at all levels
- advanced telecommunications
- air connections via world class airports with significant direct flights and major transit hub
- a good climate, sunny for most of the year

Residence permits

Individuals, other than UAE and GCC citizens, must have a residence visa if they want to live in the UAE.

Obtaining a residence permit is the primary condition for being considered as resident in the UAE. As a general rule, one has to have a sponsor in order to apply for a residence permit in the jurisdiction.

For many expatriates, the company that employs them will act as their sponsor and secure them a residence visa.

For those who do not come on an employment contract, there are two other ways for obtaining UAE residency:

- investment in real estate (property residence visa)
- set up of corporate structure to act as sponsor

Real estate investor/property residence visa

UAE government in June 2011 introduced a new system extending the validity of the visa granted to real estate investors for up to 3 years.

The following rules and conditions govern the issuance of a real estate investor visa:

- the property is built and ready for accommodation
- the applicant proves ownership (title deed issued by the Land Registrar)
- the property is worth minimum AED 1 million (equivalent to US\$300,000) with no mortgage
- the applicant's income is higher than AED 10,000 (US\$3,000) monthly

Corporate Structure

The other way to obtain residency is through a corporate structure. As a general rule, one has to have a sponsor in order to apply for a residence permit in the jurisdiction. For non-locals, setting up a company is a practical way of obtaining sponsorship.

As far as the company is concerned, it must have physical presence in the UAE. In that regard, the most interesting and cost effective options are proposed by free zones situated in the northern Emirates. Usually, these options consist of "flexi desks" or "flexi offices".

Whitmill Middle East DMCC (Whitmill) is in the position to offer clients comprehensive support in relation to relocating and taking up residency in Dubai.

Whitmill specialise in company formation and management services but can also arrange introductions to reputable and respected local real-estate agents should you prefer to consider the investment route to residency.

If investing in real estate, Whitmill can guide you through the process including the Visa/residency permit application and provide guidance and facilitate the drawing up of DIFC Wills or a broader ranging estate and succession planning structure to cover both UAE and International assets.

If opting for a Corporate Sponsorship then Whitmill can guide clients through the pre-approval, registration and incorporation.

We can also deal with all on-going secretarial issues of client companies including day to day corporate administration and bookkeeping, and maintenance of the statutory records. The office can also appoint corporate or physical directors to represent client interests arranging the submission of necessary documentation such as amendments of company constitutions, board resolutions, change in shareholding etc.

Whitmill can also facilitate bank account opening with one of the many banks with which we work.

We are also able to draft Power of Attorney agreements to enable Whitmill to deal directly with your finances under your instruction and administer company and personal accounts and assets held.

We will assist with:

- Applications for work/residence permits and renewals
- Introduction to business centre offices and conference rooms equipped with furniture and business communication facilities

Please note that the information and any commentary on the law or tax related matters contained in this document is only intended as a general statement and is provided for information purposes only and no action should be taken in reliance on it without specific legal or tax advice. Every reasonable effort is made to make the information and commentary accurate and up to date, but no responsibility for its accuracy and correctness, or for any consequence of relying on it, is assumed by the author. Further this factsheet is not intended to amount to legal advice.

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