



## REDOMICILE IN DUBAI

Corporate redomiciliation is the process by which a company moves its domicile (or place of incorporation) from one jurisdiction to another by changing the country under whose laws it is registered or incorporated, whilst maintaining the same legal identity.

In line with the international practice of permitting companies to change their seat of incorporation, companies are allowed under the laws of RAK Free Trade Zone ("RAK FTZ") in the UAE to change their jurisdiction. Redomiciliation enables companies to avoid liquidating the existing company and transfer portfolio of assets to an entity incorporated for that purpose to a new jurisdiction.

Foreign companies can redomicile and enjoy the tax and other benefits provided by the UAE tax free regime and its wide network of double tax treaties.

Companies redomicile for a variety of reasons including:

- benefit from a favourable tax environment
- take advantage of less stringent regulation and scrutiny
- align their place of registration with their shareholder base
- move to an international financial centre
- access specialist capital markets

Where an existing company migrates or redomiciles to RAK FTZ, the company's existing legal status, goodwill and operational history is preserved. This process allows for companies who currently operate in more costly, difficult regulatory, high tax and high risk environments in other countries to migrate to RAK FTZ without triggering a disposal of their assets or a diminution in their goodwill or operating history.

The RAK FTZ registration system allows companies to base their global operations and activities, for a fraction of the regulatory costs of being incorporated in and doing business in other countries.

Why RAK FTZ

- offers a tax free environment
- the government of RAK is pro-business
- ensure secrecy and asset protection
- absence of international exchange of information agreements
- global headquarters centre
- strategic location on the trade routes of east and west
- wide network of double tax treaties

There are two distinct parts in the redomiciliation process:

### **The outgoing jurisdiction**

- a) the company must be fully up to date with filings. For example, if financial statements are required these must be filed up to date together with any outstanding annual returns etc.
- b) there must be no on-going legal process against the outgoing company
- c) various documents need to be filed with and obtained from the outgoing registry
- d) a certificate of good standing and certificate of incumbency must be obtained in every case



### **The incoming jurisdiction - RAK FTZ**

Accordingly, an overseas company if authorized by the laws of the jurisdiction in which it is incorporated, can apply for continuation as a company in RAK FTZ. The application must include all information and documents required by RAK FTZ including resolutions, certifications, declarations, confirmations, opinions, authorizations and clearances. Upon approval of the application for continuation, the authority will issue a provisional 'Certificate of Continuation' of such terms and conditions as it considers appropriate. The company should, within 3 months from the date of issue of the provisional certificate, file with the Authority a certificate evidencing that the overseas company has ceased to be incorporated under the laws of the current jurisdiction and return the provisional certificate of continuation. RAK FTZ shall issue the final certificate of continuation which shall be effective from the date of continuation stated in the provisional Certificate of Continuation.

### **Upon continuation of a Company in RAK FTZ:**

- all assets, tangible and intangible, rights and all other property of any kind of the company continue to belong to the company
- the company, its officers and directors continue to be liable for obligations of the company prior to its redomiciliation
- any existing cause of action, claim, duty or liability to prosecution in respect of the company is unaffected
- any civil, criminal or administrative action or proceeding pending by or against the company is unaffected
- any conviction against, or any ruling, order or judgment in favour of or against the company prior to its redomiciliation may be enforced by or against the company

Redomilice in Dubai: the new step in the modern Tax Environment.

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