

United Arab Emirates Dubai / Ras Al Khaimah (RAK)

FBS KOTSOMITIS CORPORATE AND MANAGEMENT SERVICES FZE

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[Fox 5 NY News USA Channel - Broadcasting the Corporate Profile of Our Group](#)

[What does the 'Near Future' hold and 'The New Switzerland' for the Rich](#) - A Great Article Authored by an international team of experienced *wealth management, asset protection and international tax planning experts from the US and the EU* in May 2013 - Absolutely "Essential Reading" for International Investors. In simple, practical and pragmatic terms - for the International Financial Centers and The International Tax Planning and Asset Protection World ...And the Optimal Solutions, Optimal Jurisdictions, Strategies and Actions.

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Frequently Asked Questions (FAQ's)

Does FBS have established offices and an Official Regulatory License as a Corporate Service Provider in the UAE?

Yes - Scroll to the bottom for full details.

Why clients are using your services at the UAE?

We provide United Arab Emirates (Dubai, Ras Al Khaimah) corporate structures and bank accounts, offshore OR Free Zone companies ...in ALL the Free Zones of the UAE ...AND bank account opening with UAE banks for foreign individuals, Malta companies, Cyprus Companies and other foreign to UAE companies, for clients who want to:

- Use our Group's UAE local offices and significant expertise as well as the "firepower of the Cyprus back office" to employ an effective solution outside the EU or the EU's sphere of influence
- avoid the risk of bank deposit haircuts (EU practice, eg Cyprus) or other unexpected taxes / losses on their assets
- enjoy FULL protection relating to anonymity / bank confidentiality (The UAE is the ONLY jurisdiction not to be part of information exchange agreements (disclosing beneficiary details) with ANY other country)

- enjoy "white list" non-offshore status
- have the option to choose between Offshore non-resident companies OR Onshore Free Zone Companies with access to double-tax treaties AND possibility of multi-year residence / investor visas at minimum cost
- have the option to relocate permanently to a first-class international business hub and enjoy all the advantages, including 0% taxation
- last but not least... enjoy 0% tax with 100% problem-free repatriation potential!
- bottom-line... be in the safest, most confidential, tax exempt AND most of all booming and prestigious jurisdiction with significant geopolitical clout

Important Note:

UAE companies and bank accounts are an effective vehicle to face the EU Debt / Banking Crisis Risks (information exchange and deposit haircut risks) as the United Arab Emirates is the ONLY jurisdiction not to sign ANY information exchange agreements (disclosing beneficiary details) with ANY other country!

What are some of the Important Advantages of the UAE? ...

- 0% income tax
- 0% import and excise duties
- 0% tax on sales, wealth or capital
- 100% ownership by foreigners
- 100% free repatriation of profits
- 0% "surprises" / restrictions

- FULL confidentiality for beneficial owners at banks and the authorities and NO information exchange agreements with any other country

Why use UAE corporate structures, invest, set up or relocate to the UAE?

The Emirates do not need formal introductions...

The Emirates Ras Al Khaimah / Dubai are not tax heavens but big and powerful International Financial Centers and International Business Centers with important motives for investors many of which maintain real presence with property and personnel in Free Zones.

- The United Arab Emirates have entered into a large number of avoidance of double tax treaties which has upgraded their position as the "Switzerland of the East".
- Use of company with bank account for anonymous and safe keeping of additional company reserves and/or supply with personal capital
- Use as a parent company of a Cyprus or Maltese company or company of another country which will accumulate the dividends / available cash
- Use as an independent company for the provision of services and to invoice Cyprus or Maltese companies or companies of another country and collect the amount of invoices in Dubai

- Use as an agent of a Cyprus or Maltese company or company of another country for collections / payments
- Use of a company in Ras Al Khaimah, through the opening of a branch or tax representative / VAT representative, in Malta or Cyprus with registration in the European VAT records to undertake intra community trade of goods with 0% income tax in Malta / Cyprus and the Emirates (with no transactions in Malta or Cyprus)
- Use of a Ras Al Khaimah company for international trade of goods and services with 0% tax
- Use of a Ras Al Khaimah company for portfolio investments, ownership and operation of immovable property, holding, royalty, shipping and many other activities.

What in simple terms is the basic structure of the system in the UAE relating to companies (Free Zone or Offshore) operated by foreign investors, who are Non-UAE nationals, and their operation?

Rationale relating to initiatives given to foreign investors

The Free Zone system was "built" in a certain way in order to facilitate the operations of foreign investors ("non-UAE nationals") and provide initiatives to (1) set up operate businesses in Dubai in dedicated Free Zones which provide unparalleled infrastructure and (2) allow multi-year residence visas to investors and their foreign staff BUT at the same time, reasonably, "protect" the local market from a sudden and large-scale "invasion" by foreigners who at the moment can trade freely internationally, within companies in their Free Zones or with companies in other UAE Free Zones and across Free Zones in general.

Having said that, it IS possible to trade in the UAE but with conditions. Either via a UAE limited liability company having 51% local stake (but can be structured so the local party has no management rights and practically restricted dividends) OR through a local commercial agent (not recommended) OR a service agent for professional firms (recommended).

This, reasonably, is to give time to local infrastructure, business and human capital ample time to develop in order to compete at par with foreigners before opening the local economy fully or more at least. Significant steps in that direction are taken every year (lately allowing freehold ownership by foreigners in designated areas and other significant initiatives).

What are the Laws and Regulations for Foreign Investor Companies?

There is the Federal Law which applies to all 7 Emirates and supersedes the "domestic" laws of each emirate. In addition within each emirate there are Free Zones which have their own laws and regulations which might be different from UAE laws (and from Free Zone to Free Zone they may differ but many elements are common) as they are structured to facilitate business for foreigners. For example in DIFC (Dubai International Financial Centre – the Financial Services Free Zone) **English law was adopted as the prevailing law**, in order to facilitate these activities!

What types of Companies / Entities are available to Foreign Investors?

Within each Free Zone there are 2 types of entities: Offshore and Onshore / Free Zone.

In the case of *Onshore / Free Zone* type, generally there are:

- Free Zone Companies "FZ CO",
- Branches of Foreign Companies or Companies in other Free Zones and
- Free Zone Establishments "FZE" (unlimited liability personal establishment / one shareholder)

Costs vary from Free Zone to Free Zone with the cheapest being RAK Free Zone.

Offshore Companies (Ltd companies)

Note that only some Free Zones have the offshore company option.

- Ras Al Khaimah Offshore Company ("RAK Offshore") at the RAK Free Zone in Ras Al Khaimah Emirate (40" drive from Dubai), the Regulatory Authority being RAK Investment Authority ("RAKIA"), which also regulates Licensed Corporate Services Providers, such as ourselves. No details of beneficial owners are required / anonymity. This is a better, cheaper and more flexible regime for Offshore Companies.
- Jebel Ali Offshore Company at the Jebel Ali Free Zone in Dubai, the Regulatory Authority being the Jebel Ali Free Zone Authority ("JAFZA"). Details and bank references of beneficiaries are submitted to the authority.

What corporate structure is preferable for setting up in a Free Zone Company?

Popular structure for Free Zone Companies

A very popular structure is to first set up offshore co (e.g. in RAK) and then use THAT to be the holding co of a free zone onshore co in any free zone of choice. Result: anonymity PLUS 3 year investor visa PLUS onshore tax resident status with access to tax treaties and issue of certificate of tax residence.

What are the costs for UAE offshore companies and UAE free zone companies?

Fees and costs

(fees for our services in connection with the incorporation of companies or the preparation of an application and support for the opening of bank accounts – does not include VAT or disbursements or additional fees for the certification of documents or issue of documents or additional work other than the usual which may be requested by the banks according to the relevant case.)

Billing is in USD\$.

Fees and costs (premises / license fees) necessary for set up and licensing

Offshore (RAK) Company in Ras Al Khaimah (0% tax) with bank account (the recommended, most suitable, more practical and less time consuming solution of all) – Our Fees for this structure assuming we do not act as officers of the company but only as registered agent / office are USD\$ 2.600 (euro: appr. 1.950) in the first year including company formation, full pre and post incorporation structuring (USD\$ 1.350) and first year registered agent/office fees (USD\$1.250). Second year costs are year registered agent/office fees (USD\$1.250).

EXTRA costs will be authority and bank transfer clearance disbursements PLUS bank account introduction and application support fees (scroll below to view, depending on account).

Cheaper “Package deals” are possible after exact requirements of corporate structures are known to us.

Free Zone - Costs and fees for this structure depend on the choice of free zone and corporate structure and type and complexity of licensing.

Annual Director and Bank Signatory appointment, responsibility and compliance fee: USD\$ 1.250 per annum

Annual Registered Agent / Office and Compliance Fee: USD\$ 1.250 per annum

All other work, as requested: on a time basis with an average hourly rate of USD\$195 per hour.

A very popular structure combining offshore with free zone companies is to first set up offshore co (e.g. in RAK) and then use THAT to be the holding co of a free zone onshore co in any free zone of choice.

Result: anonymity PLUS 3 year investor visa PLUS onshore tax resident status with access to tax treaties and issue of certificate of tax residence.

What are the benefits of a Free Zone Company compared to an Offshore Company?

- Entitlement to a 3-year investor visa for each investor (and dependants)
- Onshore tax resident status with access to tax treaties and issue of certificate of tax residence
- Commercial and economic substance which is VERY useful for tax planning: real presence (with premises, staff and equipment – ‘flexi office’ with virtual office permitted for a low annual cost – appr. 1.000 Euro per year) in an organised market / free zone with local presence among other active companies. Added commercial substance also if we opt for specialised free zones in the specific field of our activity (e.g a media company operating in “Media City” Free Zone where hundreds of companies in that sector are

established and operating). Surely this is better than a P.O. Box address in an empty apartment in Malta or Cyprus.

- Perfect if the client also wants to move out of EU and also live in Dubai and pay no tax (non EU tax resident = best and most effective tax planning nowadays)

What type of activities are permitted?

This is not like Malta or Cyprus where the Articles of association / laws allow many activities in ONE company. Activity licensing for each entity mentioned above is as follows:

(a) For a free zone company ONE must get A TRADE license for EACH ONE activity e.g. consulting OR trading etc. and holding shares or participating in ventures is allowed.

(b) For offshore companies many activities are allowed for one company

Restricted activities for offshore are:

Financial - Aviation- Media - precious metals- oil and gas

As accepted ones are :

Business and Management consultancy

General Trading

Holding companies and holding shares in other companies in the UAE or outside

Trading (Shall be specified)

Owning Free hold properties

Can FZ or UAE Offshore Companies trade within the UAE or hold shares in other UAE companies? Are there any restrictions?

Companies with Trade or Industrial licenses can only conduct business within the Free Zone or abroad.

To sell their products in the UAE, they should

(a) use an UAE official agent. Usually 5% duty for "export" within the UAE. But services and products can be obtained from and within the UAE without one.

OR

(b) set up a UAE LLC (Limited liability company) which needs to have a 51% local stakeholder - can be arranged but have to pay fees for this local "sponsor" for facilitation

UAE Free zone companies in one free zone can trade with companies inside that free zone or with companies in any other UAE free zone AND internationally with foreign companies but not inside UAE (outside free zones) or with UAE residents.

UAE Offshore and Free Zone companies can have shares in other UAE companies, Free Zone or Offshore.

UAE Offshore companies can trade internationally but not inside UAE or with UAE residents.

Important - Restrictions:

The restrictions on UAE offshore and onshore / free zone companies DO NOT apply to their foreign subsidiaries which are not bound by UAE rules and can operate freely according to the laws of the other country!

What do you recommend relating to Bank account opening?

Opening bank accounts at Ras Al Khaimah / Dubai

Recommended / are more popular, easy, fast and practical - the incorporation of a new company with bank account and beneficial owner - natural person (not subsidiary of a foreign company – as a second stage changes can be made to accomplish this if we prefer) instead of the opening of an account of a natural person or foreign company, which although not recommended by the Authorities and the banks for risk management purposes, with the introduction of time consuming and high cost procedures.

Current accounts or Private Banking/Brokerage accounts possible with funds transfer facilities and cash withdrawals with NO LIMITS

For...

UAE company (offshore or FZ) - no problem / cheaper / better.

Personal accounts - no problem BUT client must attend bank interview at the UAE.

Foreign company (BVI, Seychelles, Cyprus or Malta) - no problem but time consuming PLUS high cost of document attestations / certifications

Which bank do you recommend?

Preferable strong / solid local banks for confidentiality with no major EU presence (so they cannot be blackmailed) - foreign banks keep transactions booked in the EU (!) and practically they may exchange information. We can recommend a number of safe banks.

Is there anonymity / confidentiality of beneficial owners?

Do we give UBO details / identity to

- the authorities? In RAK we do not! (reason for choosing RAK) in Jebel Ali (Dubai) we do and authorities need bank ref of UBO!

- the banks? Yes as a general rule we disclose BUT there are no information exchange agreements

Why do we prefer RAK?

(Note: We are authorised and in a position set up structures in ALL regimes / Free Zones)

- Its offshore regime is the best in UAE as it was allowed to give total confidentiality (100% anonymity and no disclosure of UBO to authorities) and minimum rules / restrictions and maximum flexibility as this is a developing, poorer, emirate so to boost its growth - offshore company set up costs are the lowest and quick / simple procedures
- The set up cost and cost of operation of its free zone companies per year is the LOWEST in the UAE
- Note here that in some cases we choose and set up a different Free Zone because of commercial reasons, usually the existence of a special free zone to exactly match the type of the client's business. For example Hedge Funds in the DIFC, Gold traders in the DMCC etc.

Can FBS set up UAE offshore companies and ALL forms of companies AT ALL THE FREE ZONES?

Yes, we have all necessary regulatory licenses and expertise.

Are there any investment restrictions?

Islam forbids gambling in any form. Consequentially, derivatives, forwards, options and futures are prohibited. Other forbidden practices include short selling, margin, and scalping trading. Day trading is considered akin to maisir. Marketable securities generally have a multi-day settlement period, during which time the underlying instruments, while cleared, are not formally registered in the name of the purchaser. As day traders do not wait for settlement to complete, they are using a type of credit cushion provided by their broker.[3] Day traders also very commonly rely on a margin account to finance their trading activity.

The payment or receipt of interests are considered usury and unjust. Debt is also disapproved making investments in highly leveraged companies unacceptable. Funds cannot pay fixed or guaranteed return on capital. Instead of borrowing and lending, Islamic finance relies on sharing the ownership of the assets and therefore risk and profit/loss. Companies involved in prohibited business activities cannot be part of a Shariah fund strategy. Prohibited business activities can relate to food (production and sales of alcoholic beverages including pubs and restaurants, pork products, tobacco), gambling (casinos, on-line gambling, betting, lottery schemes), adult oriented (video, magazines, on-line material, strip clubs), dubious, immoral and illicit trades (prostitution, drugs).

What are your fees for opening bank accounts in the UAE and other international financial centres?

(fees for our services in connection with the incorporation of companies or the preparation of an application and support for the opening of bank accounts – does

not include VAT or disbursements or additional fees for the certification of documents or issue of documents or additional work other than the usual which may be requested by the banks according to the relevant case.)

Ras Al Khaimah / Dubai Bank Account

Company in Ras Al Khaimah (0% tax) with bank account (the recommended, most suitable, more practical and less time consuming solution of all)

First year: USD\$ - 6.950 (around 5.250 euro) - Includes all initial / formation costs, taxes/registration fees and annual services for the first year (inc. company incorporation, bank account, director and secretary and bank signatory appointment services and provision of registered agent / office).

Second year: USD\$ - 2.500 (around 1.900 euro) which covers annual director and secretary and bank signatory appointment services and provision of registered office (note: in Ras Al Khaimah there is no audit from an independent auditor for tax work or VAT because the company is not taxed, just keeps simple books and records)

Free Zones Company (Free Zone Areas) of Ras Al Khaimah / Dubai (0% tax) – for real substance (!) and more serious presence with reasonable costs (from 100 \$USD a month for work space) with access to International Tax Treaties and easy provision of residency and work visas to all staff / managers: for a fee quote

Opening of corporate account for a Cyprus, Maltese or Seychelles company or other offshore or foreign company in the UAE:

On hourly charge of \$195 / hour and minimum fee USD\$ 1.900

However it is not recommended (preferable to open a new UAE company with a bank account):

- Banks and authorities are suspicious of foreign companies with no business activities in the UAE and the compliance / control is stricter

- Because the UAE do not recognise the Hague Convention and as a result do not accept international certifications for documents by apostille and the certification procedure is expensive and time consuming (certification of each document by the Ministry of Foreign Affairs and UAE Embassy and then Ministry of Foreign Affairs in Dubai! **The cost amounts to a few thousand euros**)

- If the company is old and needs audited financial statements and timely review for its affairs. Also for reasons of protection from money laundering, the restraints of Islamic law and their image, the authorities of the Emirates actively refrain and thus we recommend instead the opening of a Ras Al Khaimah company with bank account

Opening of personal bank account (natural persons):

On hourly charge of \$195 / hour and minimum fee USD\$ 1.950

- Banks and authorities are suspicious of foreign individuals with no personal interests in the UAE (e.g. real estate) or business interests (UAE company) and the compliance / control is stricter.

- But also see above for complicated / costly document certification or **need to personally travel to Dubai** we we can introduce you to the bank's officers.

- Simpler and more economical is the opening of a Ras Al Khaimah company with bank account.

Virtual office service (phone answering in the name of the company, receipt of mail and much more) and physical office - for information and fee quotes [please contact us](#)

Relocation support services for natural persons - for information and fee quotes [please contact us](#)

Switzerland – Luxembourg - Liechtenstein

Bank account opening – **hourly charge 95 euro / hour and minimum fee 1.450 euro**

Notes:

There is a treaty with the EU for the exchange of information in force

“Pressure / influence” from the EU and in the same geographic / geopolitical sphere of influence with the EU (uncertain future changes)

Circumstances of leaks of confidential information from bank employees (see Liechtenstein / German state)

Time consuming and complicated procedure – Yes for foreign companies – 3 months +/- . For some banks there is requirement for travel / visit of the beneficial owner, shareholders, directors and secretary to the country for an interview with the bank

- Documents / certifications / expenses / additional information – Yes, all with apostille legalization and certification for beneficial owners, directors, and shareholders – could be a substantial cost (1000 +/- euro)

- Possibility for investment accounts (for small movements – not suitable for business transactions)

- No possibility for current accounts (for frequent movements).

Hong Kong - Singapore

Bank account opening – **hourly charge 95 euro / hour and minimum fee 1.450 euro**

Notes:

- Considerable geographic distance from Europe (positive and negative)
- There is an exchange of information treaty in place for beneficiaries and balances/movements
 - Time consuming and complicated procedure – Yes for foreign companies – 3 months +/-
- There is a pre requisite for travel / visit of the beneficial owner, shareholders, directors and secretary to the country for an interview with the bank
- Documents / certifications / expenses (YES considerable)
- Possibility for investment accounts (for small movements – not suitable for business transactions)
- Possibility for current accounts (for frequent movements).

Is FBS a local UAE provider or part of an international Professional Services Group?

We are a [Well-Known](#) and Well-Established Corporate Services Providers - Officially Licensed and Regulated by the Authorities in the EU (Cyprus and Malta – Full Trust and Foundation Licence) and the UAE (Dubai, Ras Al Khaimah) with a large number fully-fledged local offices and experienced staff in almost all professional fields.

www.fbscopyrus.com / www.fbsmalta.com / www.fbsemirates.com / www.fbsseychelles.com

Does FBS have established offices and an Official Regulatory License as a Corporate Service Provider in the UAE? Yes - Scroll to the bottom for full details of our local operations. FBS Emirates is part of the [FBS International Group](#).

Does FBS have established offices and an Official Regulatory License as a Corporate Service Provider in the UAE? Scroll to the bottom...

The Future – The opening of our Offices in The United Arab Emirates / Dubai [with the purpose in 1 - 2 years the Head Offices of our Group will be there]

[Click HERE](#) for our official licenses as an approved and regulated UAE (Dubai / Ras Al Khaimah) Corporate Services Provider (CSP) with a FULL license to provide all services throughout the UAE relating to the set-up and operation of:

1. UAE Free Zone companies and establishments in ALL the Free Zones of the UAE (as well as branches of foreign companies in the UAE)
2. UAE offshore companies (RAK offshore)
3. UAE LLCs
4. Bank account openings for the above as well as personal accounts of foreign residents and bank accounts of foreign companies
5. Management (directors), consulting, accounting, administration and all services needed to operate the above entities.

We are now OPEN for business with full infrastructure on the ground AND with the support of the "Cyprus back office" to provide the FULL range of services.

We are at this moment processing a significant number of orders for new UAE Offshore and Free Zone companies from clients who want to take advantage of the benefits of the UAE structures.

Our UAE Offices

We hold a FULL regulatory license issued by the UAE Authorities to act as a Corporate Services Provider (CSP). The name of our LICENSED firm in the UAE is "FBS KOTSOMITIS CORPORATE AND MANAGEMENT SERVICES FZE". We operate from an operational back office at The Ras Al Khaimah Free Zone AND Dubai serviced offices, at the moment, and are handling absolutely ALL forms of business relating to the setting up and operation of **UAE (RAK) Offshore Companies** and Free Zone Companies **in all the Free Zones of Dubai and the UAE in general**.

Additionally, we are setting up a "flagship" Dubai office (for client meetings – and Dubai projects - and eventually aimed to be our Group's Head Office and to be headed by our Chairman Mr. Kotsomitis) at the **Jumeirah Lake Towers** (next to Dubai Marina). This is expected to be ready to receive clients by end of September this year (2013).

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[Rich](#) - A Great Article Authored by an international team of experienced *wealth management, asset protection and international tax planning experts from the US and the EU* in May 2013 - Absolutely "Essential Reading" for International Investors. In simple, practical and pragmatic terms - for the International Financial Centers and The International Tax Planning and Asset Protection World ...And the Optimal Solutions, Optimal Jurisdictions, Strategies and Actions.