



*Dear Friends and Clients,*

*As the year comes to it's end the UAE rulers/government have some presents for us investors: The almost unthinkable could become reality: The 51:49 rule seems to be in discussion and maybe - for some activities –eliminated. Of course, this rule has been weakened by several options, like onshore branches of free zone companies, sole proprietorships, etc. but allowing foreigners to hold up to 100% in onshore LLCs will mark a new turn in investment policy and for sure attract more foreign capital.*

*As you probably know, most European laws of succession have changed since 2015 in so far as no longer is the citizenship of the deceased decisive for the application of the law but instead it is the last residence. This also makes UAE law of succession applicable for every European who dies in the UAE. To avoid the application of Sharia Law there is a new option, namely the DIFC Wills and Probate Registry (WPR) and as well the WPR is in Ras Al Khaimah International Corporate Centre (RAKICC).*

*RAKICC has also entered an MOU with ADGM (Abu Dhabi Global Market) in connection with arbitration and court procedures. ADGM is the competitor of DIFC – and as we were told – much more accessible, cheaper and less bureaucratic.*

*As we listened to our clients we learned that the political situation in the region deters many investors. The UAE is a quiet oasis in a desert stricken with sandstorms. If you follow the international press you will hardly ever find criticism on UAE politics. Wise and clever governance can overcome this crisis without harm to investors.*

*I have received a lot of feedback on my remarks regarding Emirates Airlines in our recent newsletter. Due to recent experiences, I have to partially withdraw my criticism. The 380 docked again at the right gate, and the service, even from European crews, has improved (the Asian crews have always tried harder).*

*Only 1 month to go, then we will slip into the next year. Keep calm, if you are here you are in one of the best business environments of the world.*

*Sincerely,  
Theodor Strohal*

**Deadline for VAT-registration is approaching fast**

As VAT in the UAE will be implemented on 1 January 2018, all companies in the UAE with a taxable annual minimum turnover of AED 375,000 should register for VAT with the Federal Tax Authority. All companies based in the UAE have to register for VAT, regardless of whether they are established in one of the free zones or on the state's territory.

It is important to note that companies must register in accordance with the timelines announced by the Federal Tax Authority: Companies with an annual turnover of more than AED 150 million must have registered by 31st October 2017, those with an annual turnover of AED 10 million have to register until 30th November 2017, and all other companies must register until 4th December 2017, the latest. If companies fail to meet these obligatory deadlines, they may be liable to pay for significant penalties.

If you have further questions or need support for registering, please do not hesitate to contact us.

**New UAE investment will lift restrictions on foreign ownership of UAE companies**

The Ministry of Economy has announced that the restriction in the Investment Law, which doesn't allow more than 49% ownership to foreign investors, is set to partially lift in some specific sectors (which have yet to be specified) in early 2018.

With his announcement, HE Sultan bin Saeed Al Mansouri, UAE Minister of Economy, made clear, that the UAE will allow up to 100% foreign ownership of onshore UAE companies. At the moment the final draft of the Investment Law has to be approved by the UAE Federal National Council, before it can become a law by the beginning of 2018. The impending reform is expected to have a drastic change in the investment landscape of the UAE and thereto expected to create significant growth opportunities, especially in the non-oil sectors, to attract more foreign direct investments.

The recently introduced UAE Commercial Companies Law, contrary to the expectations of the global investor community, did not amend the 49 per cent limit on foreign ownership. For the past several years the UAE has been working on several on reform initiatives, including the bankruptcy law, to boost the confidence of investors.

**Non-Muslims can now register wills in RAK**

The Ras Al Khaimah International Corporate Centre (RAKICC) has started its Wills and Probate Registry (WPR). Now, non-Muslims residents in the UAE can register their wills directly in Ras Al Khaimah and distribute their assets according to their wishes. As RAKICC is working in partnership with the Dubai International Financial Center (DIFC), the wills will be enforced by DIFC Courts and Ras Al Khaimah Courts. This gives non-Muslim the freedom, unlike the usual Sharia method, to distribute assets and a custody appointment.

RAKICC registers five types of wills: "Full Will", "Guardianship Will", "Property Will", "Free Zone Company Will" and a "Financial Assets Will".

If you have further questions, please do not hesitate to contact us.

**RAKICC announced Partnership ADGM Courts**

RAKICC together with Abu Dhabi Global Market (ADGM) and Abu Dhabi Global Market Courts (ADGM Courts) has established a strategic partnership to cooperate and coordinate. The parties have meanwhile signed a Memorandum of Understanding (MoU). This partnership will ensure that RAK ICC-registered commercial companies have access to relevant information and timely access to the common law-based dispute resolution services provided by ADGM and ADGM Courts. The three authorities have committed to sharing information and ideas that are relevant to businesses and investors, and exploring mutually beneficial initiatives and activities. According to His Highness Sheikh Ahmed bin Saqr Al Qasimi, Chairman of RAKICC, RAKICC clients will have an alternative dispute resolution and arbitration system to help resolve issues they may face. Furthermore he is "confident that with ADGMs high-standard regulations the RAKICC clients will be granted fairness and efficiency in times of dispute" and that "RAK ICC will always remain committed to building relationships with other entities to provide our clients with premier services."

### **ADNOC signs agreement with Linde**

On 14<sup>th</sup> of November Abu Dhabi National Oil Company (ADNOC) has signed a Memorandum of Understanding with The Linde Group to explore the expansion of nitrogen facilities in Ruwais (Abu Dhabi) to face the future industrial demand. The joint venture is a business development between the two partners, which started 10 years ago under the name ADNOC Industrial Gases. Linde will, in the first step of the agreement, carry out a Front-End Engineering and Design (FEED) study for new Air Separation Units, which are intended to satisfy the expanding nitrogen requirements of ADNOCs gas processing, petrochemicals and refining businesses. According to Abdulaziz Alharjri, Director of ADNOC (Downstream), "ADNOC plans to expand and diversify its downstream refining and petrochemicals activities, while also optimizing efficiency and costs. As part of our strategic plan to increase volumes of industrial gases, the Ruwais Air Separation Unit Project will be carried out in two phases, each with the capacity to produce 70,000 cubic meters per hour of nitrogen". And Mr. Bernd Eulitz, Member of the Executive Board of Linde, said, "with this planned capacity expansion, Linde and ADNOC further strengthen their commitment to working in partnership to ensure ADNOCs industrial gases supply for its growing demand in Abu Dhabi, and creating value for both companies."

### **Target wins AED 950m contract for Emaar's Forte project**

On the 21st of November, Arabtec Holding announced that its whole owned subsidiary Target Engineering Construction Company has won the contract to build the second phase of Emaar's Forte residential project in Downtown Dubai. Target had already won the first phase of the project by Emaar in September. The second contract also includes the construction of the podium and the twin towers with 67 and 46 floors, respectively. Arabic Holding said, "The award of Forte Phase 1 and 2 to Target Engineering demonstrates the strength and confidence of the group's relationship with Emaar Properties".

### **RAK Bank offers "banking benefits" to RAKEZ clients**

In the beginning of November two of the largest home-grown entities, Ras Al Khaimah Economic Zone (RAKEZ) and RAKBANK have signed a Memorandum of Understanding (MoU) to offer the economic zones easy access to a wide range of banking services at preferential terms. According to Mr. Ramy Jallad, Group CEO of RAKEZ, RAK Free Trade Zone and RAK Investment Authority, with our collaboration with RAKBANK, we will be providing RAKEZ companies a wide range of banking solutions at exclusive rates and with short turnaround time for applications, reflecting our commitment to offering simplified and fast-track processes to our investors". Furthermore he emphasized, that "since day one, our guiding principle at RAKEZ has always been 'customers comes first' and that we place them and their growth at the heart of everything that we do, and this partnership with RAKBANK is a not only a big milestone but a great testament to this journey". And Peter England, RAKBANK CEO explained, "in the context of building Ras Al Khaimah's economy, the decision to go ahead with the agreement is in line with our strategy to refocus our efforts in our home emirate where we have identified several growth opportunities. The RAKBANK is delighted to have partnered with RAKEZ to make it all possible and this agreement will help enhance the economic environment of the emirate."

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