



BUSINESS BANKING IN THE UAE

Opening a business bank account is one of the most important tasks in starting a business in the UAE. In the Emirates, you can open a bank account for mainland, free zone, or offshore companies. For corporates as well as individuals and private sector businesses, having a UAE bank account offers numerous benefits. With a bank account, you can take advantage of all kinds of opportunities and offers, making trading and access to services both internationally and locally significantly easier. There are different services and products available to businesses, such as online banking systems, loans, multiple currency accounts, deposits, and so on. The UAE has a unified financial system and the Central Bank of the United Arab Emirates (CBUAE) is in charge of the supervision and regulation of the financial institutions. Since stringent measures are in place with banks, companies are also faced with strict requirements.

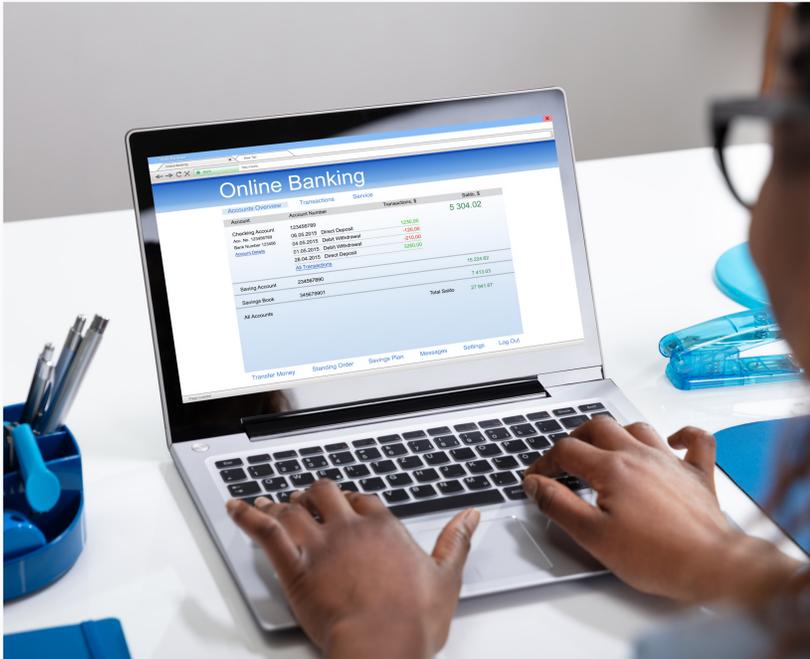
Bank accounts are often difficult to open, especially for small businesses and start-ups, because they require hefty opening balances, and not everyone has such amounts on hand. The UAE is keen on combating financial crimes, including money laundering, hence the strict guidelines and compliance requirements. According to a study conducted by the Dubai Chamber of Commerce and Industry and the UAE Ministry of Economy, 65 percent of UAE entrepreneurs find banking the most difficult part of starting their business. Banking procedures were also cited as challenging due to a lack of guidance, lack of clarity, and complex documentation and verification processes. However, if you have the correct paperwork and can satisfy the requirements, you should be allowed to open an account for your business.

Steps to open a bank account for a business in the UAE:

1. Secure a business license
2. Gather all relevant requirements
3. Select the bank in which you want to open an account with
4. Submit all the required documents

Required documents in setting up a bank account for a business in the UAE:

- Passport
- Emirates ID
- Certified company incorporation documents
- Memorandum of articles
- Certificate of incorporation
- Shareholders' registry
- Company extract
- Certificate of good standing
- Curriculum vitae of managers/shareholders
- Utility bill or proof of address
- Office lease agreement
- Business plan
- Company profile
- Last 6 months' personal/corporate bank account statement
- Source of funds



Offshore companies registered in the UAE can open bank accounts at a lower cost, but opening such accounts can be extremely difficult due to minimum account balances and initial deposits requirements. Since the business bank account is not considered residential, it is continuously monitored for compliance. The benefits of having an offshore UAE bank account allow online account management, full repatriation of capital and profits, and no currency restrictions.

Some advantages of having a business bank account in the UAE

1. Data safety

UAE banks offer foreign investors and entrepreneurs privacy that ensures the safety of their funds, data, and transactions.

2. Bank account with multiple currencies

Businesses can open a bank account in various major currencies such as USD, EUR, AED, GBP, and many others. This also allows business owners to send and accept payments in any currency.

3. Transparency in tax payments

Organizations can easily calculate their tax liabilities and keep tax payments transparent.

Upon reviewing your documents, banks will have to check whether your company is tangibly established in the UAE with a physical office and actual economic costs. Quite often bank representatives schedule a visit to your physical office address to verify your company's legitimacy. Additionally, it is important to keep in mind that most accounts require a minimum balance of anywhere between AED 5,000 and AED 150,000 depending on your chosen bank. Your business may have difficulty opening a bank account in the UAE if you are a citizen of or do business with sanctioned nations or high-risk countries. There is no specific time frame on how long it takes to open an account, sometimes it can take as little as one month or as long as three months. Having a complete and error-free application at the time of submission will ensure a smooth and quick process. Some of the top banks in the UAE include:

- First Abu Dhabi Bank
- Abu Dhabi Commercial Bank
- Dubai Islamic Bank
- Mashreq Bank
- Abu Dhabi Islamic Bank
- Commercial Bank of Dubai
- RAK Bank
- Emirates NBD

Various entities in the UAE like the Dubai Free Zone Council have already implemented several measures to ease the process for small and medium businesses (SMEs) in opening a business bank account. Many free zone establishments, including Ras Al Khaimah Economic Zone (RAKEZ) and IFZA, followed suit and are now offering bank account setup as part of their service. Furthermore, government bodies such as TAMM collaborate with their partner bank to provide banking services for business owners.

When thinking of setting up a bank account in the UAE, it is important to also connect with experts that can guide you throughout the process. They should be able to assist you in dealing with banks, eliminating weak points, providing you with knowledge of international and local laws, and providing advice on the best solutions to secure your company's bank account.

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