

Unlocking Potential

Bringing your
business and assets
to the UAE

Germany

Dr. Harald Glander, Nina Fischer

June 2025

Contents

01

Introduction and
Recent Trends

02

Opportunities in the
Region

03

Tax Considerations

04

Additional
Considerations

Introduction and Recent Trends



Lure of sovereign wealth fuels hedge fund rush to Dubai



German asset manager Patrizia receives licence to open first Middle East office in ADGM

fn Financial News

Why the Middle East is the new Switzerland for top hedge fund managers

The UAE is estimated to have USD 996bn in private wealth, and the number of high-net-worth-individuals in the UAE is expected to grow 40 per cent by 2031.

BUSINESS INSIDER AFRICA | [MARKETS](#) | [LEADERS](#) | [CAREERS](#) | [LIFESTYLE](#)

ADVERTISEMENT

[Local](#) | [Markets](#)

Africa's richest man plans to establish a family office in Dubai

Markets
Dubai-Based Family Offices Manage Over \$1 Trillion in Assets

Wealth
Morgan Stanley, Rothschild Join Finance Elite in Abu Dhabi Push

Wealth
Dubai Is the Newest Hedge Fund Hotspot
More and more financiers are choosing to expand in the emirate.

FINANCE

Hedge funds are racing to set up in Abu Dhabi and Dubai. It's not only about the money.

fn Financial News

Barings plans Abu Dhabi office in Middle East push

Nuveen joins rush of asset managers to open Abu Dhabi office

EDITORS' PICK | ASIA
Singapore Property Billionaires Seek Middle East Opportunities With Abu Dhabi Family Office

Industries | Finance
Fintech Revolut Eyes Expansion in Gulf With License Application

- Fintech said to apply for licenses to begin operating in UAE
- Executives have attended diplomatic meetings in Gulf before

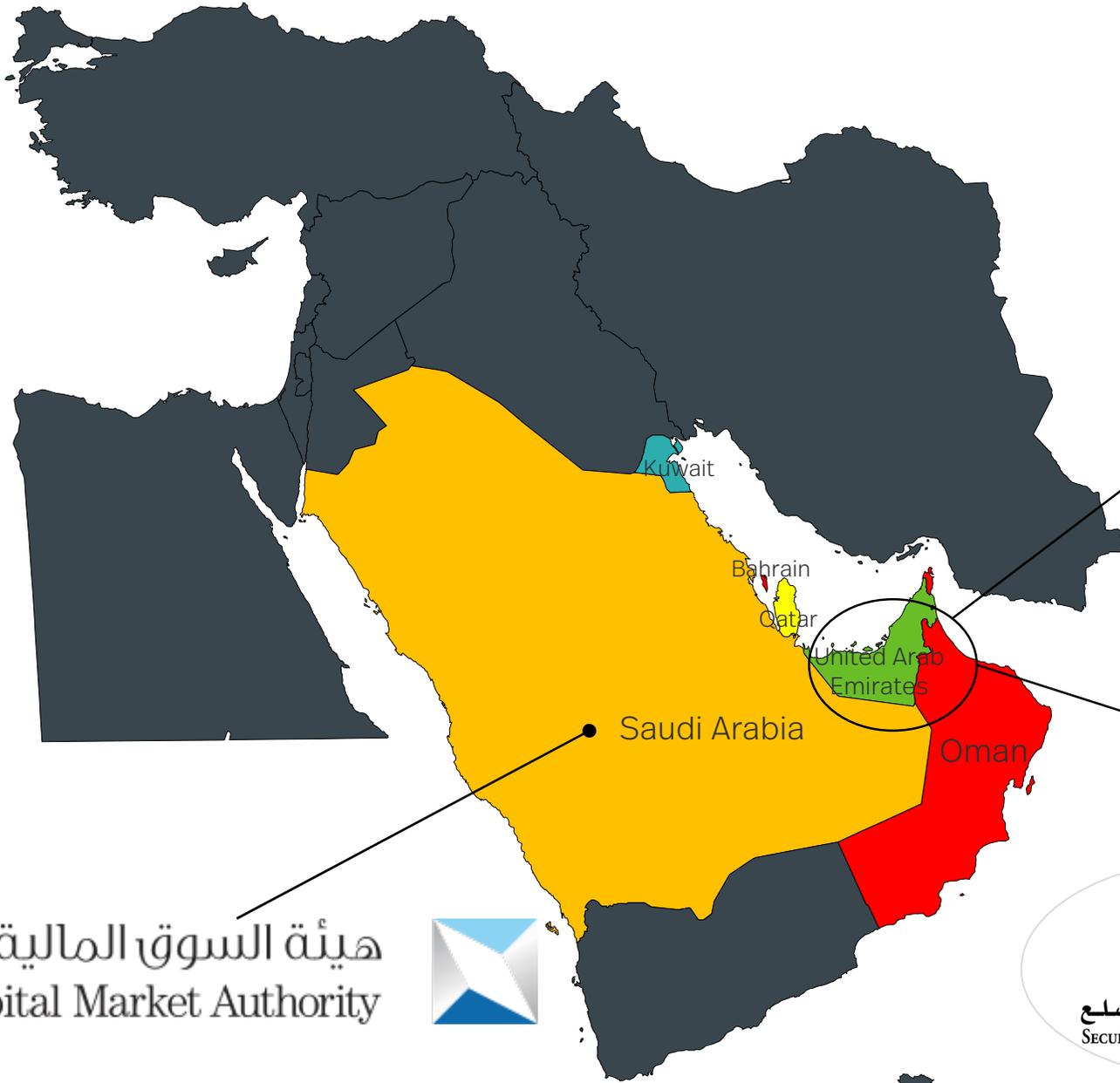
Gulf Cooperation Council (GCC) Countries



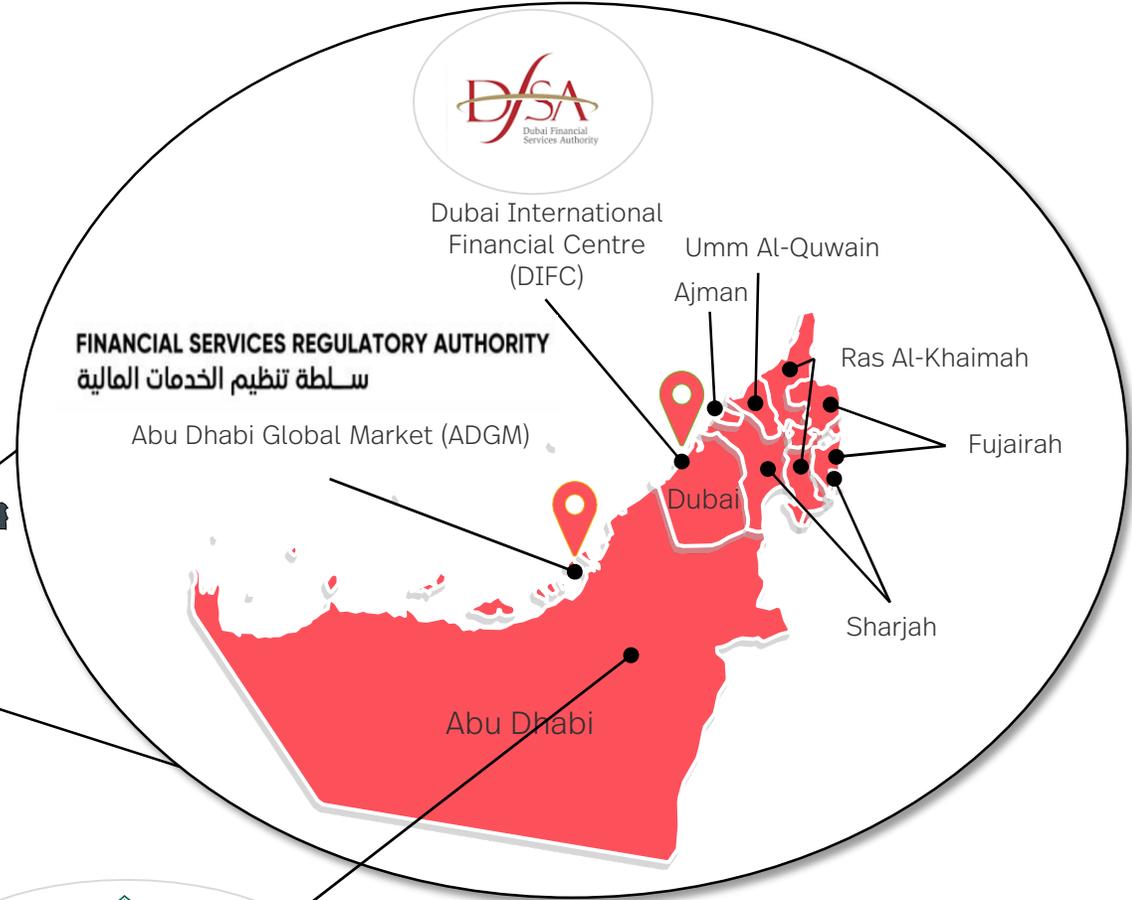
هيئة السوق المالية
Capital Market Authority



Gulf Cooperation Council (GCC) Countries



Map of the United Arab Emirates (UAE)



هيئة السوق المالية
Capital Market Authority



هيئة الأوراق المالية والسلع
SECURITIES & COMMODITIES AUTHORITY

Free Zones in the UAE

Financial Free Zones



- Separate civil and commercial legal framework
- Common law-based legal systems
- Separate financial services regulatory regime
- Own financial regulators
- Own separate English-speaking courts
- English is the official language of all proceedings, laws and regulations

Economic Free Zones



- More than 40 multidisciplinary free zones
- 100% foreign ownership
- Corporate and personal tax incentives
- Industry-specific ecosystems facilitating collaboration and partnerships
- Access to ready-made dedicated infrastructure
- Repatriation of capital and profits

VS

Free Zones in the UAE

Financial Free Zones



- Separate civil and commercial legal framework
- Common law-based legal systems
- Separate financial services regulatory regime
- Own financial regulators
- Own separate English-speaking courts
- English is the official language of all proceedings, laws and regulations

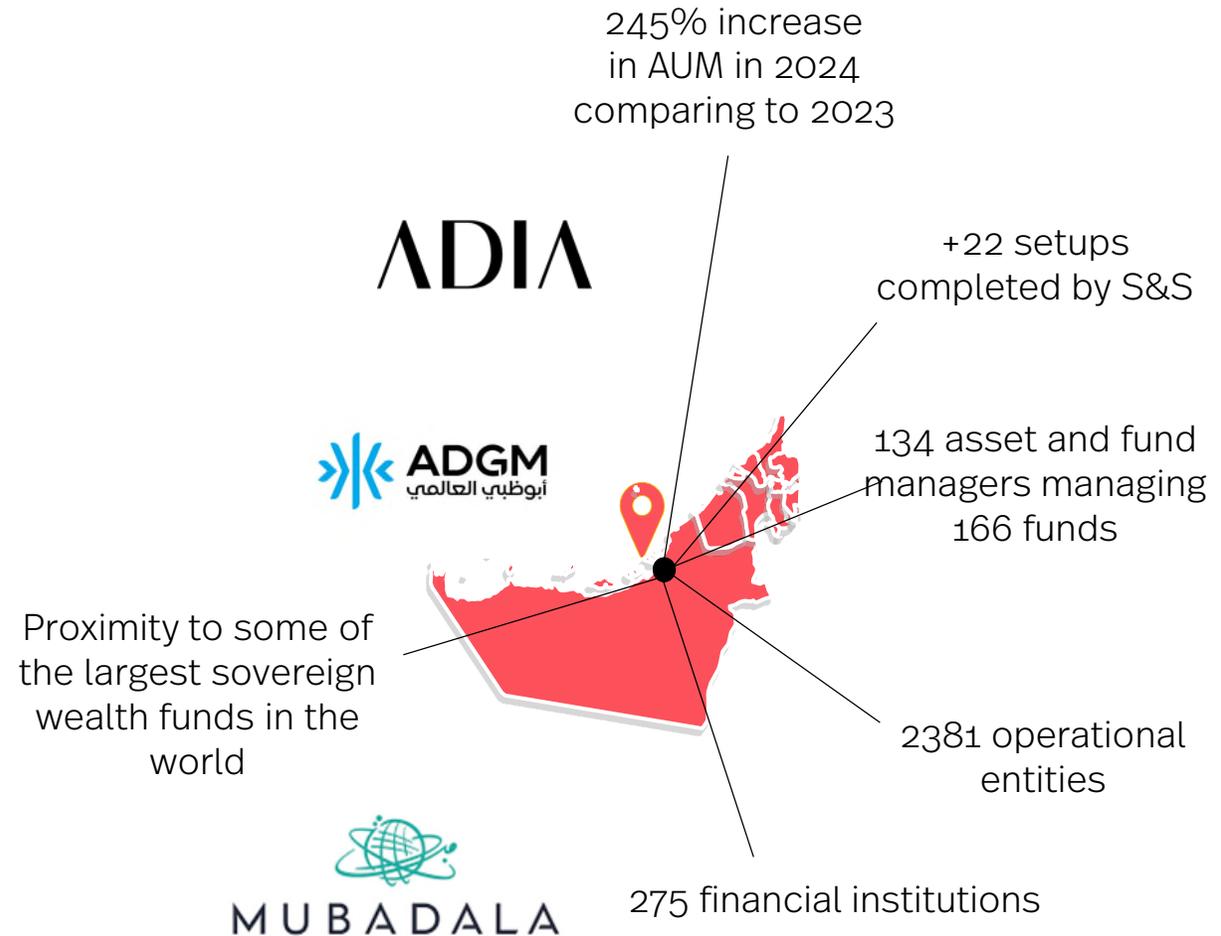
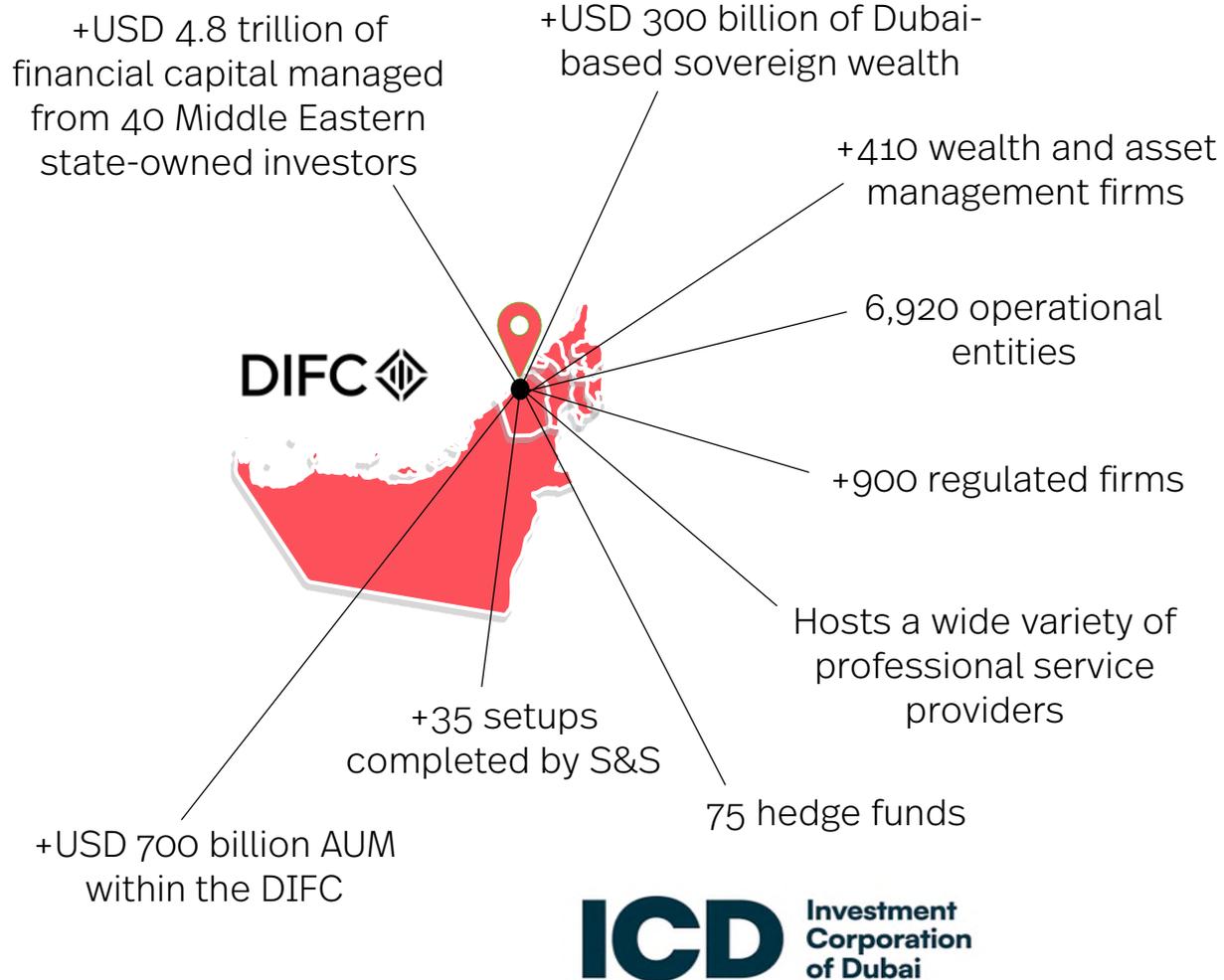
VS

Economic Free Zones

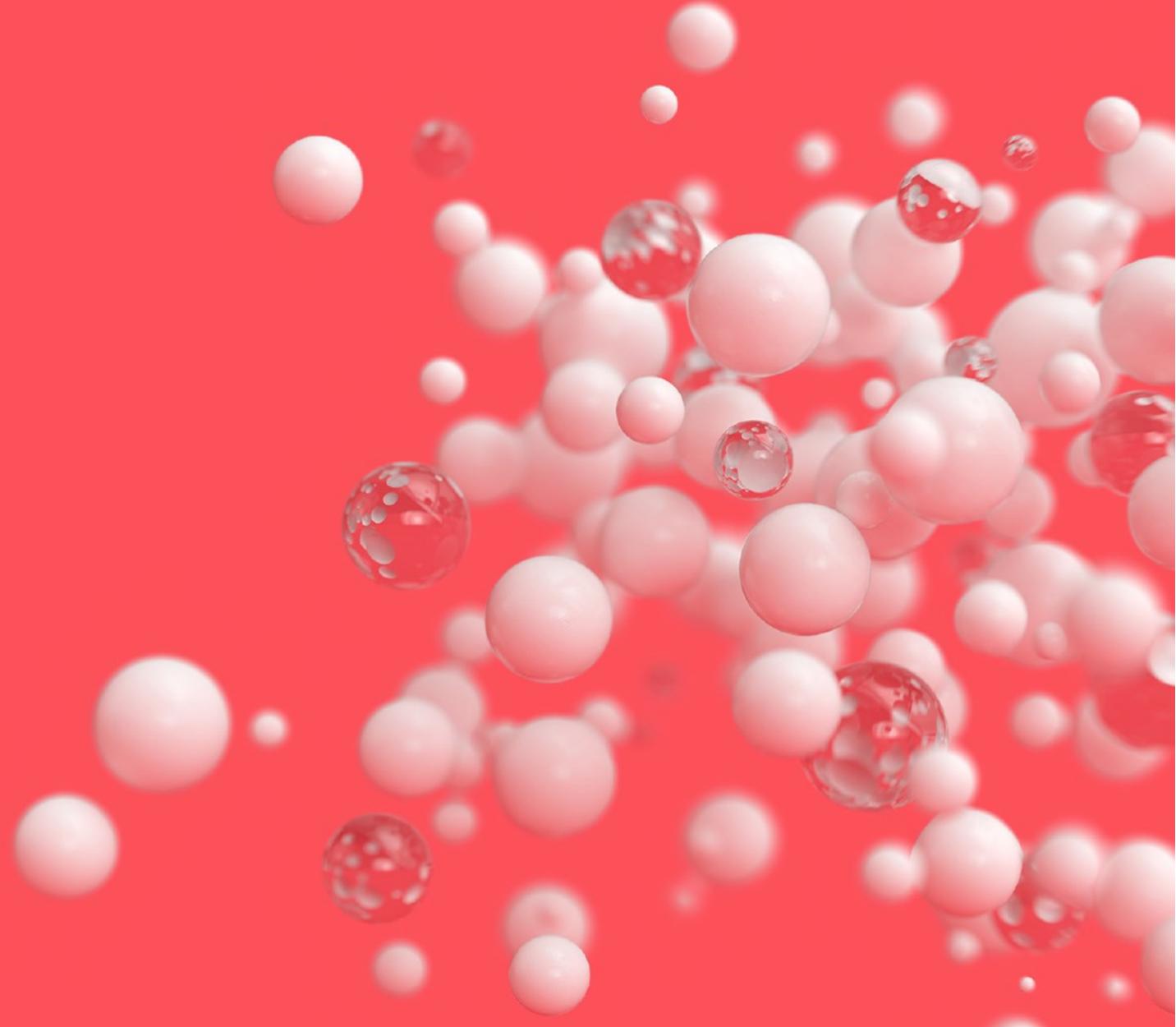


- More than 40 multidisciplinary free zones
- 100% foreign ownership
- Corporate and personal tax incentives
- Industry-specific ecosystems facilitating collaboration and partnerships
- Access to ready-made dedicated infrastructure
- Repatriation of capital and profits

UAE Financial Free Zones Showing Tremendous Growth



Opportunities in the Region



Evolving Landscape

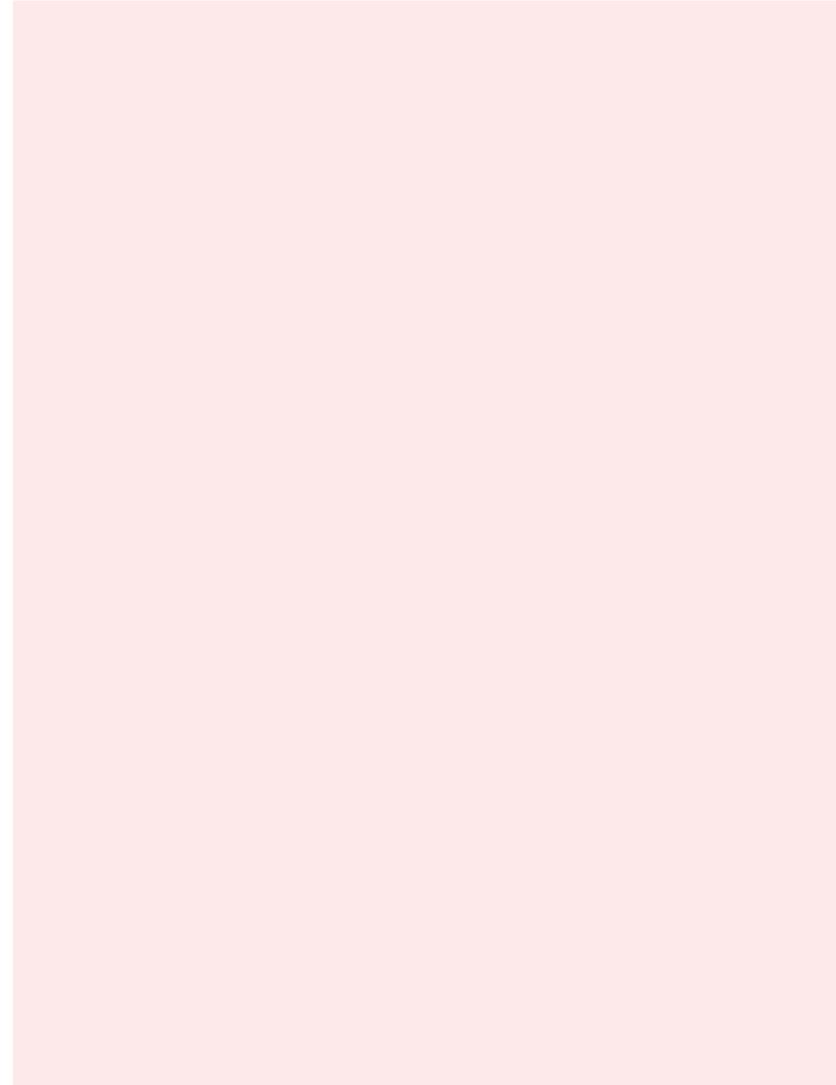


Evolving Landscape



Cross-border fund raising activities

GCC region has been offering vast opportunities for fund raising for a significant time

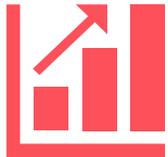


Evolving Landscape



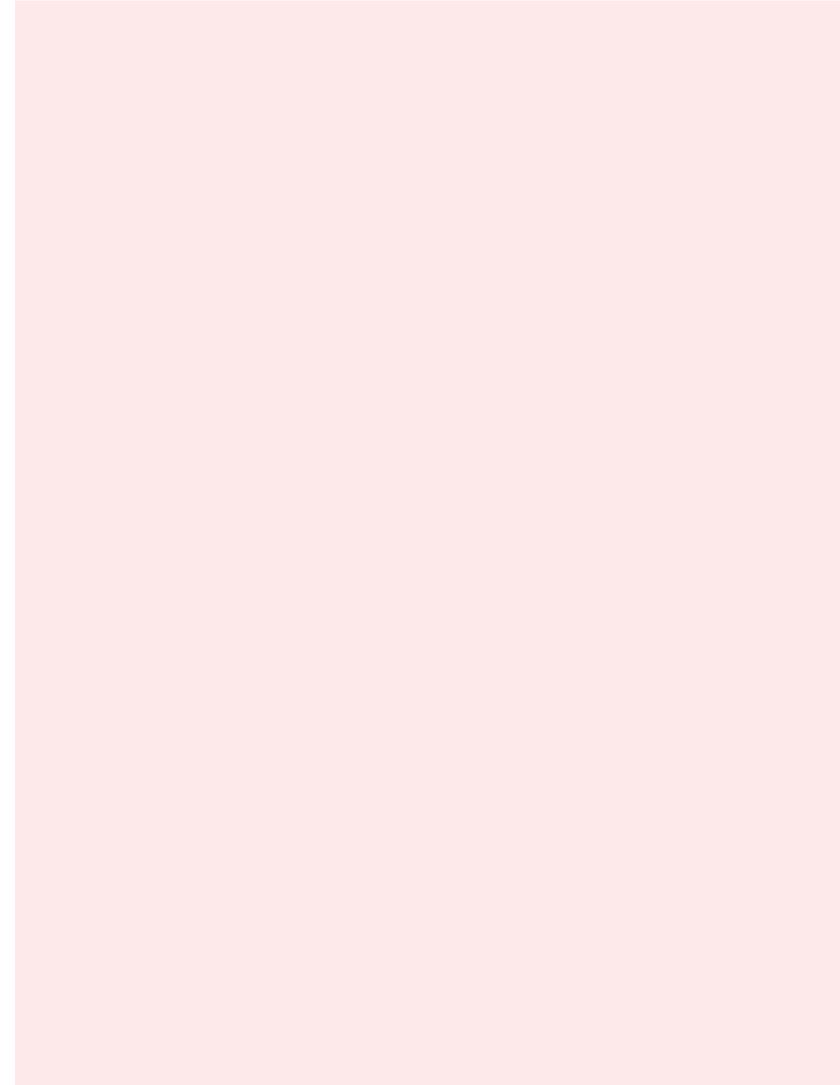
Cross-border fund raising activities

GCC region has been offering vast opportunities for fund raising for a significant time



Gradual increase in regional commitment

Small marketing presence/regional marketing hub

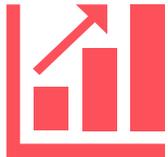


Evolving Landscape



Cross-border fund raising activities

GCC region has been offering vast opportunities for fund raising for a significant time



Gradual increase in regional commitment

Small marketing presence/regional marketing hub



Significant growth

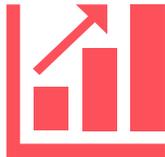
Global asset managers relocating large numbers of PMs (led by hedge funds and multi-strategy firms) and other (regulated and unregulated) businesses rolling out operations

Evolving Landscape



Cross-border fund raising activities

GCC region has been offering vast opportunities for fund raising for a significant time



Gradual increase in regional commitment

Small marketing presence/regional marketing hub



Significant growth

Global asset managers relocating large numbers of PMs (led by hedge funds and multi-strategy firms) and other (regulated and unregulated) businesses rolling out operations

Enterprise

BlackRock expands into Abu Dhabi with a new commercial license

VCCIRCLE

Home / Finance / **Lazard Boosts UAE Footprint With Financial Advisory Office In Abu Dhabi**

Lazard Boosts UAE Footprint With Financial Advisory Office In Abu Dhabi

Reuters My News

Coinbase considers UAE a potential international hub

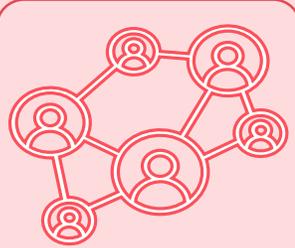
Rothschild & Co

Rothschild & Co continues Middle East expansion with new Wealth Management office in Dubai

The National

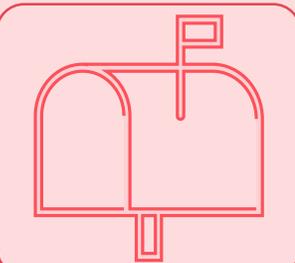
KKR appoints David Petraeus as Middle East chairman amid regional expansion push

Opportunities in the Region



Fundraising Opportunities

- Fundraising Opportunities
- Cross-Border Marketing Exemptions



Establishing a Local Entity

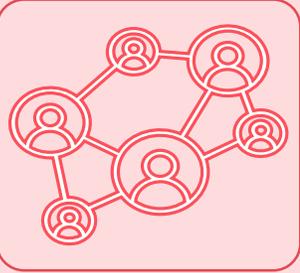
- Setting-up an Entity
- Licensing Application
- Licensing Options



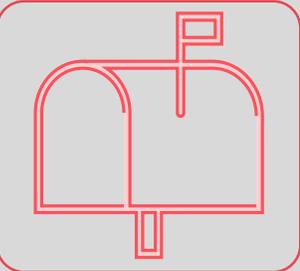
Asset Relocation

- DIFC Structure Options
- DIFC Structures Explored

Opportunities in the Region



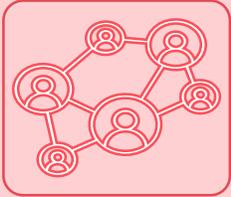
Fundraising Opportunities



Establishing Local Entity



Asset Relocation



Cross-Border Fundraising



Regulatory fragmentation

Codified exemptions and tolerated market practices

Exemption are based on reverse solicitation and sophistication of prospects

Using locally licensed intermediaries

Cross-Border Marketing Exemptions

ADGM 'Exempt Communications' regime

- Proactive marketing to **Authorised Persons and Recognised Bodies** on a cross-border basis
- Proactive marketing to any prospect for **one-off non-real time** communications
- Proactive marketing to any prospect for **one-off real time** communications with reasonable belief of recipient's understanding of risks
- **Reverse solicitation** through one-off real-time and non real-time communications

DIFC 'Exempt Financial Promotion' regime

- Proactive marketing to **'deemed' Professional Clients**
- **Reverse solicitation** from any prospect
- Low-profile one-to-one **meetings** in the jurisdiction
- Visits limited to no more than **5 consecutive days**

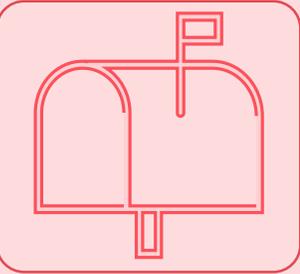
'Onshore' UAE (excluding ADGM and DIFC) exemptions

- Proactive marketing of securities to **Professional Investors**
- Proactive marketing of funds to **'Exempt' Professional Investors**
- **Cross-border reverse solicitation** in relation to funds and securities from any prospect
- Low-profile one-to-one **meetings** in the jurisdiction

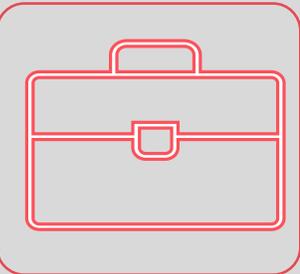
Opportunities in the Region



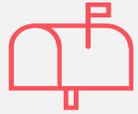
Fundraising Opportunities



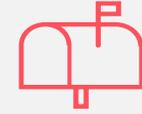
Establishing a Local Entity



Asset Relocation



Setting-up an Entity: DIFC and ADGM



Options

- Branches of a foreign company
- Companies (common option is a private company limited by shares)
- Partnerships

Timeline and Process

- Submission through online registry
- Digital signatures accepted
- No notarisation requirements
- Application for initial approval
- Licence and incorporation documents issued by email
- Up to 5 business days

Documents Checklist

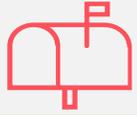
Entity-Related Documents

1. Certified passport copies and CVs for each shareholder and director
2. Certificate of Incorporation for each body corporate shareholder
3. Articles of Association
4. Resolution of Board of Directors
5. Overview of the entity that is being established

Group and UBO Information

1. Details of UBOs
2. Group ownership structure and organisational chart
3. Sources of income and wealth (bank statements or financial statements)
4. Additional information or documents may be required depending on the type of structure

Establishing a Local Entity



Licensing Application: DIFC and ADGM



1

Preparation Phase

- Formal application package
- IPA documentation (policies and procedures)

4-6 WEEKS

2

Review Phase

- Initial review and consideration of formal application
- Issuance of In Principle Approval

2-4 WEEKS

3

Submission

- Submission through the online portal
- Virtual interviews with SEO
- Addressing questions (usually minimal with a strong application)

2-4 MONTHS

4

Issuance of Licence

1 MONTH

4-7 MONTHS

Establishing a Local Entity

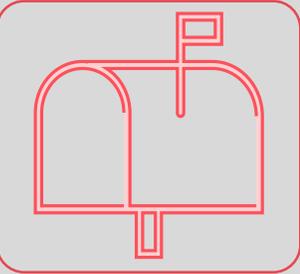
Licensing Options: DIFC and ADGM

Category 4		Category 3C	
DIFC	ADGM	DIFC	ADGM
Features			
<ul style="list-style-type: none"> Fund raising/marketing financial products and services 'Advising' and 'Arranging' activities 		<ul style="list-style-type: none"> Fund raising/marketing financial products and services 'Advising' and 'Arranging' activities 'Managing Assets' and/or 'Managing a Collective Investment Fund', i.e. investment professionals with discretion 	
Capital Requirements			
<ul style="list-style-type: none"> USD 30,000 	<ul style="list-style-type: none"> USD 10,000 	<ul style="list-style-type: none"> USD 70,000, 140,000 or 500,000 (depending on fund type managed) or EBCM 13/52 or 18/52 (likely removal for firms not holding client assets) 	<ul style="list-style-type: none"> USD 50,000, 150,000, or 250,000 (based on fund type and retail availability) or EBCM 13/52 or 18/52
Personnel Requirements			
<ul style="list-style-type: none"> Market standard: minimum of three directors One full-time employee (SEO) must be a UAE resident and spend the clear majority of the working time in the jurisdiction Mandatory regulatory appointments: SEO, Finance Officer, Compliance Officer, Money Laundering Reporting Officer Financial Officer, Compliance Officer and Money Laundering Reporting Officer functions can be outsourced 			

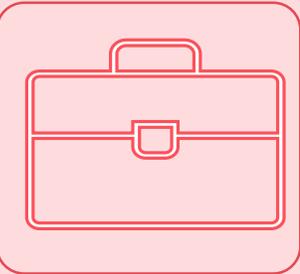
Opportunities in the Region



Fundraising Opportunities

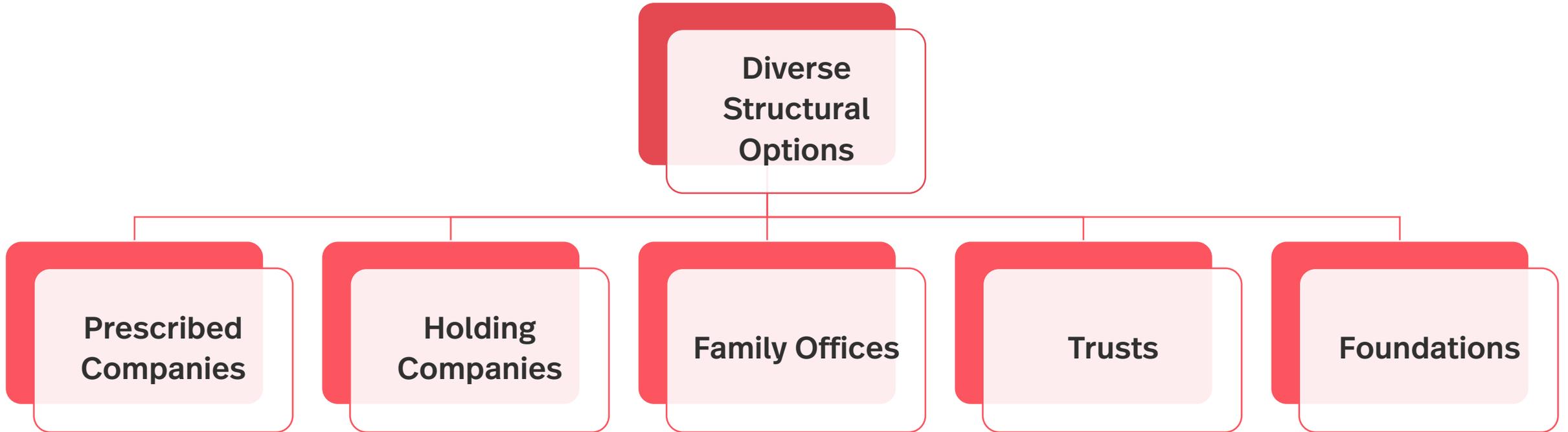


Establishing Local Entity



Asset Relocation

Asset Relocation: DIFC Structure Options



Asset Relocation: DIFC Structures Explored



Prescribed Companies

- Special purpose vehicles used as passive holding entities
- Fast-track application process
- Cost effective structure with reduced incorporation and licensing fees
- Exemption from certain regulatory filings
- Must be established or continued for a qualifying purpose
- Restricted from carrying out financial services activities unless authorised
- Not entitled to hire any employees

Holding Companies

- Primary business is holding a controlling interest in the securities of other companies and enterprises
- Simplified management, clear ownership structures and flexible investment options
- Requirements and fees may vary depending on the legal structure and the business activities selected
- 100% foreign ownership
- Repatriation of capital and profits

Family Offices

- Single family office or multi-family office solutions
- Can be established as a Private Company or a Limited Liability Partnership
- Minimum of 1 Shareholder and 1 Director required
- Minimum net asset value of USD 50,000,000
- Private Register enables family offices to keep their shareholder and officer's information confidential
- No longer required to be registered as a Designated Non-financial Business or Profession (DNFBP) with the DFSA

Asset Relocation: DIFC Structures Explored



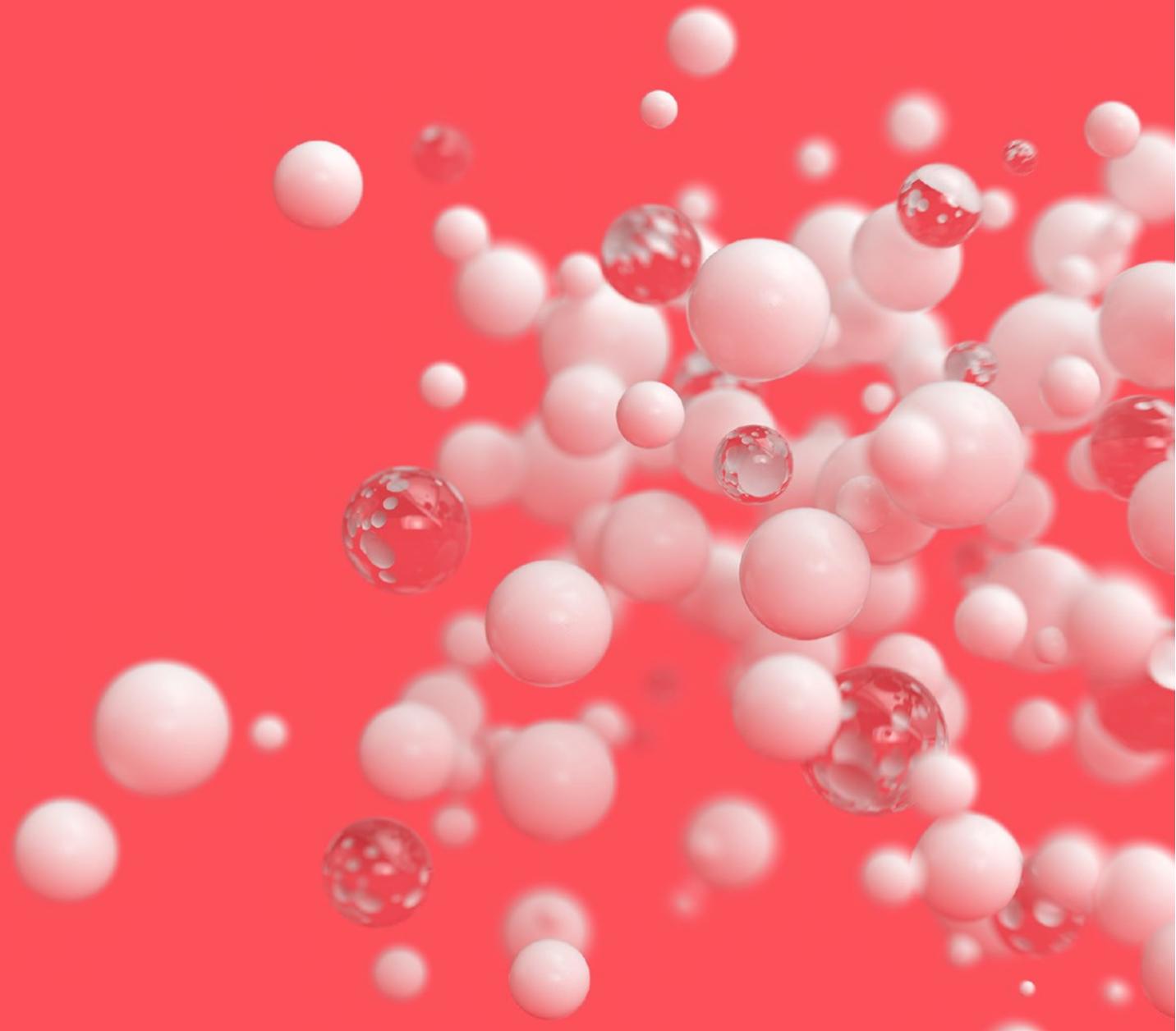
Trusts

- A legal arrangement where the settlor transfers assets to a trustee, who manages the assets for the beneficiary's benefit
- Trust assets are segregated from personal assets, ensuring they are safeguarded against potential creditors, legal claims, and financial risks linked to the settlor or beneficiaries
- Can be structured to control heirship rights imposed by foreign laws to the extent that they are not recognised
- Sensitive information regarding the trust, its assets, and its beneficiaries are kept confidential protecting clients from unwarranted public scrutiny and potential security threats
- High degree of structural flexibility enabling settlors to shape the trust to their specific requirements

Foundations

- An independent legal entity with its own distinct legal personality, but without shareholders or owners
- Governed by its charter and by-laws, and managed by its council and/or founder
- Safeguards assets for intended beneficiaries, potentially minimises tax burdens, and contributes to broader public interest goals (excluding pure charitable endeavours)
- Protects both beneficiaries' rights and foundation assets from unforeseen circumstances like bankruptcy
- Keeps beneficiaries' and founders' information confidential and not publicly disclosed

Tax Considerations



UAE Tax Considerations

- 1 The UAE tax landscape – personal income tax, corporate tax and VAT
- 2 The Qualifying Free Zone Person Regime
- 3 Establishing UAE tax residence under UAE domestic law



Loss of Unlimited Tax Liability in Germany

Once you give up your **residence and habitual abode** in Germany and move to Dubai, you are generally no longer subject to **unlimited tax liability** in Germany.

This means:

- You are only taxed in Germany on **domestic (German-sourced) income**
- For example, if you receive **dividends** from a German resident company, German withholding tax of 25% + solidarity surcharge may apply, and you remain subject to German income tax with German source real estate income

Exit Tax under § 6 German Foreign Tax Act (Außensteuergesetz)

If you hold a **significant share (at least 1%)** in a German corporation (e.g., a GmbH), Germany may impose an **exit tax** when you move abroad. This means:

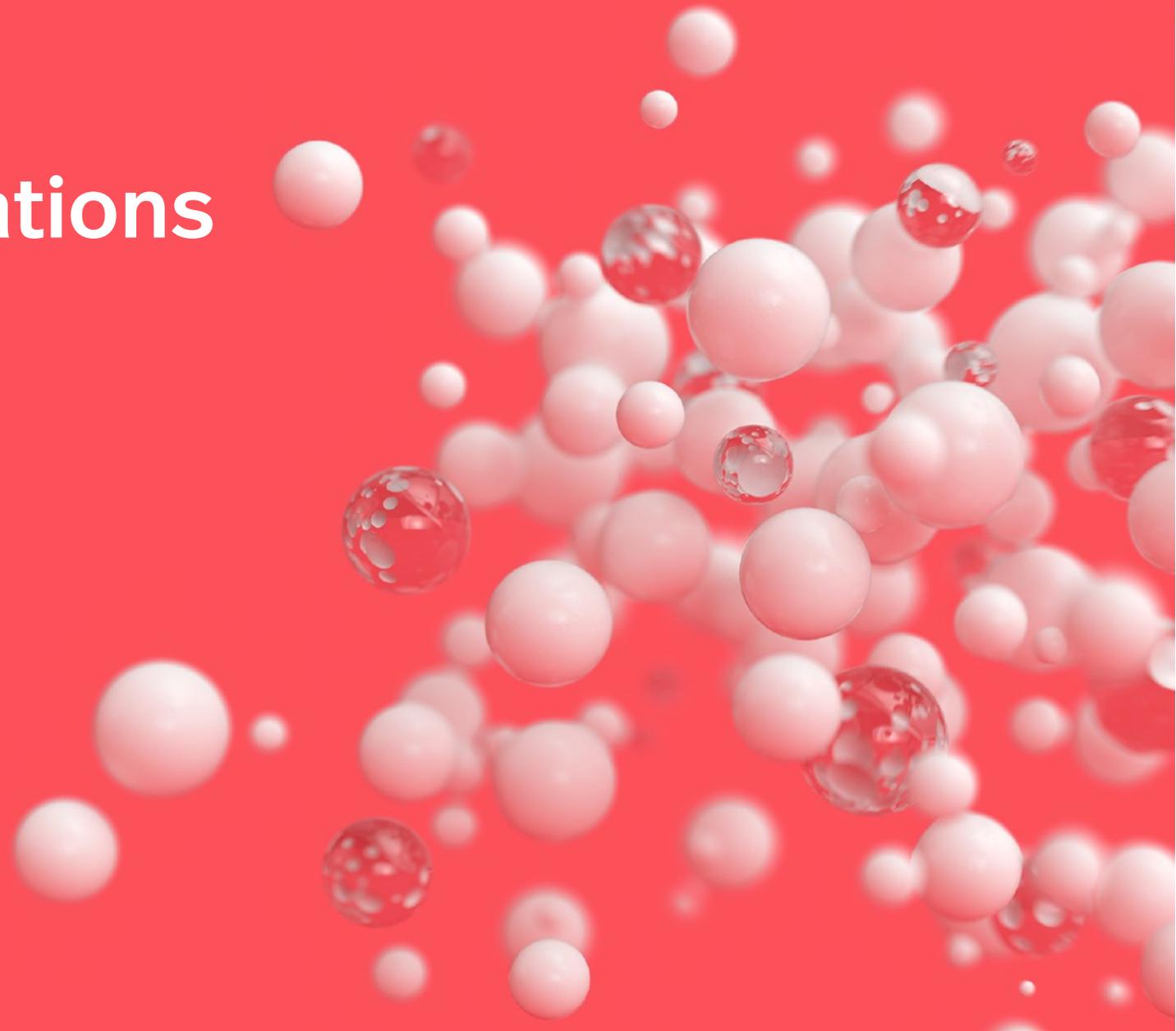
- Germany **taxes a fictitious capital gain** as if you sold your shares, even though you haven't actually sold them
- The tax is based on the **fair market value of your shares at the time of emigration minus acquisition costs**
- Upon **application**, the tax can be paid in seven annual installments, but this generally requires the provision of collateral
- The tax does not apply retroactively if you return to Germany within 7 years

Transfer of functions/effective place of management

If you transfer functions or even the effective place of management of a German entity to Dubai, this could lead to an **exit taxation for the German entity**. This means for example:

- If you (i) own a GmbH, (ii) establish a new corporate entity in Dubai which shall do the same business as your GmbH, and (iii) close the business of the GmbH/liquidate the GmbH, **Germany would tax a fictitious capital gain** as if you had sold the business because of the transfer of business functions to Dubai.
- The tax is based on the fair market value of the transferred functions/business at the time of transfer minus the book value of the transferred assets, if any

Additional Considerations



Additional Considerations

Visas

- **Tourist Visa:** Visa on arrival available for either 30- and 90-day visits subject to the nationality of the passport holder. Not permitted to work.
- **Virtual Work Visa:** 1-year virtual work visa available for persons working remotely in the UAE.
- **Residence Visa (Work Visa):** Visa sponsored by an employer, permitting the visa holder to live and work in the UAE for the period specified by the visa, which can be for 1, 2 or 3 years. Available for applicants inside and outside the UAE.
- **Residence Visa (Family Visa):** Residence Visa holders can sponsor their family members for Family Visas, permitting them to live in the UAE.
- **Long Term Residence Visas (Golden Visa):**
 - Available to high profile executives or investors and require a minimum monthly salary or investment threshold. The Golden Visa does not require full-time residency in the UAE.
 - German/international organisations already implementing Golden Visa facilitation schemes (e.g. YPO).

Services Providers Network

- Consulting firms
- Legal service providers
- Tax, accounting and auditing firms
- Corporate service providers
- Human resources and recruitment agencies
- Immigration service providers

Navigating Common Pitfalls



Capital Requirements

Ensure awareness of the evolving regulatory framework for capital requirements in the DIFC and ADGM



Office Space Acquisition

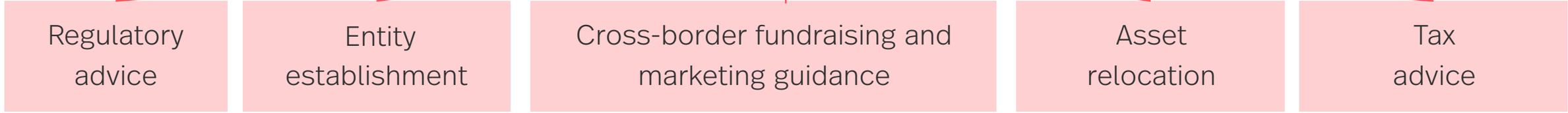
Secure DIFC office space early due to limited availability and high demand to avoid incorporation delays



Bank Account Setup

Initiate bank account opening early (longer processing times due to KYC/AML requirements)

How we may assist you



Contact information



Dr. Harald Glander
Partner, Germany
T +49 69 90 74 54-44
E harald.glander@simmons-simmons.com



Nina Fischer
Managing Associate, UAE
T +971 56 505 9778
E nina.fischer@simmons-simmons.com

Our expertise

- Simmons & Simmons has advised clients on conducting business in the Middle East and wider region for more than 40 years, and we have had a presence in the region for over 30 years
- Largest combined funds and financial services regulatory practice among international law firms in the UAE
- Strong relationship with all financial regulators in the UAE, and we have been awarded Financial Services Regulatory Team of the Year for two consecutive years by the International Financial Law Review

For more information on our team and areas of expertise, please visit simmons-simmons.com

A large, abstract graphic composed of many small, light-colored dots or particles, arranged in a pattern that resembles a stylized, multi-lobed shape or a cluster of points, set against a dark background.

simmons-simmons.com

Strictly Private and Confidential

© Simmons & Simmons LLP and its licensors. All rights asserted and reserved. This document is for general guidance only. It does not contain definitive advice. Simmons & Simmons Middle East LLP is a limited liability partnership registered in England & Wales with number OC345139 and with its registered office at Citypoint, 1 Ropemaker Street, London EC2Y 9SS, United Kingdom. The word "partner" refers to a member of Simmons & Simmons Middle East LLP or an employee or consultant with equivalent standing and qualifications. A list of members and other partners together with their professional qualifications is available for inspection at the above address.