

New Amendments to the UAE Commercial Companies Law of 2015—Activities with Strategic Impact

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Introduction

We previously released a client alert (available [here](#)) outlining key amendments to the UAE's Companies Law, which came into effect on June 1, 2021. Most importantly, these amendments eliminated a section of the Companies Law that required 51 percent minimum Emirati ownership of any onshore company. Since that update, there have been a number of developments, including:

1. The enactment of Cabinet Resolution No. (55) of 2021, which sets out a list of activities with 'strategic impact' (the "New Resolution").
2. An expanded list of activities that may be carried out with 100 percent foreign ownership in the Emirate of Abu Dhabi.

Strategic Impact Resolution

The New Resolution applies federally and provides a list of activities that have a 'strategic impact', which require (a) foreign (natural and legal) persons wishing to invest in or form companies that undertake an activity with 'strategic impact' to first apply for approval; and (b) a certain minimum level of Emirati ownership. To gain approval, foreign persons must submit an application, depending on where the company is or will be formed, to the authority in such Emirate that is responsible for administering company affairs (the "Competent Authority"). In Abu Dhabi and Dubai, for example, such authority would be their respective Departments of Economic Development. Once the Competent Authority receives an application, it will forward the application, within five business days, to the federal authority responsible for regulating the 'strategic impact' activity referenced therein (the "Regulatory Authority"). The New Resolution grants each Regulatory Authority the power, upon receipt of an application, to (a) approve or reject the application; (b) determine the minimum level of Emirati ownership required in the new or existing company; (c) determine whether, and how many members of, the board of directors the foreign person may appoint; and (d) subject the investment to any other conditions or controls. Once an application is approved, it is sent back to the Competent Authority, who will oversee the investment

Contact Information

If you have questions regarding the amendments or how they could apply to your current or future business, please contact any member of our UAE corporate team:

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in, or formation of, the company in accordance with the conditions set by the Regulatory Authority.

The list of activities with a 'strategic impact' and their respective Regulatory Authorities are set forth below. Activities related to fisheries (No. 7 below) require 100 percent Emirati ownership and therefore prohibit foreign investment in such activities.

No.	Activity with Strategic Impact	Regulatory Authority
1.	Security, defense and activities that have a military nature	Ministry of Defense and Ministry of Interior
2.	Banks, exchange houses, finance companies and insurance activities	UAE Central Bank
3.	Money printing	UAE Central Bank
4.	Telecommunications	Public Authority for the Regulation of the Telecommunications Sector and the Digital Government
5.	Pilgrimage (Hajj) and Umra Activities	Public Authority for Islamic Affairs and Endowments
6.	Quran memorization centers	Public Authority for Islamic Affairs and Endowments
7.	Services related to fisheries	N/A – 100 percent Emirati ownership required

Expanded List of Activities in Abu Dhabi

The Abu Dhabi Department of Economic Development recently issued an updated list of 1105 activities (available [here](#)) that may be carried out by 100 percent foreign ownership, which include a number of amendments to the initial list. The amendments align with the Abu Dhabi government's efforts to attract more foreign direct investment, promote an open and flexible business environment and enhance the position of Abu Dhabi on the stage of global investments.

Below are only some examples of the new activities added to the list:

1. Private Funds Investment;
2. Investing in Oil & Natural Gas Projects;
3. Investing in technology projects, establishing and managing them;
4. Management Services for Investment Funds;
5. Commercial Enterprises Investment, Institution and Management;
6. Real Estate Enterprises Investment, Development, Institution and Management; and
7. A large number of changes and additions centered on agriculture, manufacturing and the trade of various goods.

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