

## United Arab Emirates allows 100 percent foreign ownership in various sectors

July 9, 2019

On July 2, 2019, the United Arab Emirates (the “UAE”) Cabinet approved a total of 122 economic activities across 13 sectors to be eligible for up to 100 percent foreign ownership (the “Positive List”). These sectors include renewable energy, space, hospitality, communications, information, agriculture and manufacturing. Foreign investors will now also have the opportunity to be more deeply involved in a larger scope of economic activities such as, the production of solar panels, green technology and power transformers. While this is a federal decision, each of the 7 Emirates will have the right to determine the permitted level of foreign ownership in their respective Emirate.

The requirement to comprise and approve the Positive List arises from Decree No. 19 of 2018 (the “Law”), which is the framework behind the UAE's new and more open stance towards foreign direct investment. This more liberalized approach is intended to attract more foreign investment into the UAE, create jobs and make the UAE a more competitive market globally. While the Law allows foreign ownership in the sectors on the Positive List, it also disallows foreign ownership in others. These ineligible sectors are on what is known as the “Negative List”. Foreign investors hoping to own higher percentages in a certain business sector that is on neither list may still apply for approval according to the procedures set out in the Law.

The following sectors are on the Negative List:

- Exploration and production of petroleum materials
- Investigations, security, military, manufacturing of arms, explosives and military equipment, devices and clothing
- Banking and financing activities, payment systems and dealing with cash
- Insurance services
- Hajj (pilgrimage) and Umrah services, providing employment and recruitment services for staff and domestic workers
- Water and electricity services
- Services related to fisheries

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- Postal services, telecommunications services and audio and video services
- Land and air transport services
- Printing and publishing services
- Commercial agents' services
- Medical retail such as private pharmacies
- Blood banks, venom and quarantine centers

As at the time of writing, the Positive List is not publically available. For more information on the Law regulating foreign direct investment in the UAE, please [click here](#).

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