

Ras Al Khaimah International Company (RAK IC)

General	
Type of Company	Limited by shares
Political Stability	Excellent
Type of Law	Any
Disclosure of Beneficial Owner	Yes
Migration of Domicile Permitted	Yes
Corporate Taxation	Nil
Language of Name	English or Arabic
Corporate Requirements	
Minimum Number of Shareholders	1
Minimum Number of Directors	1
Corporate Directors Permitted	Yes
Minimum Usual Authorised Capital	Dhs 1,000
Fully Paid	Yes
Local Requirements	
Local Partner (UAE National or Company owned by UAE National)	No
Registered Office/Agent	Yes
Local Directors	No
Local Meetings	No
Government Register of Directors	Yes
Government Register of Shareholders	Yes
Local Auditor	No
Annual Requirements	
Annual Return	No
Submit Accounts (on dissolution)	Yes
Recurring Government Costs	
Minimum Annual Tax/Licence Fee	AED 2,000
Annual Return Filing Fee	NA

GENERAL INFORMATION

Introduction

Ras Al Khaimah is part of the United Arab Emirates, a constitutional federation of seven emirates located along the southeastern tip of the Arabian Peninsula. Qatar lies to the west, Saudi Arabia to the south and west and Oman to the north and east. The Federation was formally established in 1971.

Population

RAK is one of the Emirates of the seven independent emirates, the current population is approximately 250,000 but this is expected to raise to 400,000 by 2017. Over 50% of the population are expatriates.

Time Zone

The UAE is 4 hours ahead of GMT (+4 GMT)

Political Structure

Prior to 1971 each of the seven members emirates of the UAE (Abu Dhabi, Ajman, Dubai, Fujairah, Ras Al Khaima, Sharjah and Umm Al Quwain), previously known as the Trucial States, had its own existing institutions of government. The Rulers agreed to draw up a provisional Constitution ("the Constitution") which provided for the establishment of the Supreme Council of the Rulers of all the Emirates as the foremost authority in the Federation and a Council of Ministers as the Executive Branch of the Federation. Federal Ministries of Foreign Affairs, Defense, Justice, Public Health, Communications, Information Interior, Finance and Industry, Economy and commerce, Education, Public Works, Agriculture, Labor and Social Affairs and Planning were established. As a Muslim country, one of the fundamental principles in the Constitution provides that Islamic Law (Sharia) is the main source for the legislation in the UAE. The main aim of the UAE Government Strategy is to ensure sustainable development and a high quality of life for all UAE Nationals.

Infrastructure and Economy

The UAE is one of the wealthiest countries in the world with a GDP of US \$103 billion (2004). Dubai's economy grew by approximately 16% in 2005 and is acknowledged as one of the fastest growing economies in the world. The UAE has the third largest proven oil reserves; however RAK has broadened its economic activity to include an industrial platform, real estate, trade and manufacturing. In addition Tourism is increasing rapidly with approximately 10 million tourists expected in 2007. The emirate of Ras Al Khaimah is strategically located between Africa and the Middle East and between the Far East and Europe, making it a gateway to over 1.5 billion consumers located in countries surrounding the Red Sea and the Gulf. Its infrastructure is of the highest standards with access to more than 170 shipping lines and approximately 86 airlines connecting to over 100 cities worldwide. The strong shipping and transportation sector is composed of most of the leading regional and international freight forwarders, insurers and shipping agents.

Language

Arabic, Persian, Hindi, and Urdu. English is widely spoken.

Currency

The Dirham: The current rate is 6.9 Dirhams = £ 1 and pegged to the dollar at 3.67 AED per \$ 1 US

Exchange Control

None.

Type of Law

Federal, except for Dubai and Ras Al Khaima who maintain their own judicial systems. The Emirates had the constitutional right to opt to join the Federal judicial system or maintain their own independent system. The Federal UAE courts are divided into civil and criminal and are also generally divided to three stages of litigation namely:

- Courts of First Instance,
- Courts of Appeal
- Federal Supreme Court (colloquially referred to as Court of Cassation).

In addition to the Civil Courts each of the seven Emirates maintains a system of Sharia Courts which are organised and supervised locally.



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Principal Corporate Legislation

International Companies Regulations 2006
Registered Agents Regulations 2006

COMPANY INFORMATION

Type of Company

The International Company (IC) is the most popular option for foreign companies seeking to establish a presence in the UAE.

Procedure to Incorporate

The following steps are required to establish an International Company in RAK:

Select a name for the company and have it approved by the RAK Free Zone Authority

- Draw up a proposed memorandum including share capital, share value, power of Directors and object of the company and have it notarised by a Notary Public in the UAE Courts.
- Confirmation whether the share capital has been paid in cash or kind
- Copies of, the Memorandum & Articles of Incorporation and Certificate of Incorporation (if a company) is to be a participant duly notarised & Apostilled and legalised at the UAE Embassy.
- Board Resolution of each corporate shareholder approving the taking up of shares in the new company duly notarised & Apostilled and legalised at the UAE Embassy.
- Details of Company Auditors together with a letter confirming their appointment, if applicable
- Bank Certificate confirming deposit of the minimum share capital
- Seek approval from the RAK Free Zone Authority;
- Once approval is granted, the company will be entered in the Commercial Register
- The licence will then be issued by the RAK Free Zone Authority;

Restrictions on Trading

Can only operate within the activities detailed on the Memorandum.

Powers of Company

Companies Law stipulates that an IC may engage in any lawful activity except for insurance, banking and the investment of money for others and restrictions apply to conduct local business.

Language of Legislation and Corporate Documents

English

Shelf Companies Available

No

Time to Incorporate

1 – 2 weeks.

Name Restrictions

- Any name that is identical or similar to an existing name.
- Any name of a major international corporation where written consent to incorporate is not available.
- Any name that contains a registered trademark not owned by the company.
- Any name that the registrar may find undesirable, offensive or misleading.

Language of Name

English

Names Requiring Consent or a Licence

In certain circumstances, the prior consent of a Federal Ministry or competent local authority will be required. These activities include: Oil & Gas, Banking & Investment, Financial Services, Insurance, Media, Transport, Construction, Telecommunications, Real Estate Management, Architectural and Engineering Consulting, Tourism, Shipping, Civil Aviation, Legal Services, Medical Services, Education. Any name that contains the words: state, government, municipal etc. and may wrongfully suggest a patronage of such.



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Registered Office Required

Yes, must be maintained in RAK

Suffixes to Denote Limited Liability

Ltd or Limited

Disclosure of Beneficial Ownership to Authorities

Yes

COMPLIANCE**Authorised and Issued Capital**

The minimum requirement for authorised capital is DHs 1,000 which must be fully paid up.

Classes of Shares Permitted

May neither be negotiable or divisible. Ordinary shares, preferred shares, deferred shares, and shares with or without voting rights.

Taxation

No Corporate, Withholding or Personal taxation.

Double Taxation Agreements

None.

Licence Fees

DHs 2,500 on incorporation and DHs 2,000 upon renewal

Financial Statement Requirements

Yes

Directors

Minimum one; powers and duties to be specified in the Memorandum. Corporate Directors are permitted.

Shareholders

Minimum of one.

Disclaimer

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