



## ARTICLE

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### Landing in the United Arab Emirates

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The experiences of **Lupicinio International Law Firm**, after three years of practice in the region.

Like any new corporate venture starting up in a foreign country, and even more so keeping in mind the particularities of legal business, our arrival in the United Arab Emirates (UAE) led us to encounter various obstacles which could be resolved by persevering and being able to rely on a suitable local partner.

Firstly, legal business in the Emirates is exclusively for locals, who are the only ones able to practice law. Furthermore, the UAE's policies of investment, regarding the setting up of the types of companies we wished to establish – LLC Onshore Co., with which we would be able to offer our services – require at least 51% of local social capital. Therefore, our first difficulty was in finding a local partner with whom to associate and who preferably worked in legal business.

This local partner had to a) be loyal, b) have an excellent reputation, as in the Middle East it is of vital importance that reputational risk is considered, and c) help with the positive development of the firm, be it by making the most of their contacts, or by playing an active role in corporate relations (as there are locals who wish to be mere figureheads).

Secondly, there is the issue of the cultural gap. Real times, real costs, just like the ways of tackling the establishment of a company, are totally variable. If it is true that they are scrupulous when the time comes to dedicating

themselves to the finalization of the establishment process, prolonged schedules and higher costs are not unusual, given the variation in obtaining certain documents such as trading licenses and visas.

Thirdly, the competition in the UAE legal world is fierce, due to the continued presence of big international firms in the area, the majority of whom peculiarly being established in international financial centers without the authority to practice law outside of these.

In this scenario, we act as legal advisors in the local market for foreign companies who wish to establish themselves in the area, local clients who wish to invest in Europe or Latin America, and clients who have problems of all varieties within the UAE.

An additional challenge is that of the rumors of the non-existence of taxes while setting up in the Emirates. Certainly taxes do not exist as such, but the different governments of the Emirates cover them in different ways (trading payments, visa payments, the presentation of documentation payments...). That's to say, the exemption of taxes is a camouflaged reality, as without any hint of doubt you will find yourself paying indirect taxes in the form of payments for different stages or necessary documents for effective establishment.

In conclusion, the establishment of a legal firm in the UAE is not easy, given our type of business, and even less so if you do not have a suitable local partner with whom you can enter

and secure a place in a market. But for what it's worth, it is an emerging market (keeping in mind that a multitude of companies are establishing themselves in the region for the

celebration of the Dubai World Expo in 2020) that is offering a multitude of possibilities in the world of legal business.

## **FOR MORE INFORMATION**

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