

Legal Alert



ADGM Announces Tech Start-Up Licensing Regime

By Danielle Lobo | 14 October 2018

The Abu Dhabi Global Market (the **ADGM**) recently announced the launch of a commercial license specifically catered towards tech start-ups that allows entrepreneurs to obtain an operational license in the ADGM and access to a Professional Services Support Program aimed at allowing entrepreneurs entry to a community of businesses, financial services and professional advisors.

The license is available to entrepreneurs of all nationalities floating technology driven start-ups with scalable innovative business concepts that can be deployed in the UAE and contribute to the development of the local economy. Demonstrable evidence of the progress of such technology (such as a prototype or market traction) will be required along with a clearly defined business plan with relevant forecasts.

Registering under the license offers the following benefits:

- a fully operational commercial license for two years;
- annual fee of USD700 (as opposed to the USD10,300 initial registration fee and USD8,100 annual renewal fee ordinarily applicable);
- registration with a virtual office address (business centre or agent/advisor registered address) or physical working space (micro-office);
- access to ADGM's Professional Services Support Program; and
- the option to obtain up to four employee visas.

The registration process remains the same as the current online procedure used for ordinary commercial licenses (involving submission of an application form and business plan, initial screening and pre-approval, final approval and issuance of license after registration and incorporation). After two years, if the start-up is able to show progress such as revenue or a sufficient level of investments, it will either be converted to a traditional operational entity on normal license terms or a holding company.

The Author



Danielle Lobo

Counsel

dlobo@afриди-angell.com

Tel: +971 4 330 3900

Danielle practices corporate and commercial law and has considerable experience in a wide range of corporate matters including private equity transactions, mergers and acquisitions, joint ventures, restructurings and reorganisations. She advises vendors, trade purchasers and management on both the sale and purchase of companies, as well as on private equity investments, including the funding of start-up companies. Danielle is a member of the Law Society of Scotland. She holds an LLB (Hons.) from the University of Aberdeen, Scotland.

The Professional Services Support Program is a unique partnership between the ADGM and leading local and international advisers, established to help entrepreneurs enhance the scalability of their ventures, build business skills and provide guidance in the fields of accounting, compliance, finance, legal and VAT.

These developments come on the back of a number of initiatives by the ADGM to address set-up costs, access to funding and business support for start-ups (such as the FinTech RegLab programme). They are also in line with the UAE's National Innovation Strategy to make the UAE a more attractive base for new businesses and ultimately promote economic diversification, foster growth and stimulate the region's innovation environment. ■

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