

# PANORAMIC

# FOREIGN INVESTMENT REVIEW

United Arab Emirates



LEXOLOGY

# Foreign Investment Review

Contributing Editors

**Oliver Borgers and Dominic Thérien**

McCarthy Tétrault LLP

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# Contributors

## United Arab Emirates

Afridi  
&Angell

Afridi & Angell

Charles Laubach

claubach@afridi-angell.com

Saurbh Kothari

saurbh@afridi-angell.com

Vaishali Dhanawat

vdhanawat@afridi-angell.com

## LAW AND POLICY

### Policies and practices

What, in general terms, are your government's policies and practices regarding oversight and review of foreign investment?

The United Arab Emirates (UAE) encourages the participation of foreign investors in the economy through various initiatives.

The UAE has many jurisdictions for the incorporation of companies. Each emirate of the UAE has its own licensing authority. In addition, there are more than 40 free zones and each free zone is a separate jurisdiction for incorporation. A foreign investor (an individual or a corporation) wishing to establish a presence in the UAE, depending on the business model, has the option to either establish its presence in mainland/ onshore UAE (outside of the free-zone areas) or in one of the free zones of the UAE.

Until recently, there were certain restrictions on foreign investors from owning majority shares in companies incorporated in mainland/onshore UAE. However, since 2020, the UAE has introduced significant changes to its legal landscape regarding foreign direct investment (FDI). The UAE has enacted Federal Decree-Law No. 32 of 2021 on Commercial Companies, as amended (the Commercial Companies Law), which came into force on 2 January 2022. It replaced Federal Law No. 2 of 2015 on Commercial Companies (the old Companies Law). The Commercial Companies Law is applicable to all entities established in the UAE, foreign companies conducting business or setting up branches in the state, and branches of companies established in free zones while engaging in activities outside the free zone areas and within the state. The Commercial Companies Law (among other things) solidifies the concepts of foreign ownership of companies, corporate governance and minority protection. The recent changes to the legal landscape have removed the requirement for a company (such as a limited liability company, which is the most common form of entity used by investors) to have at least 51 per cent UAE national ownership. Subject to certain restrictions on limited activities, a foreign investor can establish a 100 per cent foreign-owned company in the UAE.

The UAE cabinet has issued a list of strategic impact activities and the rules for licensing companies that engage in any of the listed strategic impact activities. These activities will continue to have certain restrictions on foreign ownership. Cabinet Resolution No. 55 of 2021 on the Determination of the List of Strategic Impact Activities (the Strategic Impact Activities Cabinet Resolution) identifies the following broad strategic impact activities:

- security and defence activities and activities of a military nature;
- banking, money exchange, finance company and insurance activities;
- printing currencies;
- telecommunications;
- Hajj and Umrah services;
- activities of Quran memorisation centres; and
- fisheries-related services.

For each strategic impact activity, depending on its nature, a specific UAE authority has been identified as the regulatory authority. For example, the Ministry of Defence and the Ministry of Interior are the relevant regulatory authorities for the activities in the security and defence sector. Each regulatory authority has been given broad range of powers to determine the permitted percentage of FDI and to enact rules and conditions applicable to the strategic impact activities falling under its purview.

Free zones have always allowed 100 per cent foreign ownership. These free zones, which may establish separate regulatory environments within their designated jurisdiction, are attractive to international investors owing to clear, market-oriented regulations, the ability to incorporate wholly foreign-owned entities and certain tax holidays on all corporate taxes (subject to federal laws on taxation of corporations and businesses).

The UAE is not a party to the WTO Plurilateral Agreement on Government Procurement. Accordingly, government procurement is generally awarded to local companies and suppliers where possible.

The UAE does not impose foreign exchange control regulations either in or outside the free zones.

**Law stated - 22 December 2025**

## Main laws

**What are the main laws that directly or indirectly regulate acquisitions and investments by foreign nationals and investors on the basis of the national interest?**

Given the absence of a centralised investment law in the UAE, FDI is regulated by a number of distinct legislative texts, including but not limited to:

- the Commercial Companies Law;
- the Strategic Impact Activities Resolution;
- Federal Law No. 3 of 2022 concerning the Regulation of Commercial Agencies (the Commercial Agency Law);
- Federal Decree-Law No. 36 of 2023 on the Regulation of Competition (the Competition Law);
- Federal Law No. 11 of 2023 Concerning Procurement in the Federal Government (Procurement Law);
- Dubai Law No. 7 of 2006 Concerning Land Registration in the Emirate of Dubai (as amended) and similar laws enacted in other Emirates (the Property Law);
- Federal Decree-Law No. 51 of 2023 promulgating the Financial Reorganization and Bankruptcy Law (the Bankruptcy Law);
- Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (as amended) and related regulations and decisions; and
- laws and regulations applicable in the various free zones.

**Law stated - 22 December 2025**

## Scope of application

Outline the scope of application of these laws, including what kinds of investments or transactions are caught. Are minority interests caught? Are there specific sectors over which the authorities have a power to oversee and prevent foreign investment or sectors that are the subject of special scrutiny?

The Commercial Companies Law is the principal statute that regulates companies incorporated in the mainland/onshore UAE and branches of companies established in free zones while engaging in activities outside the free zone areas and within the state. A foreign corporate investor can also establish a branch office, a representative office or administration centre in the UAE. Branches of foreign companies are permitted without the participation of a UAE shareholding and/or any UAE national agent (except in certain limited activities). The Commercial Companies Law no longer requires a branch of a foreign company to appoint a UAE national agent (who is not a shareholder of the foreign company/branch). However, currently, in certain regulated activities (eg, oil and gas business activities), we still see branches of foreign companies appointing UAE national agents. A recent amendment to the Commercial Companies Law now provides greater flexibility in structuring shareholders rights and obligations in the memorandum of association/by-law of a limited liability company, including issuance of different classes of shares.

In asset purchase transactions, depending on the nature of the assets, there may be requirements to register the change of ownership of assets (eg, vehicles) with an appropriate UAE authority.

As mentioned above, the UAE cabinet has issued a list of strategic impact activities and the rules for licensing companies that engage in any of the listed strategic impact activities. For each strategic impact activity, depending on its nature, a specific UAE authority has been identified as the regulatory authority. Each regulatory authority has been given broad range of powers to determine the permitted percentage of FDI and to enact rules and conditions applicable to the strategic impact activities falling under its purview.

The Commercial Agency Law (which replaced the old 1981 Commercial Agency Law) has introduced substantial changes to the UAE commercial agency law regime. Primarily, the following category of persons can be appointed as a commercial agent: (1) natural persons who are UAE nationals; (2) a public company; (3) a body corporate that is wholly owned by (a) one or more natural persons who are UAE nationals; or (b) a public company (subject to the provisions of the Commercial Agency Law). Exclusive agents may be appointed for the UAE or a particular Emirate and/or for specific products (and not all the products of a foreign principal). Underlying agreements establishing commercial agencies are required to be registered with the Ministry of Economy (Ministry). While under the old UAE commercial agency law regime, a registered commercial agency agreement could only be terminated by mutual agreement or for a 'fundamental reason' (the term 'fundamental reason' was not defined and was often difficult to prove), notwithstanding the expiry of such contract, the new Commercial Agency Law has relaxed the rules regarding expiry or termination of a commercial agency agreement making such rules more principal friendly.

Under the Competition Law, the conduct of any form of economic activity or exploitation of intellectual property rights by a natural or legal person in the UAE or outside of the UAE that affects competition inside the UAE, or economic activities that occur outside the UAE but

can affect competition in the UAE, requires the approval of the Ministry. This includes any transaction, including mergers and acquisitions, that results in a dominant market position (by reaching market share thresholds or turnover thresholds).

The provisions of the Procurement Law regulate the general framework for the purchase of any product, service or business needed by federal entities in the Federal Government of the UAE. The provisions of the Procurement Law do not apply to various entities and/or type of purchases such as Ministry of Defence and Armed Forces, the UAE security entities, military or security related purchase transactions carried out by the UAE Ministry of Interior, federal entities engaged under international agreements or obligations or with international organisations related to the purchases carried out by these federal entities, etc.

The Property Law prevents foreign ownership of real property except areas designated by the respective governments of particular Emirates.

The Bankruptcy Law has introduced a regime that allows for the protection and reorganisation of distressed businesses. Other key features of the Bankruptcy Law include the following:

- A debtor can seek court protection and assistance while it agrees to a financial arrangement with its creditors without having to proceed to bankruptcy proceedings (preventive settlement and restructuring). Rather than having to proceed directly (or at all) to bankruptcy proceedings, preventive settlement and restructuring will allow the debtor to rehabilitate, reach an agreement with its creditors for the repayment of sums owed and continue its business, while under court protection from individual creditor claims. The option of preventive settlement will be available to the debtor only if it has defaulted or due to the existence of reasons the debtor expects that it will be unable to pay its debts when due. Under the preventive settlement option, the debtor may continue its business without the supervision of the trustee and needs approval only when it envisages conducting an activity which falls outside its normal business scope. The option of restructuring is available to debtors as well as creditors, if the debtor's business is viable. This option is available if the debtor has stopped payment or is in a state of deficit in the financial positions among others. The debtor will not be able to dispose of any property, stocks or shares, or (if a company) changes ownership or corporate form while it is undergoing this process without approval.
- A creditor (or group of creditors) must now have a debt owed of at least 1 million dirhams (or 10 million dirhams if the debtor is regulated by the UAE Central Bank or UAE Securities and Commodities Authority) before it can initiate restructuring or bankruptcy proceedings.
- The Bankruptcy Law in many circumstances still provides for criminal liability of entities and persons involved in a case of bankruptcy, and the existence of these provisions may continue to give owners, directors and management significant cause for concern.
- A debtor can raise new finance during the preventive composition or restructuring process, with court approval.

While the Bankruptcy Law favours debtors by giving them greater flexibility and protection in the event of insolvency, it remains to be seen how it will be implemented in practice and whether debtors make use of its provisions. Nevertheless, the introduction of

separate bankruptcy courts along with a comprehensive insolvency regime is a significant development.

Finally, free zones enable 100 per cent foreign ownership. Most free zones in the UAE have their own company law and regulations, and the provisions of the Commercial Companies Law are generally not applicable to companies incorporated in free zones, except for branches of such companies that engage in activities outside the free zone areas and within the State. In general, companies established in a particular free zone are limited to conducting their business within the designated geographic area of that free zone, and are thus prevented from engaging in commercial activity in the UAE beyond the relevant free zone (unless such a free zone company has obtained a license/permit to conduct business from outside of the relevant free zone).

Law stated - 22 December 2025

### **Definitions**

#### **How is a foreign investor or foreign investment defined in the applicable law?**

A foreign investor will be a physical or legal person not holding the nationality of the UAE and investing funds in the UAE.

Law stated - 22 December 2025

### **Special rules for SOEs and SWFs**

#### **Are there special rules for investments made by foreign state-owned enterprises (SOEs) and sovereign wealth funds (SWFs)? How is an SOE or SWF defined?**

There are no formal laws or regulations addressing FDI by SOEs or SWFs in the UAE.

Law stated - 22 December 2025

### **Competent authorities**

#### **Which officials or bodies are the competent authorities to review mergers or acquisitions on national interest grounds?**

The Ministry is the supervisory and regulatory authority responsible for implementing, monitoring and enforcing the Competition Law, whereby the conduct of any form of economic activity or exploitation of intellectual property rights by a natural or legal person in the UAE or outside of the UAE that affects competition inside the UAE, or economic activities occurring outside the UAE but can affect competition in the UAE, requires the approval of the Ministry.

The concerned Emirate level licensing authorities is responsible to consider anti-competitive practices, related exemption applications, and applications for approval of economic concentration operations that would affect the competitive situation and the general balance

of the relevant market at the level of the emirate, if the following two conditions are materialised: (1) The concerned establishments are only located in the same emirate; and (2) The impact of these practices does not exceed the borders of the emirate. The concerned Emirate-level licensing authority is required to inform the Ministry regarding its consideration of anticompetitive practices, related exemption applications, and applications for approval of economic concentration operations.

The Ministry has also established a Competition Committee, which is tasked with the day-to-day enforcement and development of the Competition Law. This Competition Committee has been formed and is operational. To date, many merger control filings (and resolutions related thereto) have been made. Failure to seek the Ministry's approval in relation to merger control will result in a fine of no less than 2 per cent and no more than 10 per cent of the annual total sales of goods or services revenues subject to the violation, which the violating establishment has achieved within the UAE during the last fiscal year. If it is not possible to determine the annual total sales or revenues achieved by the violating establishment within the UAE during the last fiscal year, the penalties shall be a fine of no less than 500,000 dirhams and no more than five million dirhams. Applications must be made at least 90 days prior to the proposed date of a relevant transaction taking place, after which the Ministry must respond to the request within 90 days (this period may be extended for 45 days). If the Ministry requests additional information, the time period will be suspended until the Ministry receives the requested additional information. The completion of the review period without a decision from the Ministry is considered a rejection of the economic concentration application.

Apart from the Ministry, there are no specific government agencies or authorities responsible for reviewing or authorising transactions on the grounds of national interest per se.

Law stated - 22 December 2025

### **Discretionary powers of authorities**

Notwithstanding the above-mentioned laws and policies, how much discretion do the authorities have to approve or reject transactions on national interest grounds?

The various economic departments of each Emirate have fairly broad discretion to accept or reject any incorporation and/or acquisitions of entities licensed by these departments. Though national interest is not specified, a transaction may be rejected on this basis. However, there are no regulatory rules or guidelines in this regard.

Law stated - 22 December 2025

## **PROCEDURE**

### **Jurisdictional thresholds**

What jurisdictional thresholds trigger a review or application of the law?  
Is filing mandatory?

The Competition Law requires that entities seek merger clearance from the Ministry, if they are contemplating a transaction that:

- constitutes an economic concentration, including the acquisition of a direct or indirect, total or partial interest or benefit in assets, equity, or obligations of another entity to which the Competition Law applies, and meets the applicable notification threshold;
- will create or promote a dominant position; or
- may affect the level of competition in the relevant market.

In addition, the Competition Law prohibits entities from entering into agreements or arrangements (which should be broadly construed) where the aim, object or effect is to restrict competition.

In the case of economic concentration (merger or acquisition), the Ministry requires submission of an application and approval sought in case one of the following two conditions is met: (1) the total annual sales value of the establishments in the relevant market during the last fiscal year exceeds the amount determined by the Council of Ministers; or (2) the total share of the establishments exceeds the percentage of the total transactions in the relevant market during the last fiscal year determined by the Council of Ministers.

Pursuant to Cabinet Decision 3 of 2025 on the Ratios Related to the Implementation of the Competition Law, these thresholds are met where: (1) the value of annual sales of such establishments in the relevant market in the UAE during the last fiscal year exceeds 3 billion dirhams or (2) the overall share of such establishments exceeds 40 per cent of the overall transactions in the relevant market in the state during the last fiscal year.

The Competition Law refers to issuance of implementing regulations, which have still not been issued. The provisions of the Competition Law do not apply to federal and local government entities, and entities owned or controlled by the federal or Emirate governments (as determined by the applicable authority).

In the banking sector, financial institutions require the approval of the UAE Central Bank for a merger or acquisition of another institution. However, this approval is not based on national interest and merely represents the general requirement for approval.

**Law stated - 22 December 2025**

### **National interest clearance**

**What is the procedure for obtaining national interest clearance of transactions and other investments? Are there any filing fees? Is filing mandatory?**

It is possible to apply for an individual exemption from application of Article 5 (banning restrictive agreements) and Article 6 (prohibiting abuse of a dominant position) of the Competition Law, through notifying the relevant agreement or practice to the Ministry's Competition Committee by means of the relevant notification form. The application forms for the purpose of individual exemption applications and merger control notifications have been issued by the Ministry. The procedure for seeking an exemption is set out in the Cabinet Decision No. 37 of 2014 (Decision 2014) (implementing regulation under the old competition

law which continues to be effective) and involves a written application to the Competition Committee seeking an exemption for a transaction. A merger clearance request is triggered (and must be filed) in cases where there is an 'economic concentration', unless an exemption applies, irrespective of whether the parties to the concentration have a formal presence in the UAE.

The definition of 'economic concentration' is defined broadly under the Competition Law and includes any action that leads to the full or partial transfer (merger or acquisition) of ownership or usufruct rights in properties, rights, stocks, shares, or obligations of a company to another. This action grants a company or a group of companies direct or indirect control over another company or a group of companies. The entity seeking the exemption must provide copies of its constitutive documents and financial statements (for the past two financial years). In addition, it must submit an economic rationale for the transaction and its reasons for requesting the exemption. All documents submitted must be in Arabic, but may be accompanied by an English translation. The applicant may identify any possible confidential information contained in the materials submitted to the Competition Committee, and in this case must also submit a non-confidential summary of it. Further documents and information can be requested during the proceedings by the Competition Committee. The Competition Committee can request third parties that may possibly be affected by the concentration to submit their comments in this regard within 15 days from the request. To gather additional information and insight on the possible impact of the notified concentration on the market, the Competition Committee can also hold interviews with the relevant undertakings and interested third parties in the course of the proceedings. At present, there are no fees payable for a merger clearance request.

Law stated - 22 December 2025

### **Approval responsibility**

#### **Which party is responsible for securing approval?**

For exemptions, the relevant party seeking an exemption must apply. For other cases of notification (such as of dominant position), the interested parties are responsible for seeking and securing approval. As in the case of notifications for exemption, the Competition Committee can request third parties that may possibly be affected by the concentration to submit their comments in this regard within 15 days from the approval request.

Law stated - 22 December 2025

### **Review timeline**

#### **How long does the review process take? What factors determine the timelines for clearance? Are there any exemptions, or any expedited or 'fast-track' options?**

Unlike other international jurisdictions with clearly regulated review processes, the UAE's informal regulatory regime does not establish specific time frames for the approval of FDI transactions. These may vary significantly, depending on the particular authority involved in granting required approvals. The Competition Law applies to all establishments carrying

out economic activities in the UAE, as well as to economic activities conducted outside the UAE that have an effect on competition within the UAE. Accordingly, prior approval under the Competition Law may still be required in respect of a merger or acquisition involving a foreign investor, even where such investor is established in the UAE, provided that the transaction constitutes an economic concentration and the applicable notification thresholds are met. In such cases, in addition to merger clearance (where applicable), the foreign investor would be required only to obtain a licence from the local licensing authority, unless the intended business activity requires a special approval from a sector-specific UAE authority.

A specific example of relevant time frames is the response to applications for approval from the Ministry under the Competition Law, which will occur within 90 days (this period may be extended for 45 days). If the Ministry requests additional information, the time period will be suspended until the Ministry receives the requested additional information. The completion of the review period without a decision from the Ministry is considered a rejection of the application.

Law stated - 22 December 2025

### **Closing conditions**

**Must the review be completed before the parties can close the transaction? What are the penalties or other consequences if the parties implement the transaction before clearance is obtained?**

Approvals must be sought and granted prior to completion of the transaction. Heavy fines may be imposed for failure to wait for approval to be granted.

The Competition Law provides for potentially far-reaching penalties in the event of violation. These penalties include: fines of between 100,000 to 10 percent of the annual total sales achieved by the violating establishment within the UAE during the last fiscal year for entering into restrictive agreements or abusing market dominance; and fines of 2 per cent to 10 percent of the annual total sales of goods or services revenues subject of the violation, which the violating establishment has achieved within the UAE during the last fiscal year for failure to comply with economic concentration requirements under the Competition Law. Continued violation of the provisions of the Competition Law may result in fines being increased. The courts may also order the violating enterprise to shut down operations for a period of between three and six months. An entity violating the Competition Law also exposes itself to possible criminal sanctions.

Law stated - 22 December 2025

### **Pre-filing guidance and dialogue**

**Can formal or informal guidance from the authorities be obtained prior to a filing being made? Do the authorities expect pre-filing dialogue or meetings?**

There is no formal review process of FDI transactions in the UAE. It is common practice to seek informal pre-approval in relation to any transaction requiring government approval. Therefore, foreign investors should contact the relevant authority informally to discuss the

envisioned transaction prior to making a formal application. As a result, they will be informally notified of particular aspects of a proposed transaction that, in the reviewing authority's opinion, will pose a concern. Such informal notification may also include information relating to national security or other concerns that could lead to the rejection of the proposed transaction.

Law stated - 22 December 2025

### **Specialist support**

When are government relations, public affairs, lobbying or other specialists made use of to support the review of a transaction by the authorities? Are there any other lawful informal procedures to facilitate or expedite clearance?

In general, the starting point is the Department of Economic Development in the applicable Emirate. Depending on the proposed business activities, other industry sector authorities may need to be approached.

Law stated - 22 December 2025

### **Post-closing powers of authorities**

What post-closing or retroactive powers do the authorities have to review, challenge or unwind a transaction that was not otherwise subject to pre-merger review?

There is no legislative guidance with respect to retroactive powers in relation to the approval of foreign investments. However, the government generally enjoys broad powers in this regard, and future changes to approve the FDI can occur on a policy basis under the current regulatory environment.

Law stated - 22 December 2025

## **SUBSTANTIVE ASSESSMENT**

### **Substantive test**

What is the substantive test for clearance and on whom is the onus for showing the transaction does or does not satisfy the test?

The Competition Committee of the Ministry can take into account certain criteria listed in Decision 2014, including:

- the real and potential competition level in the concerned market;
- how easy it is for new establishments to enter the concerned market;
- the extent of the potential impact on the prices of relevant commodities or services;
- the extent of the existence of legal obstacles affecting the entry of new competitors;

- the probability of emergence of a dominant position in the concerned market;
- the extent of the potential impact on creation, innovation and technical competence;
- the extent of contribution in the promotion of investment or export, or the enhancement of the national establishments' ability to compete internationally; and
- the extent of the impact on the interests of consumers.

Law stated - 22 December 2025

### **International cooperation**

To what extent will the authorities consult or cooperate with officials in other countries during the substantive assessment?

Although there is no regulatory clarification available in this regard, the authorities will be free to cooperate with officials in other countries at their discretion.

Law stated - 22 December 2025

### **Other relevant parties**

What other parties may become involved in the review process? What rights and standing do complainants have?

The Competition Committee can start an investigation into a possible violation of competition provisions either of its own initiative or following a complaint.

Any interested party may file a complaint with the Ministry or the concerned authority regarding any violation of the provisions of the Competition Law.

Though the Competition Law is now in force and the Competition Committee active, enforcement activity is still rare. However, to the extent a complainant wishes to file a complaint against anticompetitive practices, the Competition Committee will accept and investigate the complaint.

Law stated - 22 December 2025

### **Prohibition powers**

What powers do the authorities have to prohibit or otherwise interfere with a transaction?

The UAE government enjoys extensive powers to prohibit a particular transaction on a policy basis or put conditions in place with respect to a particular transaction.

Pursuant to the Competition Law, the Ministry can withdraw a clearance that has already been granted if:

- the conditions and circumstances in light of which the clearance was issued in the meantime have changed;

- the establishment did not comply with the conditions and requirements on the basis of which approval was granted; or
- it is determined that the information whereby the concentration was authorised was incorrect or misleading.

Law stated - 22 December 2025

### **Objection remedies and undertakings**

Is it possible to remedy or avoid the authorities' objections to a transaction; for example, by giving undertakings or agreeing to other mitigation arrangements? How are undertakings or other arrangements monitored?

Specific shortfalls informally identified by the authorities may be rectified prior to submitting the final application for an approval. However, rectification of shortfalls subsequent to the making of a final decision by a government authority will be at the discretion of the relevant authority.

The Ministry or its authorised representative may reach a reconciliation in any of the acts of breach before referring the criminal case to trial, in exchange for paying an amount not less than twice the minimum fine. The new implementing regulations are expected to provide additional guidance on the reconciliation.

Law stated - 22 December 2025

### **Challenge and appeal**

Can a negative decision be challenged or appealed?

Any interested party may file a written grievance against any decision issued with the Ministry, the head of the concerned authority, or the head of the regulatory body, as the case may be, within 15 working days from the date of notification of the grievance decision or procedure, provided that it is accompanied by all supporting documents. This grievance shall be decided within 30 days from the date of its submission. The decision issued in this regard shall be final. Failure to respond within the aforementioned period shall be considered a rejection of the application.

The grievant may file an appeal against the grievance rejection decision with the competent court within 30 days from the date of notification of such a decision or from the lapse of the time-limit prescribed for deciding on the grievance without notification.

In all cases, an appeal before the court may not be admissible unless a grievance against the decision has been filed and a rejection decision has been issued, or the time-limit provided earlier has expired without notification

Law stated - 22 December 2025

## Confidential information

What safeguards are in place to protect confidential information from being disseminated and what are the consequences if confidentiality is breached?

There are sophisticated laws relating to the protection of data and non-disclosure of private information. However, given the lack of transparency associated with the FDI approvals required, it is difficult to ensure absolute certainty in this regard.

With regard to applications submitted pursuant to the Competition Law, this law specifically requires the Ministry to take steps to maintain the confidentiality of sensitive information in relation to companies in the context of competition proceedings. Companies submitting documents to the Ministry will need to mark confidential information as confidential and also submit non-confidential summaries. The Competition Law also provides for a fine of between 50,000 and 200,000 dirhams in case of breach of the confidentiality obligations.

Law stated - 22 December 2025

## RECENT CASES

### Relevant recent case law

Discuss in detail up to three recent cases that reflect how the foregoing laws and policies were applied and the outcome, including, where possible, examples of rejections.

Not applicable.

Law stated - 22 December 2025

## UPDATE AND TRENDS

### Key developments of the past year

Are there any developments, emerging trends or hot topics in foreign investment review regulation in your jurisdiction? Are there any current proposed changes in the law or policy that will have an impact on foreign investment and national interest review?

The recent changes to the legal landscape have removed the requirement for a company (such as a limited liability company, which is the most common form of entity used by investors) to have at least 51 per cent UAE national ownership. Subject to certain restrictions on limited activities, a foreign investor can establish a 100 per cent foreign-owned company in mainland (outside of free zone areas) UAE. Free zones have always allowed 100 per cent foreign ownership.

The introduction of the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses and related regulations and decisions will affect foreign investments in the UAE. New rules and regulations are regularly being issued under the UAE corporate tax law.

Law stated - 22 December 2025