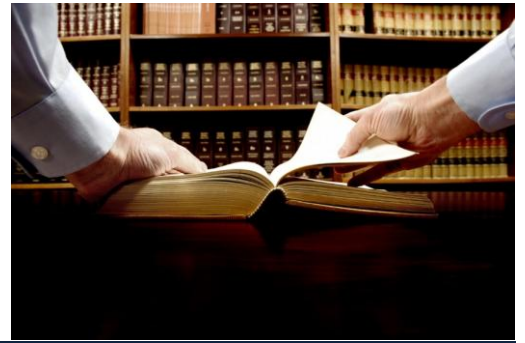


inBrief

**Ministerial Decision on Registration of Branches and Representative Offices of Foreign Companies**

By Saurbh Kothari and Stephanie Nazareth | 28 March 2025

On 30 July 2024, the UAE Ministry of Economy (**Ministry**) issued Ministerial Resolution No 138 of 2024 on the Controls and Procedures for Registering Branches and Representative Offices of Foreign Companies (**the Decision**). The Decision abrogated and replaced the earlier Ministerial Resolution No 377 of 2010.

The Decision provides detailed process and guidelines on the registration of branches (**Branch**) and representative offices (**Office**) of foreign companies in the UAE. All applications for registration, renewal of registration, amendment of registration, suspension of registration, deletion of registration or re-registration of a Branch or an Office must be filed through an online electronic platform on the Ministry's website.

One of the key changes under the Decision is that the requirement to submit to the Ministry (at the time of establishment of the Branch/Office) a bank guarantee of AED 50,000 issued by a bank licensed in the UAE has been removed. Under the old Ministerial Resolution No 377 of 2010, an entity (eg: foreign entity or a free zone entity) establishing a branch in mainland UAE was required to provide a bank guarantee for an amount of AED 50,000 during the process of establishment of the Branch/Office. Now, a bank guarantee of AED 50,000 is not required to be submitted to the Ministry. Existing branches who had submitted bank guarantees at the time of their registration should contact their banks for cancellation of the bank guarantees.

Additionally, the key provisions under the Decision are as follows:

- (1) **Licensing requirement:** A foreign company shall conduct its business from the UAE only after obtaining a license from the local authority in the Emirate (**Authority**) and after obtaining the Ministry's approval. The foreign company must license and register each additional Branch or Office in the UAE.
- (2) **Registration process:** The foreign company must obtain an initial approval from the Ministry prior to obtaining the license from the Authority. The initial approval from the Ministry shall be valid for a period of eight months. After obtaining initial approval from the Ministry, the foreign company must obtain the license from the Authority as per the procedures prescribed by the Authority. Upon receiving the license from the Authority, the foreign company must file an application with the Ministry and obtain a certificate of registration within one month from the date of issuance of the license by the Authority. The certificate of registration shall be valid for a period of one year. Failure to complete the registration with the Ministry within one month from the date of issuance of the license by the Authority may attract penalties.

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- (3) **Authentication of documents:** All documents required to be submitted to the Ministry on the online electronic platform must be duly certified and authenticated. Generally, this process involves attestation up to the level of the UAE Embassy in the relevant foreign jurisdiction, followed by attestation by the Ministry of Foreign Affairs in the UAE. Further, the documents are required to be translated into Arabic and attested by the Ministry of Justice. This process sometimes causes delays for foreign companies as certification and authentication of documents can take up to four to five weeks in certain jurisdictions. However, under the Decision, the Ministry may now accept temporary registration applications for documents that have not yet completed certification and authentication, with a maximum grace period of three months to complete the authentication process. Failure to do so shall result in cancellation and deletion of the application.
- (4) **Appointment of Auditor:** Every Branch must appoint an auditor licensed to practise in the UAE. The auditor shall be appointed for a period of one year, renewable by a decision of the foreign company, so long as the renewal / term does not exceed six consecutive financial years. In such case, the partner in charge of auditing the Branch must be changed after three financial years. The auditor may be re-appointed after at least two financial years from the end of its previous term.
- (5) **Renewal of registration:** A Branch or Office must renew its registration within one month prior to the expiry of its registration. At the time of renewal of the registration, in addition to the copy of the Branch or Office license, a certificate of incumbency/extract of commercial register of the foreign company and the audited financial accounts of the Branch and/or Office are required to be submitted to the Ministry. While the Decision does not specifically state that an Office is also required to appoint an auditor, as per the Decision, the audited financial accounts of an Office are required to be submitted for renewal of registration of an Office with the Ministry.
- (6) **Data of foreign companies:** Data of foreign companies that have established Branches or Offices in the UAE can be obtained through the online electronic platform. A certificate containing details such as name of the foreign company, nationality of the foreign company, name of manager, activities of the foreign company, number of Branches of the foreign company (including date of registration and expiry) shall be issued to the applicant. However, as of now, only details such as the name of the Branch (in English and Arabic); registration number; registration date; and status of the Branch is publicly available (without payment of a fee). ■

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