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GLOBAL STRUCTURING · UAE

THE 12-QUESTION TEST

The Cross-Border *Founder Checklist*

12 questions to ask before setting up any entity in the UAE. If you can't answer them all, you need a specialist.

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BEFORE YOU FORM ANYTHING

The 12 Questions Every Cross-Border Founder Must Answer

If you can answer all twelve of these questions confidently, you have a defensible structuring plan. If you can't answer even three, your current plan probably has expensive gaps. Use this as your pre-formation diagnostic — and as the agenda for any conversation with your structuring advisor.

01 Where are you currently tax-resident — and on what statutory basis?

Your home-country tax residency determines whether your UAE company's profits flow back through CFC rules. Knowing the exact statutory basis (183-day rule, domicile, primary home, etc.) matters more than feeling "non-resident."

02 Where will your customers actually be located?

Customer geography drives vehicle choice. UAE customers → Mainland. International customers → Free Zone or RAK ICC. Mixed → layered structure with separate entities for each revenue stream.

03 Where will your work actually happen — physically?

Substance follows activity. If you'll be in the UAE 90+ days/year, build a meaningful UAE setup. If you'll be elsewhere, your structure must account for where the value is genuinely created.

04 Do your home country and operating countries have CFC, GILTI, or Pillar Two rules?

US citizens face GILTI + Subpart F. UK residents face CFC. Larger groups face OECD Pillar Two (€750M+ revenue). Each affects what structures work and what tax position is realistic.

05 What is your annual revenue and profit — both today and projected?

Below $1M: simple structures work. $1M–$5M: complexity justified. $5M+: full multi-tier architecture with foundations becomes worth the cost. Match the structure to the scale.

06 Do you need to issue UAE residency visas for yourself, family, or staff?

RAK ICC cannot issue visas. Free Zone and Mainland can. If residency is required, the operating entity must be visa-capable. This single answer rules out roughly a third of common structures.

07 What's your real banking need — basic operating account, multi-currency, or institutional?

Banking determines vehicle choice as much as tax does. RAK ICC banking is selective. DIFC banking is excellent. Free Zone banking varies by zone. Choose a structure that the banks you need will actually accept.

08 Have you mapped economic substance requirements for your activities?

Nine "relevant activities" trigger UAE ESR: holding company, IP, distribution, headquarters, finance, banking, insurance, shipping, fund management. If yours is on the list, substance must be designed into the structure from day one.

09 Will you transfer existing IP, contracts, or assets into the UAE structure?

IP transfers trigger taxable events in many home countries. Contract novations need counterparty consent. Asset transfers can crystallize capital gains. Plan the transition before forming the structure.

10 Are you a US citizen, green card holder, or have other restrictive nationalities?

US persons face the strictest cross-border tax regime in the world. Other restrictive nationalities have specific UAE banking and licensing implications. Disclose upfront — never let this surface in a bank application.

11 What's your timeline — quick launch or careful design?

A 2-week setup forces template choices. A 10-week setup allows bespoke design with proper banking sequencing, IP transfers, and substance build. The slower path almost always produces better long-term outcomes.

12 What's your exit strategy — sale, IPO, succession, or perpetual hold?

Exit structure shapes formation structure. M&A; favours clean acquirable entities. IPO needs reputable jurisdictions. Succession favours foundations. Perpetual hold can prioritize tax efficiency over saleability. The right structure depends on the destination.

HOW DID YOU SCORE?

10–12 confident answers: You're ready to execute. Book a strategy call to validate your plan and confirm scope.
6–9 confident answers: You have a working hypothesis but significant gaps. A strategy call will fill them in 30 minutes.
0–5 confident answers: You need a specialist before you form anything. Get the call done first — formation is the last step, not the first.

Book your free 30-minute strategy call: www.salientformation.com · business@salientformation.com · +971 56 480 0416

