



SALIENT FORMATION

GLOBAL STRUCTURING · UAE

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THE DEFINITIVE GUIDE

# UAE Offshore Structuring *Playbook*

A practical guide for founders and international investors on legally optimising tax, protecting assets, and operating globally through the United Arab Emirates.

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PREPARED BY

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## FOREWORD

# A note before you begin.

*This playbook exists because most of what is written about UAE offshore structuring is either marketing copy from formation agents or fragments of outdated advice scattered across forums. Founders deserve better than that, and the regulatory environment now demands more.*

What follows is the framework we use internally with every client engagement — the same one we used to structure over 800 entities across 42 jurisdictions and to advise on more than \$2.4 billion in client assets. It is opinionated, specific, and deliberately written to be useful even if you never speak to us.

Three points are worth setting out before you read further.

**First — substance is the foundation.** The era of paper companies and PO-box jurisdictions is over. Every structure recommended in this guide satisfies economic substance, treaty access, and home-country anti-avoidance rules.

**Second — every structure is bespoke.** The same RAK ICC entity that saves a UK founder six figures a year may be wrong for a US citizen, a Singapore resident, or a family office with multi-generational concerns. Read this as a framework, not a template.

**Third — what you don't know matters more than what you do.** The most costly mistakes we see come not from poor execution, but from invisible gaps: CFC rules, substance failures, banking missteps. We cover those explicitly in Section IX.

Whether you read this end to end or jump to the section most relevant to your situation, the goal is the same: to give you the clarity to make a better decision about how — and where — you structure what you've built.

— *The Salient Formation Team*

*Al Saqr Tower, DIFC, Dubai, UAE*

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**A NOTE ON USE**

This guide is for informational purposes. It is current as of 2026 and reflects UAE law and practice at the time of writing. Tax and regulatory rules change. Before acting on anything in this document, you should obtain professional advice tailored to your specific situation.

## SECTION I

# Why the United Arab Emirates

*On the rise of the Emirates as a structuring hub.*

Twenty years ago, the conversation about international structuring revolved around the BVI, Cayman, Jersey, and a handful of European holding jurisdictions. Today, for most internationally mobile founders and investors, that conversation begins with the United Arab Emirates.

## Why the shift

The UAE offers a combination that no other major jurisdiction can match: zero personal income tax, 0% or 9% corporate tax depending on structure, a sophisticated banking sector, a deep network of double-tax treaties, real economic substance available at moderate cost, a credible residency programme, and — critically — geopolitical neutrality.

## The numbers

- **140+ double-tax treaties.** Including with major economies in Europe, Asia, and Africa.
- **0% personal income tax.** No tax on salary, dividends, capital gains, inheritance, or wealth.
- **0% corporate tax on offshore activity.** 9% on UAE-sourced taxable income above AED 375K.
- **100% foreign ownership.** Across RAK ICC, all free zones, and most mainland activities.
- **Currency convertibility.** AED is pegged to USD; no exchange controls.
- **Strategic geography.** 4-hour flight to two-thirds of the world's population.

## Who benefits most

The UAE is not for everyone. It works exceptionally well for: digital and service-based businesses with international clients; traders, investors, and fund managers; founders with location flexibility; family offices and HNW individuals seeking asset protection and residency; holding company architects; and crypto, fintech, and Web3 ventures that struggle with banking elsewhere.

It works less well for: businesses fundamentally tied to a specific local market (retail, hospitality, regulated professional services in one country); founders who genuinely cannot leave their home country; and US citizens who haven't yet structured for GILTI, CFC, and PFIC exposure.

### THE QUIET ADVANTAGE

The UAE's reputation as a tax-light jurisdiction is well known. Less appreciated is its institutional maturity. RAK ICC, DIFC, and ADGM operate under English common law with independent judiciaries. Banks meet OECD AML standards. The regulator is predictable. This is what makes UAE structures bankable when many "cheaper" alternatives are not.

## SECTION II

# The Three Vehicles

*RAK ICC, Free Zone, and Mainland — what each is for.*

*Almost every UAE structure is built from three building blocks. Understanding the difference between them is the foundation of every conversation that follows.*

## 1. RAK ICC — the offshore vehicle

The Ras Al Khaimah International Corporate Centre (RAK ICC) is the UAE's premier offshore vehicle. It is the right tool when you need a clean, low-cost, non-resident company for holding, intellectual property, international trading, or estate planning purposes.

### Key features:

- **Zero corporate tax** on income outside the UAE.
- **100% foreign ownership** — no local sponsor or partner required.
- **No public register** of shareholders or directors — meaningful confidentiality.
- **No requirement for physical UAE office** — registered agent address is sufficient.
- **5-day incorporation** — fastest in the UAE.
- **Cannot trade within the UAE.** Cannot hold UAE real estate other than in designated areas.
- **Cannot issue residency visas** — so often paired with a Free Zone vehicle when residency is needed.

### Best for:

Holding companies; IP-holding entities; international trading where the business is operated outside the UAE; SPVs for specific transactions; family wealth-holding structures; and as a parent above operational Free Zone or foreign companies.

## 2. Free Zone Company — the operational vehicle

There are over 40 free zones in the UAE, each with its own activity list, pricing, and reputation. Free Zone entities are the workhorse of the UAE structure: they let you operate, employ, bank, and obtain residency visas — all with 100% foreign ownership and 0% corporate tax on "qualifying income".

### Major free zones we work with:

- **DMCC (Dubai)** — broadest activity list, premium reputation, strong banking.
- **IFZA (Dubai)** — cost-effective, fast, flexible visa allocation.
- **ADGM (Abu Dhabi)** — English common law, financial services, prestige.
- **DIFC (Dubai)** — financial services, asset management, family offices.
- **RAKEZ (Ras Al Khaimah)** — manufacturing, lower-cost service businesses.

**Best for:**

Active operating businesses; consultancies and professional services; SaaS, fintech, and tech ventures; e-commerce and trading; and any founder who needs UAE residency visas tied to a company.

### 3. Mainland Company — the local-market vehicle

A mainland company is licensed by the Department of Economic Development (DED) in one of the seven emirates. Until recently, mainland companies required a UAE national sponsor holding 51%; that requirement has been largely abolished for most commercial activities.

#### Key features:

- **Can trade anywhere in the UAE**, including with government entities.
- **100% foreign ownership** for most activities since the 2021 reform.
- **Subject to 9% corporate tax** on profits above AED 375K ( $\approx$  \$102K).
- **Physical office required** (Ejari registration).
- **Unlimited residency visas**, scaled to office size.
- **More extensive compliance**: VAT registration, accounting, audit.

#### Best for:

Businesses with UAE customers, retail and hospitality, government contracting, and operations that need a meaningful physical UAE footprint.

#### THE COMMON ARCHITECTURE

For most international founders, the strongest structure is a layered one: a RAK ICC holding company at the top, owning a Free Zone operating company underneath, with residency visas through the Free Zone entity. This separates wealth from operations, minimises tax, and preserves optionality for the future.

## SECTION III

## Side-by-Side Comparison

*The three vehicles, on one page.*

Use the table below as a quick reference. Specific facts will vary by free zone and by activity — but these are the defining characteristics that drive almost every structuring decision we make for clients.

	RAK ICC	Free Zone	Mainland
<b>Best for</b>	Holding, IP, international trade	Operational business, residency	UAE-market trading, government contracts
<b>Corporate tax</b>	0%	0% on qualifying income	9% above AED 375K
<b>Ownership</b>	100% foreign	100% foreign	100% foreign (most activities)
<b>UAE office</b>	Not required	Required (flexi-desk minimum)	Required
<b>Residency visa</b>	No	Yes (1–3 per license)	Yes (unlimited)
<b>Setup time</b>	5 business days	7–14 days	14–21 days
<b>Confidentiality</b>	High — non-public register	Medium	Public records
<b>Substance req.</b>	Light (ESR for relevant activities)	Light to moderate	Moderate

Sources: RAK ICC Companies Regulations 2022; UAE Federal Decree-Law No. 47 of 2022 on Corporate Tax; Free Zone Authority guidance, 2024. Always verify specific requirements with the relevant authority.

### ONE QUESTION TO ASK FIRST

Before picking a vehicle, answer this: **where does the income come from, and where is the work actually performed?** If the answer involves the UAE, mainland or free zone is the right starting point. If the answer is "outside the UAE", RAK ICC is almost always part of the structure.

## SECTION IV

# Tax Architecture

*What "0%" actually means in 2026.*

*The UAE introduced corporate tax in 2023, and the rules now in force shape almost every structuring decision. Despite the headlines, the UAE remains one of the most tax-efficient jurisdictions in the world for properly structured businesses — but "0% tax" is no longer a slogan you can rely on without qualification.*

## The corporate tax framework

- **0%** on taxable income up to AED 375,000 ( $\approx$  \$102,000).
- **9%** on taxable income above that threshold for most entities.
- **0% on "qualifying income"** for Free Zone entities meeting substance tests.
- **15%** domestic minimum top-up tax for in-scope multinationals (OECD Pillar Two).
- **RAK ICC entities** with no UAE-source income generally remain outside the corporate tax net.

## Personal taxation

There is no personal income tax in the UAE on any source of income — salary, dividends, capital gains, rental income, interest, or inheritance. This makes UAE tax residency one of the most valuable personal financial outcomes available to internationally mobile individuals.

## Becoming UAE tax-resident

Under the 2023 UAE tax residency rules, an individual is treated as UAE tax-resident if they meet one of three tests: (a) UAE is their primary place of residence and centre of financial interests, (b) they spend 183 days or more in the UAE in any 12-month period, or (c) they spend 90 days in the UAE plus hold a residence visa and have a permanent home or business there.

## The home-country reality

UAE tax residency is necessary but not sufficient. To actually access the UAE's tax regime, you typically also need to **cease being tax-resident in your home country**, which depends on that country's domestic rules and any applicable tax treaty. This is where most DIY structures fail. The UK statutory residence test, German extended limited liability rules, Spanish 24-month rule, US worldwide taxation — these rules can leave you in your home country's tax net even after moving.

### THE CFC TRAP

Many founders set up a UAE company while remaining tax-resident in their home country, assuming "the company is offshore so its profits are tax-free". Almost every developed country has **Controlled Foreign Company (CFC) rules** that look through such structures and tax the underlying profits anyway. Effective UAE structuring almost always requires addressing home-country residency in parallel with the UAE entity itself.

## SECTION V

# Asset Protection & Holding

*Beyond tax — using UAE structures to insulate wealth.*

For many of our clients — especially family offices, founders post-exit, and internationally mobile HNW individuals — the asset-protection function of a UAE structure matters as much as its tax function. The two are designed in parallel, not in sequence.

## The principle: separation

Asset protection is fundamentally about **separation**: separating operating risk from wealth, separating personal liability from business liability, separating one income stream from another, separating today's holdings from tomorrow's heirs.

## The toolkit

- **RAK ICC holding companies** — to own equity in operating entities, IP, and investments.
- **ADGM / DIFC foundations** — UAE's equivalent to a trust, with civil-law clarity and common-law flexibility.
- **Multi-tier ownership** — a holding company above sub-holdings above operating entities.
- **IP-holding entities** — owning trademarks, patents, copyrights separately from operating revenue.
- **Real estate SPVs** — each major property held in its own entity.
- **Insurance-wrapped investment structures** — for HNW clients seeking tax deferral and creditor protection.

## Foundations — the UAE alternative to trusts

ADGM and DIFC foundations are increasingly the structure of choice for UAE-based family wealth planning. A foundation has its own legal personality (unlike a trust), is governed by a charter and bylaws, and can hold any class of asset including operating companies. It is private, perpetual, and designed for succession planning.

Compared to a traditional trust, the foundation offers similar protective effects with less ambiguity: there is no question of beneficial ownership flipping between settlor and beneficiary, and many civil-law jurisdictions recognise foundations more readily than they do common-law trusts.

### A WORKED EXAMPLE

A founder selling a SaaS business for \$20M might structure as follows: **ADGM foundation** as the apex vehicle (estate planning, succession); **RAK ICC holding company** beneath, owning the original operating business and any future investments; **Free Zone operating company** for active personal advisory income, providing residency visas. Result: estate is protected, ongoing investment income is tax-efficient, personal residence is established, and the founder remains operationally agile.

## SECTION VI

# Economic Substance & Compliance

*Why every structure must pass the substance test.*

*Substance is the single most important concept in modern offshore structuring. It is also the area where amateur structures most reliably fail. Get substance right, and your structure will withstand the next decade of regulatory tightening. Get it wrong, and the tax savings evaporate the moment your home authority looks closely.*

## What substance means

Economic substance, in essence, asks: **does this company actually do what it claims to do, in the place it claims to do it?** Does it have employees? Premises? Directors who make real decisions there? Bank accounts and operational expenses consistent with its activity? Real revenue tied to that activity?

## The UAE Economic Substance Regulations

The UAE introduced Economic Substance Regulations (ESR) in 2019, in response to OECD BEPS pressure. They apply to entities engaged in nine "relevant activities" including holding company business, distribution and service centre business, financing and leasing, headquarters business, intellectual property, and shipping.

### Annual ESR obligations:

- **Notification** to the regulator confirming activity status.
- **Substance test** — directed and managed in UAE; adequate employees, premises, expenditure.
- **ESR Report** filed within 12 months of financial year-end.
- **Penalties** from AED 20,000 (notification) to AED 400,000 (repeated failures) plus information exchange with home jurisdictions.

## Beneficial Ownership (UBO)

Separately, the UAE maintains a Ultimate Beneficial Owner register. All UAE entities must declare their UBOs (any individual owning 25%+ directly or indirectly, or otherwise exercising control). The register is not public — but is shared with tax authorities and is the basis for treaty benefits.

## Compliance done right

The most resilient structures we build are designed with substance in mind from day one: a Free Zone office that's actually occupied; directors who reside in or visit the UAE; board meetings minuted in-country; an audit trail of decisions made locally; professional service providers (us) acting as registered agent and compliance backbone.

## SECTION VII

# Banking — The Hardest Step

*Where most offshore plans fail — and how to get it right.*

*We can incorporate a UAE entity in five days. Opening its bank account, in some cases, can take five weeks. Banking is the bottleneck — and the area where most independent founders run aground without expert guidance.*

## Why banking is hard

UAE banks operate under sophisticated AML/KYC regimes and are highly sensitive to their correspondent banking relationships in the US and Europe. They are wary of client profiles that suggest risk: unclear source of funds, complex ownership, high-risk jurisdictions in the structure, crypto exposure, or businesses with low substance in the UAE.

## The current banking landscape

- **Mashreq** — strong for trading and consultancy, accepts most free-zone profiles.
- **Emirates NBD** — premium, fast for high-quality profiles, demanding on KYC.
- **RAKBank** — pragmatic, good for SME and trading companies.
- **WIO Bank** — digital-first, fast onboarding, excellent for tech founders.
- **HSBC, Standard Chartered** — selective; usually require existing relationship.
- **Mercury, Brex, Revolut Business** — non-UAE alternatives for some entity types.
- **Private banks** (Julius Baer, Pictet, EFG): for HNW clients with \$1M+ AUM.

## Getting it right

The single biggest predictor of successful account opening is the quality of the KYC pack. We typically prepare a 30–60 page dossier covering ownership structure, source of funds, expected activity, supplier and customer references, supporting contracts, tax residency certificates, and personal financial history. With the right pack and the right banker introduction, what was a 6-week ordeal becomes a 10-day process.

### ONE THING NEVER TO DO

Do not apply to multiple banks simultaneously without coordination. UAE banks share rejection information through the central bank. A poorly-prepared application that's rejected by one bank can quietly close doors at the others for 6–12 months. Banking should be sequenced, not scattered.

## SECTION VIII

# UAE Residency & the Golden Visa

*The personal side of UAE structuring.*

*A UAE corporate structure unlocks personal residency, and personal residency unlocks the full tax advantage of the structure. The two are paired by design.*

## The standard investor visa

Every Free Zone or mainland company issues a number of residence visas (typically 1–6, depending on office size). The investor or partner visa is valid for 2 years, renewable indefinitely, and includes an Emirates ID. Spouse and children can be sponsored on dependent visas.

## The Golden Visa — 10 years of stability

The Golden Visa is the UAE's premium long-term residency programme. Once granted, it provides 10 years of renewable residence with reduced operational ties (no minimum stay requirements in some cases) and full freedom to live, work, and own property in the UAE.

### Common Golden Visa routes:

- **Real estate investor** — AED 2M (≈ \$545K) property investment.
- **Public investor** — AED 2M investment in approved funds or established business.
- **Entrepreneur** — running a registered start-up with valuation criteria.
- **Specialised talent** — doctors, scientists, engineers, creatives meeting criteria.
- **Outstanding student / academic** — top-ranked graduates and researchers.

## Sequencing for tax purposes

Residency alone does not equal tax residency. To break tax residency in your home country and establish UAE tax residency for treaty purposes, you typically need: a valid Emirates ID, a UAE address (lease or owned), 90+ days of physical presence per year, and a UAE Tax Residency Certificate (TRC) issued by the Federal Tax Authority. We coordinate all of this in parallel with the corporate structure.

## SECTION IX

# The Ten Most Costly Mistakes

*What we see go wrong, and how to avoid it.*

After hundreds of engagements, the mistakes we see are remarkably consistent. Here are the eight that account for the bulk of the damage we end up unwinding for clients who came to us after working with someone else first.

#	The Mistake	The Cost
1	Setting up RAK ICC for an active trading business	Banks reject. Substance gap. Re-papering required.
2	Ignoring economic substance requirements	AED 50K–300K penalties. Treaty access lost.
3	Forgetting CFC rules in your home country	Income still taxable at home. Surprise audits.
4	Using nominee directors without proper agreements	Loss of beneficial control. KYC failures.
5	Opening a UAE bank before licensing is finalized	Account opening rejected. 6–8 weeks lost.
6	Skipping the Golden Visa when eligible	Personal tax residency vulnerability.
7	Choosing a free zone purely on price	Wrong activity codes. Banking friction.
8	No exit strategy in the holding structure	Tax leakage on future sale or transition.

## THE META-MISTAKE

Underlying almost all of the above is the same fundamental error: **treating structuring as a paperwork exercise rather than a strategic one.** The right structure is not the cheapest one, nor the fastest, nor the one most loudly marketed online. It is the one designed around your specific facts, with substance baked in from day one and home-country interactions explicitly modelled.

## SECTION X

# A Decision Framework

*The questions to answer before you commit.*

*If you take only one thing from this playbook, let it be this short framework. Answering these questions clearly — for yourself, before any consultant or formation agent enters the picture — will save you time, money, and the dread of an unwound structure two years from now.*

## 1. Where does the income actually come from?

If your customers are in the UAE — mainland. If they are in the wider GCC and you need operational presence — free zone. If they are global and you don't trade physically in the UAE — free zone for operations, RAK ICC for holding.

## 2. Will you actually relocate?

If yes, the full tax advantage is available. If no, your home-country residency rules and CFC regime will determine 80% of the answer — and the UAE company is largely a secondary entity above your home-country structure.

## 3. What's the substance plan?

Where will the directors actually be? Where will decisions be made? Who will be employed locally? An honest answer to these questions early prevents an expensive ESR failure later.

## 4. How long is the time horizon?

A 2-year project tolerates a lighter structure. A 10–20 year wealth-holding plan deserves foundation-level architecture. Don't over-engineer for a short horizon; don't under-engineer for a long one.

## 5. What's the exit plan?

The right structure for building is rarely the right structure for selling. If you anticipate an M&A exit, an IPO, or a generational transition, the structure should be designed to accommodate it from day one — not retrofitted at the eleventh hour.

## 6. Where is your professional bandwidth?

A complex multi-jurisdictional structure with weak professional support is more fragile than a simple structure with strong support. Be honest about how much compliance and administrative bandwidth you and your team can absorb.

## SECTION XI

# Working with Salient Formation

*How a Salient engagement actually works.*

If this playbook has been useful, the next logical step is a conversation about your specific situation. We've tried to write this guide so it stands on its own — but structuring is a personal and contextual exercise, and a 30-minute call almost always moves the needle further than another 30 minutes of reading.

## What an engagement looks like

- **Week 1 — Discovery.** 30-minute strategy call, written follow-up summary, fixed-fee proposal.
- **Week 2 — Structure design.** Written advisory memo: vehicle, jurisdiction, ownership, tax projection.
- **Week 2–4 — Incorporation.** RAK ICC, Free Zone, or Mainland — paperwork, licensing, registered office.
- **Week 3–6 — Banking.** Bank introduction, KYC pack, account opening through to live account.
- **Week 4–6 — Residency.** Investor visa or Golden Visa process; Emirates ID; Tax Residency Certificate.
- **Ongoing — Compliance.** Annual returns, ESR, UBO, accounting, audit coordination, license renewals.

## Our principles

- **Senior advisors only.** You will not be handed off to a junior at any point.
- **Fixed-fee pricing.** Quoted upfront, written in the engagement letter, never varied without notice.
- **Substance first.** We will not build structures we believe will fail the next decade of scrutiny.
- **Coordination, not isolation.** We work alongside your home-country counsel — never around them.
- **Lifetime relationship.** Your structure evolves. We expect to be there for the next round, the exit, and the family transition.

### BOOK YOUR FREE STRATEGY CALL

30 minutes with a senior advisor. No obligation. 100% confidential. We'll review your specific situation, sketch a structure, and give you a concrete sense of what's possible and what it would cost.

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*Thank you for reading. We hope this guide has been useful.*

*— The Salient Formation Team*



*"For founders who think in jurisdictions."*

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## Ready to begin?

Book your complimentary 30-minute strategy call  
with a senior advisor — no obligation.

[WWW.SALIENTFORMATION.COM](http://WWW.SALIENTFORMATION.COM)

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