

## **Cabinet Resolution No. (16) of 2020 Regarding Determining the Approved List of Sectors and Economic Activities in which Direct Foreign Investment is Permitted and their Percentage of Ownership**

### **The Cabinet:**

- Upon reviewing the Constitution;
- Federal Law No. (1) of 1972 Concerning the Competences of the Ministries, the Powers of the Ministers, and any amendments thereof;
- Federal Law No. (2) of 2015 concerning Commercial Companies and its amendments;
- Federal Law by Decree No. (19) of 2018 Concerning Direct Foreign Investment; and
- Upon the proposal of the Minister of Economy, and the approval of the Cabinet;

### **Has resolved:**

### **Article (1)**

#### **Definitions**

In application of the provisions of this Resolution, the following words and phrases shall have the meanings assigned thereto, unless the context indicates otherwise:

**State** : United Arab Emirates (UAE)

**Foreign Investor** : A natural or legal person who is not a UAE national and is investing in the State in accordance with the provisions of Federal Decree Law No. (19) of 2018 concerning direct foreign investment.

### **Article (2)**

#### **Positive List**

The positive list of sectors and economic activities attached to this Resolution shall be approved, in which, the foreign investor may directly invest.

### **Article (3)**

#### **Legal Form**

The direct foreign investment project in the economic activities referred to in Article (2) of this Resolution shall take one of the following legal forms:

- a. Limited Liability Company, including one-person companies.
- b. Shareholding Company, including one-person companies.

### **Article (4)**

#### **Foreign Investor Ownership**

The percentage of foreign investor ownership of the direct foreign investment project in the economic activities referred to in Article (2) of this Resolution shall be 100% except for the mentioned in Federal Law No. (2) of 2015 concerning Commercial Companies.

### **Article (5)**

#### **Minimum Capital**

The minimum capital for a direct foreign investment project in the economic activities referred to in Article (2) of this Resolution, according to the list attached to this Resolution.

### **Article (6)**

#### **Conditions and Controls for Direct Foreign Investment**

The conditions and controls for direct foreign investment in the economic activities referred to in Article (2) of this Resolution, according to what is ascribed to each activity in the list attached to this Resolution in addition to any conditions and controls determined by the licensing authority and any conditions and controls contained in the legislation in effect in this regard.

## **Article (7)**

### **The Minimum Number of UAE Nationals**

The minimum number of UAE nationals working in the direct foreign investment project in the economic activities referred to in this Resolution shall be in accordance with the Law in effect in this regard with the Ministry of Human Resources and Emiratization.

## **Article (8)**

### **Available Benefits for the Direct Foreign Investment Project**

1. The available benefits for the direct foreign investment project in the economic activities referred to in Article (2) of this Resolution shall be in accordance with the merits stipulated in Law by Decree No. (19) of 2018 concerning direct foreign investment.
2. The Competent Local Authority may grant any additional benefits to the direct foreign investment project.

## **Article (9)**

### **Exceptions**

The direct foreign investment project in the economic activities referred to in Article (2) shall be exempt from this Resolution, provisions of Articles (71, (151), and (209) of Federal Law No. (2) of 2015 concerning Commercial Companies.

## **Article (10)**

### **Repeals**

Any provision contrary to or inconsistent with the provisions of this Resolution shall be repealed.

## **Article (11)**

### **Publication and Enforcement of the Resolution**

This Resolution shall be published in the Official Gazette; and shall enter into force as of the day following the date of its publication.

**Mohammed Bin Rashid Al Maktoum**

**Prime Minister**

Issued by us:

On: Rajab 22, 1441 H

Corresponding to: March 17, 2020

## Annex 1

### The Approved List of Sectors and Economic Activities in which Direct Foreign Investment is permitted attached to Cabinet Resolution No. (16) of 2020

<b>Agriculture Sector</b>				
#	Reference ISIC4	Economic Activities	Minimum capital per Million/AED	Direct Foreign Investment Requirements and Conditions
1	01111	Grains farming (wheat, corn, barley etc)	7,5	<ul style="list-style-type: none"> <li>- Using modern technologies.</li> <li>- Achieving a high added value.</li> <li>- Contributing to research and development field in production.</li> <li>- Requirements of authorities relevant to licenses in the State are fulfilled.</li> </ul>
2	01112	Legumes Farming	7,5	
3	0113	Vegetables, watermelons, roots and tubers farming.	7,5	
4	0114	Sugarcane farming	7,5	
5	0116	Fiber crops farming	7,5	
6	0119001	Flowers and buds farming	7,5	
7	0121	Grapes	7,5	

		farming		
<b>8</b>	0123001	Fruits and citrus farming	7,5	
<b>9</b>	0124	Pome Fruits and drupes (stone fruits) farming	7,5	
<b>10</b>	0125	Other fruit trees, shrubs and juglandines farming.	7,5	
<b>11</b>	0126	Oily fruits farming	7,5	
<b>12</b>	0127	Beverage crops farming	7,5	
<b>13</b>	01289	Aromatic, drug and medicinal plants farming	7,5	
<b>14</b>	0161	Support activities for crops production	10	
<b>15</b>	0162	Support activities for animal production	7,5	
<b>16</b>	0163	Post-harvest crops activities	7,5	

<b>17</b>	0164	Seeds processing for reproduction	7,5	
<b>18</b>	0210	Agroforestry planting and forests-related activities	7,5	
<b>19</b>	0240	Support activities for forests	7,5	

## Annex 2

### The Approved List of Sectors and Economic Activities in which Direct Foreign Investment is permitted attached to Cabinet Resolution No. (16) of 2020

<b>Manufacturing Sector</b>				
#	Reference ISIC4	Economic Activities	Minimum capital per Million/AED	Direct Foreign Investment Requirements and Conditions
20	10	Food products manufacturing (with the exception of): 1071 Bakery products manufacturing, 105 Dairy products manufacturing, 108 Prepared animal feed.	15	<ul style="list-style-type: none"> <li>- Using modern technologies.</li> <li>- Achieving a high added value.</li> <li>- Contributing to research and development field in production.</li> <li>- Requirements of authorities relevant to licenses in the State are fulfilled.</li> </ul>
21	11	Beverages Manufacturing (with the exception of): 1101 distillation, refinement and mixing spirit drinks, 1102 Wine manufacturing, 1103 Alcoholic beverages manufactured from barley.	15	
22	14	Clothes manufacturing (with the exception of): 14109 tailoring and sewing of ready-made clothes 1410122 manufacturing of military clothes.	15	
23	15	Leather products and leather-related products manufacturing.	15	

24	16	Timber, timber and cork products manufacturing, with the exception of manufacturing sorts of straw and materials of intertwining.	15
25	2012002	Manufacturing Pure or compound fertilizers.	15
26	2013	Manufacturing plastics and synthetic rubber in its raw forms.	15
27	2021	Manufacturing Pesticides and other agricultural chemical products.	15
28	2022	Manufacturing paints, varnishes and similar paints in addition to printing inks and mastic putties.	15
29	2023	Manufacturing Soap, detergents, detergents, cleaning products, polishers, perfumes and cosmetics.	15
30	2029006	Manufacturing glues and prepared adhesive materials.	15
31	2029008	Manufacturing inks for writing and drawing.	15
32	2029009	Manufacturing chemicals that are used in preparation of textiles and leathers.	15
33	2029013	Manufacturing photographic slides and films.	15
34	2029019	Manufacturing gelatine and its derivatives.	15
35	2029021	Manufacturing basic oils (concentrated perfumes).	15

36	202922	Manufacturing natural aromatic products essences.	15	<ul style="list-style-type: none"> <li>- Using modern technologies.</li> <li>- Achieving a high added value.</li> <li>- Contributing to research and development field in production.</li> <li>- Requirements of authorities relevant to licenses in the State are fulfilled.</li> </ul>
37	2029023	Manufacturing distilled aromatic waters.	15	
38	202924	Manufacturing matches.	15	
39	202925	Manufacturing powders and putties for welding.	15	
40	2030	Manufacturing artificial fibers.	15	
41	2100	Manufacturing pharmaceutical materials, chemical and plant medical products.	15	
42	22	Manufacturing rubber and plastics products.	15	
43	23	Manufacturing other non-metallic metals.	15	
44	24	Manufacturing base metallic products (with the exception of): 242 Manufacturing precious nonferrous metals 2432 casting nonferrous metals.	20	
45	25	Manufacturing moulded metals, with the exception of machineries and equipment. (With the exception of) 252 Manufacturing weapons and ammunitions.	15	
46	26	Manufacturing computers, electronic and optical products.	15	
47	27	Manufacturing electrical devices.	20	
48	28	Manufacturing uncategorized machineries and equipment in	100	

		another situation. (With the exception of): 28259 Manufacturing tobacco preparation machines.		
49	29	Manufacturing motor vehicles, trailers and semi-trailers.	100	
50	3011101	Building commercial ships.	100	
51	3011103	Manufacturing parts of ships and floating facilities.	100	
52	3011905	Installation of floating or sunk drilling platforms.	100	
53	3011906	Installation of floating facilities	100	
54	3011907	Construction of hovercrafts	100	
55	3012	Construction of excursion and sport boats.	15	
56	3020	Manufacturing railway locomotives and trolleys.	20	
57	3030	Manufacturing air, space vehicles and machines connected to such vehicles. (With the exception of): 3030006 Manufacturing of military guided ballistic Missiles.	100	
58	3090	Manufacturing transport equipment uncategorized in another place.	20	
59	31	Manufacturing furniture	15	

60	3220	Manufacturing musical instruments	2	
61	3230	Sports instruments	3	
62	3240	Manufacturing games	3	
63	3250	Manufacturing medical instruments and accessories used in teeth medicine.	20	
64	3290	Manufacturing other products uncategorized in another place.	3	
65	3312001	Repair and maintenance of train engines.	15	
66	3312002	Repair and maintenance of ship engines	15	
67	3315001	Repair and maintenance of ships.	15	
68	3315004	Repair and maintenance of trains and railway equipment.	15	
69	3315005	Repair and maintenance of Aircraft engines.	15	
70	3315006	Repair and maintenance of Aircrafts.	15	

### Annex 3

#### The Approved List of Sectors and Economic Activities in which Direct Foreign Investment is permitted attached to Cabinet Resolution No. (16) of 2020

Service Sector				
#	Reference ISIC4	Sectors and Activities	Minimum capital per Million/AED	Direct Foreign Investment Requirements and Conditions
71	6910002	Legal consultancies offices	Subject to applicable legislations	<ul style="list-style-type: none"> <li>- No appearing before UAE courts.</li> <li>- No engaging in any judicial procedure before the courts, arbitral tribunals, judicial committees or official authorities.</li> <li>- No undertaking notarization</li> </ul>

				<p>tasks.</p> <ul style="list-style-type: none"> <li>- Obtaining the approval of relevant authorities in the State.</li> <li>- To be a natural or legal person recognized for excellence in this field.</li> </ul>
72	692	Accounting, book-keeping, auditing and tax consultancies activities	Subject to applicable legislations	Tax planning works are only allowed for works of tax consultancies, preparation and review for businesses.
73	711	Architecture and engineering activities in addition to related technical consultancies.	Subject to applicable legislations	To be a natural or legal person recognized for excellence in this field/

74	862	Medical and dentist clinics activities		
75	75	Veterinary activities		
76	620	Computer programs, consultancies and related activities	Subject to applicable legislations	Provision of a technical team work that shall not be less than 5 specialists in programming at the end of the first year of the company.
77	72	Research and development in scientific sector	Subject to applicable legislations	Subject to applicable legislations
78	7730-77300	Machineries, other equipment and real items renting (with the exception of automotive-related renting services)		

<b>79</b>	471	Retail trading in unspecialized stores (with the exception of cooperatives 4711001)	100	
<b>80</b>	731	Advertisement	Subject to applicable legislations	
<b>81</b>	732	Market researches and questionnaires		
<b>82</b>	702	Consultancy expertise in the field of management activities		
<b>83</b>	712	Technical tests and analyses		
<b>84</b>	331	Repair of moulded metals products, machineries and equipment (with		

		the exception of ships or Aircrafts and other transport equipment).		
<b>85</b>	8121-81210	General cleaning of buildings		
<b>86</b>	742	Photography activities		
<b>87</b>	8292-82920	Packaging activities		
<b>88</b>	823	Conferences and commercial fairs organization		
<b>89</b>	741	Specialized design activities		
<b>90</b>	7490005	Legal translation services		
<b>91</b>	7490006	Movies and TV programs translation services		

92	7490012	Translation services of publications		
93	749002	Interpretation services		
94	41	Construction of buildings	Subject to applicable legislations	Only projects of infrastructure of a wide scale, such as airports, motorways, sports facilities and projects which value exceeds AED 450 million shall be allowed.
95	42	Civil engineering		
96	432	Electricity, plumbing and other construction activities		
97	433	Completion and decoration of		

		buildings		
<b>98</b>	431	Demolition and site preparation work.		
<b>99</b>	439	Other specialized construction activities		
<b>100</b>	7730009	Hiring construction, building or demolition machineries and equipment.		
<b>101</b>	851	Pre-school and primary education	Subject to applicable legislations	<p>1. Public education shall be the exempted.</p> <p>2. Provided that the approval of competent authorities to establish and give instructions to an educational</p>

				<p>institution shall be obtained.</p> <p>3. This may be also subject to requirements and convenience of the school facilities and guarantee of a high level of education quality</p>
<b>102</b>	852	Secondary education		
<b>103</b>	853	Higher education		
<b>104</b>	854	Other kinds of education		
<b>105</b>	370	Sewage		Subject to applicable legislations in this regard.
<b>106</b>	382	Wastes processing and disposition		
<b>107</b>	3900001	Pollution effects processing and		

		environment protection services		
<b>108</b>	861	Hospital activities	100	<p>1. This is subject to the approval of relevant authorities which depend on tests of economic need that takes into consideration the number of hospitals, medical and health centres in a certain area.</p> <p>2. In Dubai Healthcare City, test of economic need will not be required.</p>
<b>109</b>	869	Other activities in the field of human health	70	Subject to applicable legislations

110	8211001	Hotels management	Subject to applicable legislations	
111	8211004	Restaurants management		
112	90009	Creative activities and drama arts (theatre)		Only theatre activities, live theoretical companies and circus services are allowed
113	9000104	Concert		
114	9000110	Circus		
115	8130002	Gardens and parks decoration services.		Subject to applicable legislations.
116	9103-91030	Gardens of plants, zoos and natural reserve.		Only services of public gardens are allowed.
117	5012-50120	Maritime and coastal freight of goods		

<b>118</b>	5022001	Water internal freight of goods		Subject to applicable legislations
<b>119</b>	7730016	Chartering commercial ships.		
<b>120</b>	5222002	Pilotage and towing of ships		
<b>121</b>	5222007	Maritime towing for boats, water and sea jet skis		
<b>122</b>	New	Holding companies' activities in intellectual properties.		