

GOVERNMENT OF SHARJAH
Economic Development Department



حُكُومَةُ الشَّارِجَةِ
دائرة التنمية الاقتصادية



Foreign Ownership Companies Investor Guide



Introduction:

The Emirate of Sharjah enjoys an attractive investment environment, represented by government decisions stimulating investment, geographical location, infrastructure, advanced electronic services, logistics related to airports and ports, in addition to the application of %100 foreign ownership of companies without a requirement for capital or additional fees.

Regulating Legislation:

The %100 foreign ownership of companies is based on Decree Law No. 26 of 2020 amending some provisions of Federal Law No. 2 of 2015 regarding commercial companies.

Activities Available for Foreign Ownership:

The activities available for foreign ownership are about 1289 activities.

Legal Status Available for Foreign Ownership:



1. Limited liability companies.



2. Private joint stock companies.



3. The forms specified in “1 and 2” above may be of the type of sole proprietorship company.

Activities Permitted for Foreign Ownership:

First: All industrial and commercial activities except for the following:



Printing of banknotes.



Banks, exchange houses, finance and insurance companies.



Services related to fisheries.



Security, defense and military activities.



Holy Quran centers.



Hajj and Umrah services.



Telecommunication as well as radio and television broadcasting stations.

Second: Activities requiring approval of Registration and Licensing Department at SEDD:



E-commerce.



Real estate.



Legal consultation.



Mobile cars and trucks activities.



Business centers.



Businessmen services.



Taxies.



transporting passengers by public transport.



“Eitimad” license.



Labor supply.

Procedures for Establishing Foreign Ownership Companies:



Fulfilling the approvals of competent authorities “depending on activity”.



Submitting a trade name request according to the form prepared for this purpose.



Ratification of the company's memorandum of association by the concerned department in SEDD.



Determining activity location and obtaining approval from Commercial Control and Protection Department at SEDD on the location.



Providing a certified lease contract for activity site from Sharjah City Municipality.



Paying license fees and receiving the license.

Procedures for Transferring Existing Companies to Foreign Ownership Companies:



Submitting trade name request.



Obtaining approval from Ministry of Economy



Obtaining approvals from authorities concerned with the activity.



Obtaining approval from Commercial Control and Protection Department at SEDD on activity location.



Paying license fees and receiving the license.

Procedures for Transferring Existing Companies to Foreign Ownership Companies:



Approval of all partners, including the local partner, to convert the company into a company wholly owned by foreigners.



Certified sales or waiver contract from the local partner to the foreign partner.



Certified memorandum of association including names of foreign partners.



Paying license fees and receiving the license.



Common Questions:

Can the foreign partners remove local partner from the license without his/her consent?

- No, the local partner must agree to waive his/her share. In the event of disagreement, either party may refer to the court.

Does this decision apply to sole proprietorship companies under the service agent system, professional licenses and business companies?

- It does not apply to them, whereas sole proprietorship companies are subject to the Commercial Transactions Law. On the other hand, professional licenses and business companies are subject to the Civil Transactions Law.

Can existing companies keep the local partner?

- Yes.

Is it required to have a specific capital?

- It is not required to have a specific capital to practice the activities permitted to be owned by foreigners.

Are there any additional fees charged on foreign investor?

No additional fees are imposed for practicing activities subject to foreign ownership.

If the activity requires the approval of other parties, is their prior approval required before applying for the amendment?

- Yes, it is required to obtain the approval of concerned authorities before applying for the amendment.

What are the activities available for foreign ownership?

- Commercial activities, such as ((used car trading - readymade garments trade - gold trading - general trading - food trading- others)).

- Industrial activities, such as ((food industry - chemical industry - metal works industry for buildings, hotels, and schools - others)).

Is it permissible to reduce the local's contribution percentage to %51 instead of removing him/her?

Yes, it is permissible to reduce local's contribution percentage instead of removing him/her.

For more about Foreign Ownership
permitted activities

[Click Here](#)