



UAE AND DIFC CORPORATE COMPLIANCE SERIES

PART 1: Doing Business in the UAE – Compliance in a Multi-Jurisdictional Landscape

Compliance is no longer just a box-ticking exercise – it is a critical part of doing business in the UAE. With the country rapidly developing into a global business hub, companies must navigate an evolving regulatory environment spanning multiple jurisdictions.

This article is the first in a three-part series on corporate compliance in the UAE and DIFC, which will cover three essential areas: doing business in the UAE and managing multi-jurisdictional compliance, directors' duties and evolving governance standards, and data protection obligations.

The objective of this series is to raise awareness of key compliance areas, outline regulatory expectations in practical terms and provide clarity for businesses operating across the UAE's diverse jurisdictions.

A. LICENSING AND JURISDICTIONAL CONSIDERATIONS

One of the most challenging aspects of doing business in the UAE is navigating the jurisdictional differences. With over 40 multidisciplinary freezones, each has its own companies laws and/or regulations, licensing procedures and compliance timelines.

In practice, this means companies need to pay attention to a few key areas:

- Annual License Renewal: Businesses must renew licenses yearly. This is an opportunity to reassess whether the licensed activities match current operations and whether new sector-specific approvals are needed.
- Jurisdictional Compliance: Businesses operating across multiple jurisdictions must ensure that their activities comply with the laws and licensing requirements of each authority where they are active.
- UBO Requirements: All UAE-licensed entities must declare their Ultimate Beneficial Owner(s), though the process varies by jurisdiction.
- AML Obligations: Designated Non-Financial Businesses and Professions (DNFBPs) have additional anti-money laundering compliance duties based on their activity and license type.

B. RECENT DEVELOPMENTS IMPACTING OPERATING MODELS

The UAE's regulatory environment is constantly evolving, and several recent changes have a direct impact on how companies structure and run their operations:

- Operational Expansion: Entities licensed in a free zone can now operate in the mainland by obtaining a mainland license or an official permit. However, implementation regulations are still pending regarding the type of activities that will be subject to this new development. This means that businesses will be able to expand their operations but must closely track how the rules are applied in practice.
- Inter-Branch Employee Mobility: Employees may now move freely between mainland and free zone branches without changing visa registration, reducing HR and immigration compliance friction.

C. TRIGGERS AND RIPPLE EFFECTS

Beyond regulatory changes, shifts in a company's own structure or ownership can also trigger compliance updates. Whether organic, inorganic or government-driven, these changes often create a ripple effect across multiple corporate records and obligations:

- Organic – Restructuring, management reshuffles or changes in ownership: These changes may require revising Powers of Attorney, updating compliance contact, and ensuring business continuity tools are current.
- Inorganic – Mergers & Acquisitions: When a company is involved in an acquisition, merger or investment, legal due diligence is needed to confirm that corporate records, licenses and filings are accurate and up to date.
- Governmental – Regulatory changes: New laws or government rules, such as updates to AML obligations, ownership thresholds or licensing requirements, may require immediate action to remain compliant.

These changes often create a chain reaction requiring updates to:

- Licensing and registration records
- UBO disclosures
- POAs and internal authority matrices
- IT systems and WPS compliance (now mandated in JAFZA and DMCC)
- Compliance communication channels

D. FINAL THOUGHTS

Doing business in the UAE offers immense opportunity but also demands a vigilant and adaptive compliance framework. From licensing intricacies to structural shifts triggered by legal or strategic changes, businesses must invest in ongoing compliance monitoring and corporate housekeeping.

If your business needs support navigating UAE licensing, jurisdictional compliance or corporate governance matters, our team at [Meyer-Reumann & Partners](#) will be pleased to help. Get in touch with us by emailing our lawyer Natacha El Azar at natacha@meyer-reumann.com to discuss how we can support your operational and regulatory objectives.

Stay tuned for **Part 2**: A deep dive into directors' duties across UAE and DIFC companies laws and what good governance really looks like in today's regulatory climate.

**Please note this article is for general informational purposes only and does not constitute legal advice.*

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