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## **AHK Business Breakfast**

# **Legal Framework for foreign investors for the set-up of an Education & Training Institute in UAE**

**Dubai, 08<sup>th</sup> of November 2021**

**With you today:**



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## I. Introduction

In the UAE, all education-related activities like training centres, tuition institutes, learning centres are requested to have a prior approval from the concerned authorities:

- in Dubai with **Knowledge and Human Development Authority (KHDA)** and
- in Abu Dhabi with **Abu Dhabi Department of Education and Knowledge (ADEK)** and **Abu Dhabi Centre for Technical and Vocational Education and Training (ACTVET)**.

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## II. The meaning of “TRAINING”

refers to *the teaching and learning activities carried on for the primary purpose of helping members of an organization acquire and apply the knowledge, skills, abilities, and attitudes needed by a particular job and organization.*

This means that a training activity requires professionals that will teach to an audience of people certain subjects.

Therefore, it is NOT included in the training activity the supply training tools or materials to let the professional teach to the interested audience, this will be not considered as a training but as trading.

### III. Company set up process of Education & Training Institute in Dubai Mainland

#### **SET-UP for a NEW ENTITY**

1. The **FIRST STEP** is to obtain the initial **approval from Dubai Development Economic Department (DED)**, choosing:

a) The Trade Name of the new Entity;

b) The Professional Activity. In this case it will be an activity connected to the training.

**IMPORTANT: In DED, professional activities and, therefore, Professional License requires the local sponsor for the set-up of the new entity in UAE.**

c) Shareholders ID documents legalised (Passport and Visa) and Local Agent ID documents.

### III. Company set up process of Education & Training Institute in Dubai Mainland

2. The **SECOND STEP** is to obtain the approval from KHDA, submitting:
- a) Board resolution from the Parent Company calling for:
    - the establishment of the Training Institute,
    - appointing the Manager of the Training Institute and his powers,
  - b) Attested Good Standing Certificate of the foreign Parent Company
  - c) Attested Commercial Licence of the foreign Parent Company;
  - d) Ejari;
  - e) Program of the training course and policies



### III. Company set up process of Education & Training Institute in Dubai Mainland

3. The **THIRD STEP** is the issuance of the Professional License and completion of the set-up of the new company for the Training & Education centre/institute.

#### SET UP for an EXISTING ENTITY

1. If the existing company has already a trade license, KHDA shall be involved for the issuance of an additional license from DED that will be a professional license for training activities;
2. If the existing company has already a professional license, KHDA shall be involved for the addition on the license of the new professional activity for training.

## IV. Company set up process of Education & Training Institute in Abu Dhabi Mainland

With the **new system of licenses** in Abu Dhabi, foreign investors can fully own their local entity under professional license, including fields such as training, **without the element of the local sponsor, but with the sole mandatory presence of the local agent.**

### SET UP of NEW ENTITY

1. The **FIRST STEP** is to obtain the initial **approval from Abu Dhabi Development Economic Department (DED)**, choosing and providing:
  - a) The Trade Name of the new Entity;
  - b) The Professional Activity. In this case it will be an activity connected to the training, as “Training Centre”;
  - c) Corporate documents, including Shareholders ID documents legalised;
  - d) Lease Agreement;

## IV. Company set up process of Education & Training Institute in Abu Dhabi

2. The **SECOND STEP** is to obtain the approval from **Abu Dhabi Centre for Technical and Vocational Education and Training (ACTVET)** checking the requirements for the new entity to apply for the training license, as:

- Professional Licence;
  - Certificates for the Training activities;
  - Ejari and Training facilities
- and
- **Choosing the specific training activity on the provided list in the web-site of ACTVET.**

The approval from authority of Abu Dhabi Department of Education and Knowledge (ADEK) in this case will be mandatory required only if the Educational and Training Centre is a **public institute** with the audience of minors from the elementary to the high school.

## V. Company set up process of Education & Training Institute in UAE Free-zones

In the free-zones, the set up of the new entity can apply with professional license is possible without the element of the Local Sponsor, but always with the supervision and final approval of Knowledge and Human Development Authority (KHDA) and Abu Dhabi Centre for Technical and Vocational Education and Training (ACTVET).

The documents and the steps required are the same of Dubai Mainland and Abu Dhabi Mainland, unless specific requirements from free-zone to free-zone.

## VI. Regarding the opening of a bank account

Since last 1<sup>st</sup> of July 2021 with Anti-Money Laundering implemented, the Banks are now requesting additional documentation to be fully legalized for Foreign Companies that want to open a bank account in UAE.

Therefore, for the corporate UBOs with more than 5% of shares documents is now requested the fully legalization :

- in Germany, it will be required the steps of legalization though:  
Notary, District court ('Landgericht'), Federal Administration Office (Bundesverwaltungsgericht - BVA) and UAE Embassy in Germany
- in UAE :  
Ministry of Foreign Affairs (MOFA)



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