



Dear Friends and Clients,

This newsletter deals again with highly important subjects.

What are the do's and don'ts regarding your Emirates ID? Don't burn it when you are fed up or depressed, don't throw it away. You should always keep it with you so you can be identified by the smart gates when you pass through by car. So if you forgot where you have been last month maybe the authority can help by sending you your where-have-you-been travel map.

A new passenger's charge will be levied at the Dubai and Sharjah airports. Have you also experienced hardly ever finding an arriving plane docking at a hangar? You almost always have a bus ride of at least 15 minutes. Hopefully DXB will use the passenger charge to solve this uncomfortable issue!

And our UAE banks! A new board will lead the UAE Banks' federation, chaired by Abdul Aziz Al Ghurair.

We trust in him to supervise the customer services of some UAE banks and we would welcome if the Federation could install an "ombudsman" to receive and handle complaints against banks, such as: to cash a manager's cheque issued by HSBC UAE takes 1 month (!!) and costs almost 300 Euro on bank fees. So try to avoid accepting such a manager's cheque issued by "The World's Local Bank".

Let's see what the new board can do for us customers and if they have an open ear to handle severe issues.

Wishing you an enjoyable time in the last cool weeks that remain.

With kind regards,

Theodor Strohal

Common difficulties in business set-ups

Forget the often-quoted platitudes you hear about starting your own business. Most small business owners will tell you running your own business will require all of your former "free time" and patience to track down the information you need to survive.

Apart from a lack of sufficient information, SMEs face other problems, including high costs of license, high visa fees as well as opening a bank account. Many promises from banks to assist small business owners are not followed through once bank accounts are set up. Often there is a lack of transparency with banks, and a lack of coordination with their businesses/clients.

Furthermore, many laws and regulations are difficult to understand and need further clarification and transparency. Most times, it is very hard to get the right information at the right time. Even set-up processes in various free zones are becoming more and more complicated.

Additionally, finding the right people to fill high positions is one of the most difficult aspects of setting up a business in the UAE. Many SMEs struggle to find the right employees who understand what a start-up looks like and who have entrepreneurial skills as well as being willing to give everything to bring the business forward instead of just working the required 8 hours a day.

We are aware of all these issues, like: high costs, a lack of sufficient information, complicated laws, non-transparent banks, and the difficulties in finding qualified employees and we always provide our best service to support SMEs during their set-up process and their day-to-day business.

10 things about the Emirates ID you need to know

It is mandatory for all residents in the UAE to have an Emirates ID, but there are some things that most of us don't know.

Federal Law No. 9 of 2006 regarding the Population Register and ID Card System and its executive regulation, stipulates the below regulations that all card holders need to follow:

- # Not to tamper with, erase, amend or distort the ID card
- # Carry the ID card at all times and produce it whenever required by law
- # Abide by the dates and legal procedures required for renewing, replacing or delivering the ID card
- # Report any change in his/her details of the card to the competent department in Emirates ID within one month from the date of change
- # Report the loss of card to an Emirates ID service point within 7 days from the date of loss
- # Apply for a replacement for the damaged or lost card and pay proper fees in addition to submitting a declaration that the ID card is not taken, or reserved at any authority, or organization
- # Notify the nearest Emirates ID service point within seven days if the ID card is partially, or entirely damaged so much that it can't be used for the purpose it is made for. In this case, the card holder should apply for a replacement for damaged or lost card and pay the appropriate fees.
- # One must not leave the ID card at any organization unless there has been a decision or judgment passed by a competent court
- # If you find an ID card, you have to hand it to the nearest Emirates ID service point or the nearest police station
- # All ID card holders must abide by the above directions. A legal guardian, or substitute should assume the responsibility of implementing the above directions

We know that various investors and partners just apply for the Emirates ID because it is part of the visa process, but please take care of your Emirates ID because it is the most important document. You will need it in your day to day business here in the UAE, especially when you need to sign a contract for your internet at home, visit an authority to apply for your wife's visa, or renew, change or cancel your own visa. You would never lose sight of your home country identification card. Treat your Emirates ID in the same manner. According to information from a high ranking technician, gates on the main roads will be installed which can read the information on the IDs of all people passing by car. So be aware that already, or soon, the authorities will know the time and place of your movement. Besides being a sort-of "Glasnost," it does help to increase our personal security and is a welcomed thing.

Dubai Metro 2017 Plan: Green Line

The Green Line extension will start from the existing Al Jaddaf station down to Academic City. It will feature a rail line of 20.6 kilometres and 11 stations both underground and above ground. This extension will serve urban developments such as the Ras Al Khor industrial area, International City and Silicon Oasis. Dubai will start work on designing the Dubai Metro Green Line extension from 2017, according to a senior Road and Transport Authority (RTA) official.

In 2015, average daily ridership of public transport in Dubai was about 1.5 million riders compared with 1.475 million in 2014, and about 1.3 million in 2013. The metro's Red and Green lines carried 178,647 million riders, compared with 164,307 million riders in 2014, and about 137,759 million in 2013.

In December 2015, Dubai set aside Dh16.6 billion for infrastructure, transport and economics – an increase of Dh1.8bn – as part of its 2016 budget, which will boost development activity. The emirate aims to extend the total length of the metro to 110 kilometres by 2020.

Flying from Dubai or Sharjah will be more expensive

More than 78 million passengers passed through Dubai International in 2015, keeping its status as 'the world's busiest' for international passengers. Around 100 airlines fly to more than 240 destinations through the Dubai airport. Last month, Dubai Airports increased the capacity of its main airport to 90 million passengers with the opening of concourse D, at a cost of \$1.2 billion.

As per the new resolution, every passenger leaving the UAE from any of Dubai's airports as well as from Sharjah will be charged 35 AED as a service fee for using airport facilities beginning 1 July 2016. The resolution exempts passengers below the age of two and cabin crew from paying the fee, as well as transit passengers whose arrival and departure's flight number is the same.

Travelling from the UAE will now be more expensive, a fact that is sure to hit GCC countries the hardest. The new 35 AED charge levied by Dubai and Sharjah airports will have huge implications on all passengers flying out of the region. Until now, RAK airport has not announced whether they will implement this service charge as well. Therefore, it might be a good alternative to use RAK airport as you will now save both a lot of time and money, especially when doing business in Ras Al Khaimah.

Do not forget to amend your MOA

After years of speculation regarding an overhaul of commercial companies' law in the UAE, Federal Law No. 2 of 2015 concerning Commercial Companies ("New CCL") came into force on 1 July 2015, replacing the existing Federal Law No. 8 of 1984 concerning Commercial Companies.

This is nothing new, but please keep in mind that all onshore/mainland companies should check their MOA and may need to amend it. This is especially true regarding some of the more critical changes in the law relating to LLCs and their accounts, financial year, distribution of the profits and losses, quorum for convene and voting, and etc. Every onshore/mainland

company is required to amend its existing memorandums and articles of association to reflect and comply with, the changes introduced by the New CCL. Any company that fails to make the requisite amendments by 30 June 2016 will be automatically dissolved. Please also note, there are no amendments needed for offshore or free zone companies. We are, of course, ready to assist our clients in taking the right steps to ensure an easy amendment process.

UAE Banks Federation elects new board of directors

The UAE Banks Federation (UBF), a professional body representing 49 member banks operating in the UAE, held its ordinary annual general assembly meeting to review the UBF's main activities and key achievements of last year.

Held at the head office of the Commercial Bank of Dubai and chaired by Abdul Aziz Al Ghurair, chairman of the Federation, and in attendance were Federation Board members and representatives of member banks. The meeting ratified the Federation's business plan for 2016, which aims to boost coordination and consultation with the Central Bank of the UAE and other shareholders on issues related to the banking sector. Also, members have discussed and approved the financial statements, auditors' report for 2015 and budget for 2016.

Al Ghurair said: "2015 was a successful and productive year for us. Our committees worked on different initiatives during 2015, and we formed new partnerships with different local and international entities to better support and enhance the banking sector in the UAE. We have also increased the number of our committees, such as: marketing, audit, IT, fraud prevention, operations, digital banking and information security committee to better serve and protect banking customers."

Hopefully the last words in this sentence will become true as we have had the impression that there is hardly any bank in UAE that can be called "customer friendly".

Abu Dhabi unveils 850 million AED tourist and entertainment destination

Abu Dhabi Municipality and Al Barakah International Investments held a groundbreaking ceremony for an 850 million AED new tourist and entertainment destination.

Musabbah Al Marar, acting director general of the Abu Dhabi Municipality, said the ambitious project named 'Al Qana' is a practical implementation of the civic body's strategy to provide 'best in class' services, and recreational and housing facilities in alignment with the Abu Dhabi Comprehensive Master Development Plan and Abu Dhabi Vision 2030.

The project, which is to be built under a "musathaha" agreement, i.e. a Build Operate Transfer agreement, will include a 5,000 metre aquarium (UAE's largest), a 98-berth marina suitable for mini yachts, cafes and restaurants, and three or four storeys of furnished apartments which will be available for rent. It will come up in an area spanning 150,000 square meters and is scheduled to be completed in the second quarter of 2018.

"The tourist market is expanding in Abu Dhabi with what Etihad Airways is doing. This is one of the main projects that will put Abu Dhabi on the tourism map," said Moataz Mashal, Managing Director of Al Barakah International Investments.

As you can see, competition is in favour of the consumer. When Abu Dhabi enters into Dubai's strongholds, the consumer has more choices, like tourism and entertainment as well as financial services, which were offered exclusively by DIFC and are now also offered by Abu Dhabi's ADGM. But maybe a "financial entertainment center" would be really attractive as doing financial business doesn't seem to be very enjoyable at last.

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