DTOS UAE; AN ALTERNATIVE GATEWAY TO INVEST IN AFRICA

For decades, the economic development of The United Arab Emirates (UAE) was based on their crude oil and gas reserves. However, in the early nineties, the UAE federal government decided to pursue a diversification program aiming to reduce its monetary dependence to oil. As a result, UAE grew an appetite for developing its financial service sector, aiming to become a regional financial centre. International Financial Centres (IFCs) serve as clusters of excellence and expertise in economic and financial services and strive to deliver inclusive and sustainable development as part of an integrated network. IFCs display modern networks and infrastructures, flexible yet sound regulation and the ability to attract foreign investors.

The government of Dubai founded the Dubai International Finance Sector (DIFC), along with the Dubai Financial Service Authority (DFSA) as its regulator, in 2002. Dubai offshore sector, house within the DIFC and is independent of the federal system. Here are some statistics that show the success of DIFC:

0% Tax Rate on profits

32% Increases in company creation (2017 - 2020)

DIFC market size surpasses $700 billion

100% Foreign Ownership

Financial Free Zone Advantages

17/20 World's top banks

6/10 top asset managers

0% Personal Income Tax

Dubai International Financial Centre

821 Financial Firms

3/5 global insurance companies

8/10 leading global law firms

2,500 + active registered firms

25,000 + workforce

In 2020 and for the past 10 years, the Global Financial Centres Index (GFCI 29) has reported the supremacy of Dubai over the others places in the region.

Featuring both onshore and offshore jurisdictions, Dubai financial services sector has become an integral part of the global financial service space.

Rightly positioned at the epicentre of the MEASA (Middle East African and South Asian) region, DIFC acts as a perfect gateway for two continents with huge potential: Africa and Asia.

DTOS Offer and Complementary services in the UAE

The rationale behind DTOS' presence in the UAE (United Arab Emirates) is three-fold:
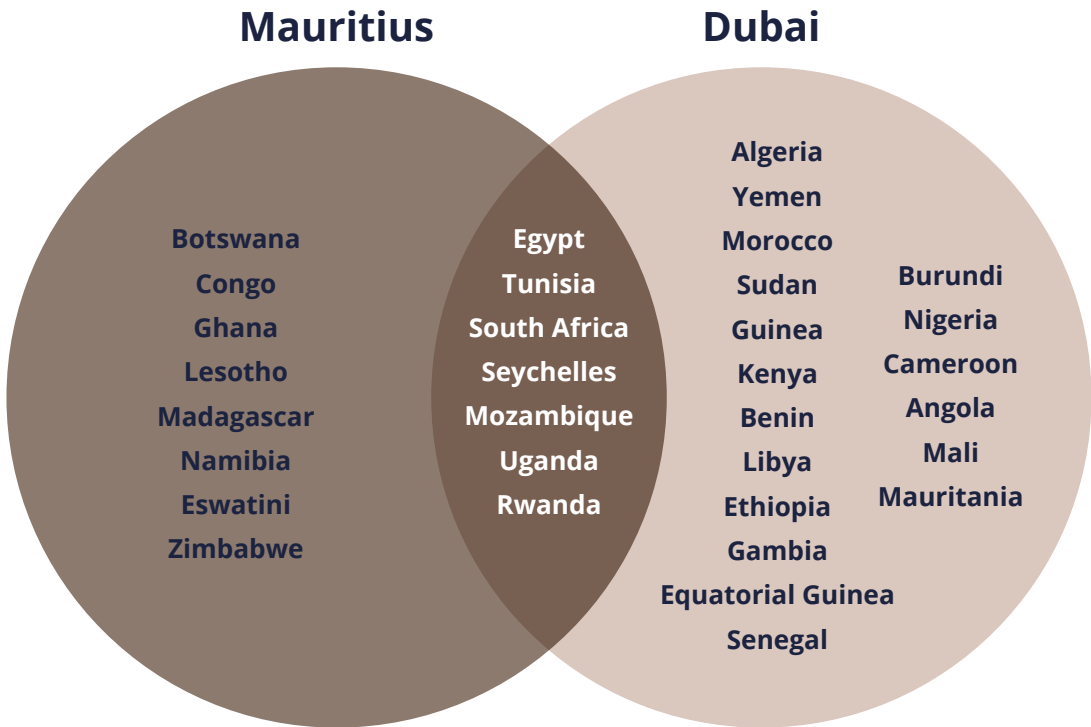
- The legal vehicles available in Mauritius and in Dubai have a lot of common characteristics and attributes. As such, DTOS is able to leverage on its 27+ years of experience in Mauritius and on its full mastery of existing products in Mauritius (GBC's, AC's, Trusts, PCC's .....) to advise and to administer vehicles and SPV's best suited to our clients needs' and projects in either jurisdiction in which we are licenced to operate, i.e. DMCC (Dubai Multi-Commodities Centre) and RAKEZ (Ras Al Khaimah Economic Zone).

- Both Mauritius and the UAE have Africa as their focal point. Dubai has signed 117 DTAs whilst Mauritius has signed 46 such tax conventions. The City of Gold signed DTAs with 25 African countries while Mauritius signed with 15 African states. Together, these two jurisdictions' DTAs cover more than 60% of African countries.

RAKEZ

DMCC

DIFC

UAE

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- Dubai has a natural proximity and a lot of business and cultural afinities with Northeast African countries while Mauritius has maintained great closeness with Southeast African countries. Mauritius is part of the SADC (Southern Africa Development Community), the COMESA (Common Market for Eastern and Southern Africa) and the AfCFTA (African Continental Free Trade Area), a combined market of more than 406 million inhabitants, while Dubai is part of the GCC (Gulf Cooperation Countries), a trade block of more than 54 million inhabitants. These trade blocks definitely grant DTOS' clients an advantage for accessing such high-potential markets.

Available Treaties and advantages to invest in Africa

Mauritius   **Dubai**

Botswana
Congo
Ghana
Lesotho
Madagascar
Namibia
Eswatini
Zimbabwe

Egypt
Tunisia
South Africa
Seychelles
Mozambique
Uganda
Rwanda

Algeria
Yemen
Morocco
Sudan
Guinea
Kenya
Benin
Libya
Ethiopia
Gambia
Equatorial Guinea
Senegal

Burundi
Nigeria
Cameroon
Angola
Mali
Mauritania

- Dubai and UAE have trade agreements with partner countries in the Gulf Cooperation Council (GCC) and the Greater Arab Free Trade Area Agreement (GAFTA). Mauritius is a member of the COMESA (Common Market for Eastern and Southern Africa) which comprises of 21 states aiming to promote regional integration through trade for the mutual benefit of the region. As any trade agreements, the COMESA gives Mauritius preferential trade rates and accesses. Therefore, DTOS' clients can positively benefit from these trade agreements.

Useful links:

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Dubai Multi Commodities Center: **www.dmcc.ae**
Ras Al Khaimah Economic Zone: **www.rakez.com**
RAK International Corporate Centre: **www.rakicc.com**