IRAA
AUDIT . TAX . ADVISORY

INSIGHTS

INSIGHT
BEYOND NUMBERS

BUSINESS ADVISORY & SETUP · 15 JULY 2026 · 10 MIN READ

UAE Business Licensing: Align Activities, Approvals, Contracts and Revenue

A disciplined licensing control keeps commercial activity, sector approvals, invoices and the legal permission to operate aligned as the company grows.

Akash Chetwani, CFA
SENIOR PARTNER · ADVISORY

IRAA Global Advisory

EDITORIAL GUIDE

Contents

BUSINESS ADVISORY & SETUP · 10 MINUTE READ · JULY 2026

A disciplined licensing control keeps commercial activity, sector approvals, invoices and the legal permission to operate aligned as the company grows.

> A UAE trade licence should describe the business that actually earns revenue. When contracts, invoices, staff and regulated activities move beyond the licence, the company creates avoidable risk across banking, tax, insurance and enforcement.

Licensing is not a one-time incorporation task. It is a control that connects commercial strategy with legal permission. A disciplined business maintains an activity register, checks new offerings before launch and updates approvals when the operating model changes.

The licensing control chain

TRADE NAME	Reserve a compliant name through the relevant economic authority; a trade name is distinct from trademark protection.
INITIAL APPROVAL	Government no-objection allows setup steps to continue but does not authorise the business to operate.
ECONOMIC LICENCE	The licence identifies permitted activities, legal form, authority and validity period.
SECTOR APPROVAL	Regulated activities may require consent, registration or inspection from another authority.

Translate the commercial model into activities

List every present and planned revenue stream in plain language. For each, identify what is sold, who delivers it, where it is delivered, whether goods are imported or stored, whether customer money is handled, and whether a professional judgement or regulated service is provided.

Then map the description to the official activity codes offered by the chosen licensing authority. Similar-sounding activities can have different scope, premises requirements or approval routes. Obtain clarification from the authority when wording is ambiguous and retain the response in the corporate file.

The UAE Government describes six broad Ministry of Economy and Tourism licence types: industrial, commercial, professional, tourism, agricultural and crafts, while local authorities may offer additional licence products. The label is not enough; the listed economic activities and conditions determine what the company can do.

Separate trade name, company name and brand rights

The local economic authority registers the trade name, while trademark registration is handled through the Ministry of Economy and Tourism. Reserving a trade name therefore does not by itself grant exclusive trademark rights.

Before committing to signage, domains or packaging, search the proposed name across the National Economic Register, relevant local register, trademark records and digital channels. Check Arabic and English forms. A conflict discovered after launch can require rebranding, contract amendments and licence changes.

Official guidance requires trade names to match the activity and legal status, avoid public-order concerns, avoid protected government or religious references and not duplicate an existing registered name. Include the legal-form suffix where required.

Treat initial approval as a milestone, not permission to trade

Initial approval means the government has no objection to establishment and allows the investor to complete later steps. Official guidance expressly notes that it does not grant authority to practise the activity. The final licence and any sector approvals must be in place before operations start.

Some activities require external approval before or during licensing. Depending on the sector, this can include professional, health, education, food, financial, media, transport, civil-defence, municipality or security authorities. Premises may require zoning, fit-out, signage and inspection approvals.

Create an approval matrix with authority, application, documents, inspection, responsible owner, renewal date and operating conditions. A licence renewal is not proof that every separate permit remains valid.

> *"A licence is reliable only when the words on it match the contracts, people, premises and customer experience."*

Design the evidence file before applying

Licensing authorities and banks commonly need constitutional documents, owner and manager identification, beneficial-ownership information, business plans, address evidence and activity-specific credentials. Corporate shareholders may need legalised or attested documents and board resolutions.

Use one controlled ownership chart that identifies legal shareholders, natural-person real beneficiaries, voting or other control, authorised signatories and nominee arrangements. Cabinet Resolution No. 109 of 2023 requires in-scope legal persons to maintain real-beneficiary and partner or shareholder registers and to update applicable information.

Ensure the memorandum, licence application, UBO filing, bank application, tax registration and contracts describe ownership and activity consistently. Inconsistency creates questions even when each document was prepared in good faith.

Connect licensing to tax and invoicing

A licence does not determine all tax treatment. Corporate tax follows the law, accounting results and transaction facts. Free-zone entities must analyse whether they meet the Qualifying Free Zone Person conditions for any 0% rate on Qualifying Income. VAT depends on supplies and registration thresholds.

The FTA states that resident businesses generally must register for VAT when taxable supplies and imports exceed AED 375,000 in the previous 12 months or are expected to exceed that amount in the next 30 days. The voluntary threshold is AED 187,500, subject to the applicable conditions.

Invoice descriptions should match real supplies and licensed activities. Finance should flag revenue posted to an unmapped product or service. This creates an early warning that commercial activity has moved ahead of licensing and tax analysis.

Control change after launch

New products, websites, sales channels, locations, warehouses, branches and professional hires can change the licence position. So can acquiring a company or changing ownership, manager, name or premises. Introduce a pre-launch checklist that routes changes through legal, tax, finance and operations.

Maintain a licence register covering every entity and branch, activity, authority, number, issue and expiry date, premises, manager, authorised signatory and related permits. Set reminders well before expiry. Store the current certificate and evidence of renewals in a location accessible to authorised teams.

Periodically compare the licence register with revenue by product, customer contracts, websites, employee roles, fixed assets and locations. Exceptions should be resolved through activity amendment, contract redesign or discontinuation.

Control branches, digital channels and third parties

A website can expose the company to activity risk just as readily as a physical branch. Review online product descriptions, checkout flows, customer terms, app functionality and advertising against the licensed scope. If a platform introduces payments, regulated advice, recruitment, health services or other controlled functions, licensing analysis should occur before development is released.

Branches and sales locations need their own authority map. Confirm whether they operate under the same legal person, which licence appears on customer documents and which manager is authorised. Keep premises, signage, municipality and civil-defence evidence with the branch file.

Agents, distributors and subcontractors do not automatically extend the company's permission. Contracts should define responsibility, territory, regulatory status, customer communications and evidence. Verify third-party licences through official channels and monitor expiry. The company should not present another party's approval as its own.

A practical pre-launch gate

01	**Describe:** Write the customer proposition, delivery model and money flow.
02	**Map:** Connect each revenue stream to an official activity and licence type.
03	**Approve:** Identify sector, premises and professional permissions.
04	**Align:** Match corporate, UBO, bank, tax and contract information.
05	**Verify:** Confirm licence issuance before trading and retain evidence.
06	**Monitor:** Review new products and reconcile revenue to activities quarterly.

Licensing discipline supports growth because it lets the business expand deliberately. Management knows which entity can contract, which approvals lead the timetable and which changes require action. That clarity is more valuable than a fast incorporation that leaves the operating model unresolved.

Official sources

1. **UAE Government: mainland business setup and licensing**
2. **UAE Government: National Economic Register**
3. **UAE Government: verify licences, names and activities**
4. **Federal Tax Authority: VAT registration requirements**

Online edition: **https://iraaglobal.com/insights/uae-business-licensing-activities-approvals-compliance/**

ABOUT THE CONTRIBUTOR

Akash Chetwani, CFA

SENIOR PARTNER · ADVISORY

Cross-border advisory for professionals, founders, investors, and globally connected families.

PHONE	+971 56 921 0222
EMAIL	info@iraaglobal.com
PROFILES	LinkedIn · Contributor page and articles

IRAA GLOBAL

AUDIT · TAX · ADVISORY

A connected advisory firm for businesses operating across borders.

OUR EXPERTISE

Audit & Assurance	Corporate Tax & VAT
Accounting & Bookkeeping	Finance & CFO Advisory
AML, Risk & Compliance	Business Advisory & Setup
Human Resources Advisory	AI, Technology & Digital Assets
India-UAE Cross-Border Advisory	Private & Family Advisory

IRAA GLOBAL
AUDIT · TAX · ADVISORY

Insight beyond numbers.

IRAA Global Advisory

503 Mustafawi Carpet Building, Sharaf DG Metro Exit 1
Dubai, United Arab Emirates

+971 56 921 0222 · +971 50 677 9455
info@iraaglobal.com · www.iraaglobal.com

LAYOUT & DESIGN BY SURESH TAMANG