



Need a corporate UAE National Sponsor or National Service Agent for your UAE company?

Cohesion can help.

It is well known that to start an onshore business in the UAE, sponsorship from a UAE National (National) is required where there is an element of foreign ownership. However, seeking sponsorship from an individual is not your only choice. Cohesion provides another option.

Cohesion is a corporate sponsorship portfolio of companies, each wholly owned by a National and is independently managed by directors appointed by Banks Corporate Services.

Cohesion was developed in order to provide UAE companies with a reliable and efficient alternative to traditional sponsorship options*.

*NB: The vehicle can also be the sponsor of a UAE wholly owned GCC company

Benefits of a Corporate National vs Individual National

The benefits of appointing a Corporate National as opposed to a National in his/her personal capacity, for the purpose of holding shares in a limited liability company (LLC) or acting as a service agent for a branch of a foreign company (Branch), are as follows:

Cohesion is a product of Banks Corporate Services.



Corporate National	Individual National
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Liability	
<p>With Cohesion, you have an extra layer of protection when it comes to personal liability. This means should there be any personal legal liability attached to the assets of an individual National owner, your exposure is mitigated.</p>	<p>There is a risk of a LLC being exposed to any liability existing for the individual National's assets, which would include the shares they hold in a LLC and may extend to the benefit they receive under a local service agent agreement in respect of a Branch.</p>
Operational	
<p>Banks Corporate Services, as appointed directors, are authorized to independently manage the establishment and administration of Cohesion. This ensures all operational matters are streamlined to deliver services efficiently and effectively. Personal attendances of the individual National at government departments and notaries public for the execution of documents are not required. This eliminates possible complications and unnecessary delays as a result of scheduling issues.</p>	<p>Unless the individual National has granted a suitable power of attorney to represent them, it will be necessary for the individual National to attend and sign all documents they are required to sign at government departments and notaries public for the administration of a LLC or Branch.</p> <p>This can often lead to delay and complication where the National or their representative is not available or where they question the documentation they are being asked to sign.</p>
Death and Inheritance/Succession	
<p>The death of the individual National owner of the corporate portfolio will not, generally speaking, affect Cohesion's ability to discharge its obligations and execute documents via the authorised and independently appointed directors. Contingent arrangements are in place to ensure the timely transfer of ownership of the shares in Cohesion to an alternative and previously vetted individual National.</p>	<p>The death of an individual National can cause significant issues for the management and operation of a LLC or Branch.</p> <p>In death, the shares the individual National hold in a LLC will devolve to their heirs in accordance with Sharia principles. This often means the shares devolve to a number of heirs which the foreign partners are unlikely to have a relationship with. Further, the legal process on death is time consuming and, until resolved, it will be very difficult to pass any decisions or execute any documents required to be signed by the individual National or their estate. Including any power of attorney granted by them to representatives authorised to represent them, is automatically revoked/invalidated upon their death.</p>



Perception of Value

In the event of the disposal of a LLC or a foreign company with a Branch, the presence of Cohesion, and the arrangements Banks Corporate Services puts in place with the National, is likely to be viewed more favourably by a prospective purchaser following due diligence as a number of risks associated with having an individual National shareholder or service agent are not present.

In the event of the disposal of a LLC or a foreign company with a Branch, the presence of an individual National is likely to be viewed less favourably by a prospective purchaser following due diligence for the reason that the risks associated with having an individual National shareholder or service agent are (as identified above) are present.

Raising Finance

Banks are likely to view the presence of a Corporate National more favourably for the purpose of assessing risk profile in considering the grant of finance facilities.

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How the service works

Cohesion provides services to companies established, or to be established, in the UAE or in other GCC member states.

These services include:

- Holding, directly or indirectly, the minimum 51% of the shares in a UAE onshore LLC, as per local law requirements.
- Holding shares, directly or indirectly, in other companies as may be required to satisfy and comply with the foreign and/or local ownership requirements for companies or structures established in the GCC.
- Acting as the local service agent for branches of foreign companies that are registered in the UAE and require a national service agent.

Legal Protection

Where Cohesion is appointed to hold shares in an LLC or other GCC company as per foreign ownership restrictions, arrangements are put in place (to the fullest extent permissible under the applicable laws) to ensure foreign investors:

- have the control and authority to manage the company
- receive the full economic benefit flowing from the operations of the company.



Fees

Cohesion charges an annual fixed fee starting at AED 25,000* for the first year for Service Agent and Nominee shareholders. This is for providing the aforementioned corporate sponsorship services and such fee is determined by various factors including, but not limited to:

- The profile and size of the operation of the company requesting services.
- The nature of the activities the company will conduct, whether such activities are regulated and/or considered a higher risk of liability.
- Any additional Cohesion services required.
- The existing number of visas or proposed number of visas to be held.

Cohesion can also procure the provision of any additional PRO services that may be required.

** NB: The above fees are an indicative starting point and the actual fee charged will be determined on a case by case basis following a risk analysis of the profile and operations of the prospective partner. All charges are subject to VAT.*

Engagement

Should you wish to engage Cohesion to provide its services, then Cohesion will need to carry out standard due diligence on your business and will enter into a service agreement with you in respect of the provision of Cohesion's services and setting out the terms on which those services will be provided.

Should you require any further information, please let us know.

Thanks & Regards

IMPORTANT NOTE: This document is provided for information purposes only. No representations or warranties are being given and nor is it advice that can be relied upon. The information set out herein should not be construed as an offer, solicitation or recommendation or contract capable of acceptance and is subject to change from time to time and further documents to be entered into in respect of the transactions set out in this Information Sheet. Recipients of this Information Sheet must keep the information confidential. 27.02.2017.

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About us

Founded in 2009 by the Managing Partner Nathan Banks, Banks Legal & Corporate Services is a legal and corporate services consulting firm based in the United Arab Emirates. With over 60 years of combined professional experience in the UAE, our lawyers harness leading international law firm experience with extensive knowledge of the GCC legal and business landscape. Our clients are broad, encompassing a variety of industries and sectors, and range from individuals to family offices, SME's and reputed listed multinationals.

Whilst specializing in all core areas of law, providing strategic commercially focused business advice, Banks Legal & Corporate Services also provides an extensive suite of corporate services through Banks Corporate Services. Core to our values is a strong commitment to client service and responsiveness and we pride ourselves on quickly identifying legal issues and providing pragmatic solutions. As an entrepreneurial minded firm, we take the time to understand client instructions from the perspective of their business in order to add value beyond the specific scope of work.

Our dedicated multi-cultural and multi-lingual team includes lawyers and staff from across the globe including New Zealand, Australia, Egypt, France, India, the Philippines, and Sudan. The firm offers lawyers fluent in English, Arabic, French, Hindi, Filipino, and Punjabi. With our strategic presence spanning across the region with offices in Abu Dhabi, Dubai and Ras Al Khaimah and regional co-operation arrangements with reputable professional services firms, we are very well placed to provide clients with key support and legal services, who do business throughout the GCC and wider Middle East & North Africa region.

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