

Health Planning and Consultancies in Dubai

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A sector that has remained largely immune to economic fluctuation in Dubai has been the health sector, which, given the government of Dubai's objective to make the Emirate a preferred destination for medical tourism, continues to experience robust growth. Concurrent with this growth, activities supporting the healthcare sector have been on the rise. One such supporting activity is providing consultancy services to the health sector.

Under the Department of Economic Development's classification list, this activity is codified as 851909 and described as health planning and consultancies. Under this activity, corporate entities can provide consultation and feasibility studies to health facilities, including hospitals and clinics, to determine requirements of medical equipment and supplies, technical staff qualification, as well as providing suggestions on health facility engineering layout and setting up health quality assurance program to promote the service level of these health facilities.

This article discusses certain regulatory considerations being faced by investors wishing to provide Health Planning Consultancies in Dubai.

In mainland Dubai, the activity of Health Planning Consultancies can be licensed, but under the current policy of Department of Economic Development, issuance of such licence is restricted to sole establishments, civil partnership companies and branches of foreign companies set up under Federal Law No. 8 of 1984 Concerning Commercial Companies. A limited liability company, which is generally the preferred form of corporate entity, cannot currently be licensed to conduct the activity of Health Planning Consultancies.

This restriction poses a challenge for an investor who wishes to conduct the activity of Health Planning Consultancies in the UAE through a limited liability company. To add to this complexity, none of the free zones, other than Dubai Healthcare City, license an activity as wide as activity number 851909. Therefore, as the current regulatory practices stand, there are no other options available for a prospective investor who wishes to provide the services under Health Planning Consultancies. Practical considerations such as lack of office space or preference for another free zone can make provision of Health Planning Consultancies through a limited liability company virtually impossible.

Recently, a party approached Dubai Silicon Oasis, a free zone in Dubai, with a proposal to allow the licensing of Health Planning Consultancies as described as activity number 851909. Dubai Silicon Oasis agreed to license this activity, subject to an approval from the Dubai Health Authority. Given the nature of the activity of Health Planning Consultancies, the premise of the proposal was that an approval from Dubai Health Authority would not be required, as under this activity a corporate entity does not provide any medical or health services.

Dubai Silicon Oasis and the Dubai Health Authority, initially showed reluctance, however, in successive deliberations, both Dubai Silicon Oasis and Dubai Health Authority accepted the view that no such approval from the Dubai Health Authority would be required for setting up a free zone limited liability company in Dubai with Silicon Oasis to conduct the activity of health planning and

consultancies.

Based on this, a corporate entity can now be set up in the free zone of Dubai Silicon Oasis as a free zone limited liability company with the licensed activity of Health Planning Consultancies, without the approval of the Dubai Health Authority. The advantages of setting up in Dubai Silicon Oasis are as follows:

1. The activity of health planning and consultancies can now be licensed;
 2. Permitted 100% ownership of the free zone company by a foreign investor;
 3. Dubai Silicon Oasis is relatively inexpensive compared to other free zones in Dubai; and
 4. Dubai Silicon Oasis, like other free zones in the United Arab Emirates, provides certain benefits to the investors, including:
 5. No requirement for a UAE national sponsor / partner;
- No imposition of corporate tax;
 - Import / export duties exemptions;
 - No restriction on repatriation of capital or profits.

To ensure that the free zone company in Dubai Silicon Oasis can be set up for the activity of health planning consultancies and expand into mainland Dubai (so that it can bid for government projects, etc.), the free zone company will be able to set up a branch office in mainland Dubai. In this regard, discussions with the Department of Economic Development have confirmed that it will have no objection to licensing such a branch as long as a no-objection letter from Dubai Silicon Oasis is obtained. A benefit of this structure is that it will facilitate setting up branches and subsidiaries in mainland Dubai and outside of the UAE, subject to the laws of the local jurisdiction.

This structure should support the objective of Dubai government to make the Emirate a destination of choice for health related services by facilitating experts providing health related services and services supporting the health sector to set up a limited liability company in Dubai which is 100% owned by foreign investors.