

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

UNITED ARAB EMIRATES

Middle East

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Dubai (DIFC / Downtown / Dubai South)	Global financial and logistics hub; Dubai International Financial Centre offers common-law courts and 100% foreign ownership for financial/professional services; centre of the D33 Dubai Economic Agenda	Financial services, trade, logistics, real estate, tourism
Abu Dhabi (ADGM / Masdar City)	Federal capital and seat of ADIA/Mubadala; Abu Dhabi Global Market offers a second common-law financial free zone; Masdar City anchors clean-energy and sustainability-sector activity	Financial services, sovereign co-investment, clean energy, R&D
Abu Dhabi AI Campus (G42 / Stargate UAE)	Site of the 1-gigawatt Stargate UAE AI compute cluster being built for OpenAI (with Oracle, Cisco, Nvidia and SoftBank), part of a planned 5-gigawatt UAE-US AI Campus following November 2025 US approval for advanced Nvidia chip exports to G42	AI infrastructure, data centres, advanced computing
Jebel Ali Free Zone (JAFZA) / Dubai South	One of the world's largest and most established free zones, anchoring Dubai's trade, logistics and light-manufacturing base alongside Al Maktoum International Airport's expansion	Trade, logistics, manufacturing, e-commerce
Dubai residential real estate (new-supply corridors: Dubai South, JVC, Dubailand)	Epicentre of a Fitch-projected moderate price correction (up to ~15%) through 2026 as roughly 120,000 new units reach handover against ~5% population growth - a normalisation after the 2025 price peak, not a crisis, per Fitch	Residential real estate (entry timing now more selective than 2023-24)
Fujairah (East Coast)	UAE's only Indian Ocean-facing port, offering a Strait of Hormuz bypass for oil exports and bunkering - strategically more important given 2026 Hormuz shipping disruption	Energy logistics, bunkering, port services
Ras Al Khaimah / Sharjah	Lower-cost northern emirates increasingly positioned for manufacturing, tourism (RAK's Wynn Al Marjan casino resort) and SME-oriented free zones as Dubai/Abu Dhabi costs rise	Manufacturing, tourism, SME free zones

INVESTOR ENTRY ROUTES

- DIFC or ADGM common-law financial free zone licensing for financial/professional services with 100% foreign ownership and independent courts
- Mainland company registration via the Department of Economic Development in the relevant emirate, now permitting up to 100% foreign ownership in most sectors following the 2021 Commercial Companies Law reform
- Sector-specific free zones (JAFZA, Dubai South, Masdar City, twofour54, Abu Dhabi AI Campus) for trade, logistics, media, clean energy and AI/tech ventures

- Golden Visa long-term residency (10-year, tied to real estate, business or skills investment) as a parallel personal-relocation and investment channel
- CEPA-LINKED TRADE AND INVESTMENT ACCESS - 38 Comprehensive Economic Partnership Agreements signed since 2021 (18 in force), covering India, South Korea, Indonesia, Turkey and a growing Africa/Latin America network
- Sovereign co-investment alongside ADIA, Mubadala or ADQ for larger strategic or infrastructure-scale mandates

MARKET-ENTRY OBSERVATION

The UAE enters late 2026 as the Gulf's most diversified and most resilient economy, with the Central Bank projecting 5.6% real GDP growth for the year - matching 2025's pace and led, as the Bank explicitly notes, "primarily by non-hydrocarbon sectors" (financial services, manufacturing and construction). Non-oil foreign trade rose 24.6% in the first three quarters of 2025 to Dh2.53 trillion, banking-sector assets reached Dh5.4 trillion, and the CEPA trade-agreement network has now reached 38 agreements (18 in force) as the government pursues a \$1.1 trillion non-oil trade target by 2031. The AI sector has moved decisively from planning to execution: November 2025's US approval for G42 to import tens of thousands of advanced Nvidia chips unlocked Stargate UAE, a 1-gigawatt compute cluster being built for OpenAI as the anchor of a planned 5-gigawatt UAE-US AI Campus - described by G42's CEO as a "defining moment" for the country's AI ambitions.

This strength is being tested, not undermined, by two 2026 developments. First, the regional war has reached the UAE indirectly rather than directly: no strikes have hit Emirati territory, but Strait of Hormuz disruption has pushed Brent crude above \$100/barrel (from roughly \$73 pre-war), raised shipping insurance costs, and caused intermittent flight delays at Dubai and Abu Dhabi airports, while Gulf producers including the UAE are pumping below OPEC+ quotas because of war-related export disruption. Second, Dubai's residential real estate market - after a strong 2023-25 run fuelled partly by Golden Visa-linked demand - is undergoing a Fitch-projected correction of up to 15% through 2026 as roughly 120,000 new units reach handover against only about 5% population growth; Fitch is explicit that banks and developers can absorb this without rating pressure, framing it as a normalisation rather than a bubble bursting.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Regional war spillover (indirect)	Strait of Hormuz disruption has pushed oil prices above \$100/barrel and raised shipping/insurance costs; intermittent flight delays and cancellations at UAE airports; an attempted takeover of a flydubai flight in 2026 underlined heightened regional security sensitivity	No direct strikes on UAE territory to date; strong air-defence posture and deep US security relationship are the primary mitigants
Dubai residential real estate correction	Fitch projects prices could fall up to 15% through 2026 as ~120,000 new units reach handover against ~5% population growth; rental yields have already eased ~30bps (though remain ~7.4%)	Favour prime-location assets, which Fitch expects to hold up better given longer-horizon investor bases; treat 2026 as a more selective entry window than 2023-24
High cost base in Dubai/Abu Dhabi	Office, residential and talent costs in the two largest emirates have risen significantly amid sustained demand, pressuring SME and early-stage entrants	Ras Al Khaimah, Sharjah and Fujairah offer materially lower-cost alternatives for manufacturing, SME and logistics operations
AI chip-export dependency on US approval	Stargate UAE and the wider AI Campus depend on continued US Commerce Department approval for advanced chip exports to G42, conditioned on "rigorous security and reporting requirements"	The November 2025 approval and subsequent execution progress signal a durable bilateral framework, though it remains a geopolitically contingent asset class
Mainland vs free-zone structuring complexity	Despite 2021 ownership liberalisation, investors must still choose correctly between DIFC/ADGM, sector free zones, and mainland DED registration, each with different tax, customs and market-access implications	Early legal/structuring advice materially shortens time-to-market and avoids costly restructuring later
Global minimum tax and UAE corporate tax compliance	The UAE's 9% federal corporate tax (since 2023) and OECD Pillar Two-aligned rules for large multinationals add compliance obligations not present in the zero-tax era investors may still associate with the UAE	Most free-zone entities retain 0% corporate tax on qualifying income; compliance burden is manageable with proper structuring
Labour market tightness for specialised talent	Strong non-oil growth and the AI/tech build-out are driving competition for skilled talent, pushing up compensation costs in finance, tech and engineering roles	Golden Visa and other long-term residency pathways help employers retain specialised talent against regional competition

INVESTOR RISK NOTE

The UAE's risk profile remains the strongest in the Gulf by a clear margin: Fitch affirmed its AA-/stable sovereign rating and Moody's maintained Aa2/stable through 2026 specifically citing the economy's "strong buffers" against regional conflict, and foreign reserves were projected to reach roughly \$280bn. The practical 2026 risks are narrower and more manageable than almost anywhere else in this series' Middle East/Gulf coverage: indirect regional-war spillover (oil prices, shipping costs, intermittent flight disruption) rather than any direct attack, and a real estate correction that Fitch explicitly frames as absorbable by the banking and developer sector rather than destabilising. Investors should distinguish between headline-grabbing regional-conflict coverage (the UAE is a Gulf neighbour, not a combatant) and the UAE's own fundamentals, which remain among the most resilient of any emerging or frontier market globally.

MARKET ACCESS

The UAE offers near-universal 100% foreign ownership following the 2021 Commercial Companies Law reform, two independent common-law financial free zones (DIFC and ADGM) with their own courts, a 9% federal corporate tax with 0% available for qualifying free-zone income, no personal income tax, and an expanding Golden Visa long-term residency programme tied to real estate, business and skills investment. The CEPA network (38 agreements, 18 in force) provides preferential trade access to a growing list of partners including India, South Korea, Indonesia and a widening Africa/Latin America roster, supporting the government's \$1.1 trillion non-oil trade target by 2031.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Ministry of Economy / UAE federal government	Sets national economic policy, CEPA negotiation strategy and the D33 Dubai Economic Agenda-aligned federal framework	Primary engagement point for CEPA-linked and national-policy-aligned mandates
Dubai International Financial Centre (DIFC) / Abu Dhabi Global Market (ADGM)	Independent common-law financial free zones with their own courts and regulators, the standard entry point for financial/professional-services investors	Essential counterpart for banking, asset management, fintech and professional-services entry
Abu Dhabi Investment Authority (ADIA) / Mubadala / ADQ	Abu Dhabi's sovereign wealth fund family, among the largest in the world, and the natural co-investment partner for large-scale strategic or infrastructure mandates	Relevant for institutional-scale co-investment proposals rather than routine market entry
G42	Emirati AI champion leading Stargate UAE and the broader UAE-US AI Campus, now operating under US-approved advanced-chip-import terms	Key partner or counterpart for AI infrastructure, data-centre and advanced-computing mandates
Jebel Ali Free Zone Authority (JAFZA) / Dubai South	Administers one of the world's largest free zones for trade, logistics and manufacturing	Direct route for trade, logistics and light-manufacturing entry
UAE Central Bank	Monetary authority tracking GDP growth, banking-sector health and fiscal indicators; source of the 5.6% 2026 growth forecast	Relevant for macro-tracking and banking-sector/regulatory engagement
Dubai Land Department / RERA	Regulates the Dubai real estate market currently navigating the Fitch-projected supply-driven correction	Essential counterpart for any Dubai real estate investment, particularly given current market conditions

CURRENT INTERNATIONAL BUSINESS CHANNELS

The UAE's international business engagement is unusually dense and multi-channelled: 38 CEPA trade agreements, deep sovereign-wealth co-investment relationships through ADIA and Mubadala, a rapidly deepening US AI/technology partnership (Stargate UAE, the 5GW AI Campus, Microsoft's \$1.5bn G42 investment), and status as a preferred neutral hub for international business relocating amid regional uncertainty elsewhere in the Gulf. Major international banks, law firms and technology companies maintain regional headquarters in DIFC/ADGM, and the UAE's diplomatic posture (close US ties alongside pragmatic engagement with China, India and other partners) keeps it unusually well-connected across competing geopolitical blocs.

INVESTOR PROFILE BEST SUITED

Best suited to a very wide range of investors given the breadth of the UAE's free-zone and mainland offering: financial services and fintech (DIFC/ADGM), AI/data infrastructure (G42/Stargate ecosystem), trade and logistics (JAFZA/Dubai South), and selective real estate entry (prime-location bias given the 2026 correction) all represent credible near-term opportunities. Investors uncomfortable with

any regional-conflict headline risk, even where it has not translated into direct UAE exposure, may prefer to wait for further Hormuz/Yemen de-escalation, though the UAE's own fundamentals and sovereign ratings have held through the disruption to date.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Choose the entry structure

Decide between DIFC/ADGM (financial/professional services), a sector free zone (trade, logistics, AI/tech, media), or mainland DED registration based on the target sector and market-access needs.

STEP 2: Confirm CEPA-linked advantages

Check whether the investor's home country has a UAE CEPA in force, which may offer preferential tariff or market-access terms relevant to the investment.

STEP 3: Engage sector-specific authorities

For AI/tech, engage G42's ecosystem; for real estate, engage the Dubai Land Department with current market-correction conditions factored into underwriting; for trade/logistics, engage JAFZA or Dubai South.

STEP 4: Structure for tax compliance

Confirm free-zone qualifying-income status for 0% corporate tax eligibility, or plan for the 9% mainland rate and any applicable Pillar Two obligations for larger groups.

STEP 5: Secure residency if relevant

Evaluate Golden Visa eligibility for principals or key talent, particularly where real estate, business ownership or specialised skills provide a qualifying pathway.

WAVERLEY'S ROLE

- Advise on the optimal free-zone or mainland structure for the investor's specific sector and ownership requirements
- Facilitate introductions to DIFC/ADGM, JAFZA, G42's ecosystem, or ADIA/Mubadala depending on mandate scale and sector
- Provide real-time monitoring of Hormuz/regional-conflict spillover and the Dubai real estate correction for exposed mandates
- Support CEPA-linked trade structuring and Golden Visa residency planning

INVESTOR CALL TO ACTION

The UAE remains the Gulf's most resilient and diversified economy even amid 2026's regional turbulence - the practical task for investors is distinguishing genuine UAE-specific risk (a manageable, selective real estate correction) from regional headline risk that has not materially touched the Emirates themselves.

Waverley can help investors move confidently on that distinction and identify the strongest near-term entry points.

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

The clearest near-term pipeline runs through AI/data infrastructure (Stargate UAE's 1GW cluster scaling toward the 5GW UAE-US AI Campus), continued CEPA-driven trade expansion toward the \$1.1 trillion non-oil trade target by 2031, and Dubai/Abu Dhabi's deepening position as a neutral regional financial and relocation hub. Real estate offers a more selective but still credible opportunity, particularly in prime locations, once the 2026 supply-driven correction works through the market. Sovereign wealth co-investment through ADIA, Mubadala and ADQ remains available for institutional-scale strategic partnerships across energy transition, technology and infrastructure.

POSITIONING

The UAE occupies the strongest position of any Gulf economy in this series' 2026 coverage: non-oil-led growth holding at 5.6%, sovereign ratings affirmed through regional turmoil, and an AI infrastructure build-out (Stargate UAE) that has moved from announcement to active execution - all while absorbing indirect regional-conflict spillover without any confirmed direct strike on its own territory.

For investors, the UAE is less a question of whether to enter than of timing and structuring - particularly around the 2026 Dubai real estate correction, which Fitch frames as a healthy normalisation rather than a warning sign about the broader economy.

SELECTED SOURCES

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- Economy Middle East / Fitch Ratings (2026): Dubai real estate prices projected to fall up to 15% on 2026 supply spike
- Gulf News (October 2026): "US-Iran war: What UAE residents need to know" - Hormuz disruption, oil prices above \$100/bbl, flight delays