

Johansson Legal Consultants

COMMERCIAL, TAX & IMMIGRATION

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Johansson Legal Consultants: Dubai

Johansson Solicitors is the only Australian law firm that is registered to practice Australian law in Dubai, and that also has offices in both Sydney and Melbourne. The Dubai practice is conducted under the name **Johansson Legal Consultants**.

Johansson Legal Consultants have become registered to do business in Dubai, because Dubai is *the* place for business!

Dubai is an exciting base for companies doing business anywhere in the Gulf region, the Middle East, the former Soviet Union, India and Africa. Dubai offers not only a secure business environment, but also the advantage of a tax-free trading environment: see panel "Dubai: The Place for Business."

The Resident Principal of the firm, Terry Johansson is a Tax Lawyer, focused on business agreements and tax planning. He started practising law nearly 30 years ago. He is also an accredited Wills and Estate Specialist in Victoria. He has worked for years as an expert in executive remuneration, working for international consulting firms. He is on the Board in London of the well respected Society of Trust and Estate Practitioners (STEP), an international association of tax and trust practitioners, with a world-wide membership of over 8,000.

For people in business, **Johansson Legal Consultants** can provide 3 distinct services:

- for the new business, **Business Establishment**
- for existing businesses, **Business Consulting:** a review of the business structure to see if it operates most effectively for the benefit of its owners
- for the Expatriate, **Tax and Wealth Management.**

For each service, please refer to the enclosed flyer. For more information on our firm, visit our web page - www.johanssonlaw.com.



**To discuss how we can help you, please call Terry Johansson: Principal
on (9714) 332 8661, or fax/email as above.**

Dubai: The Place for Business

Dubai is in a unique position in the world. Situated midway between the East Asian business zone (Hong Kong, Japan, Australia) and Western Europe, Dubai is not only a hub in its own region, but the time zones enable easy day-to-day access to clients from Australia to Western Europe.

Its well developed infrastructure enables Dubai to offer not only a dynamic and efficient, but also a luxurious and tolerant business environment. It has been described as “the New York of the Middle East.” You may be interested to know that women are free to live as they do in the West.

Dubai is establishing itself as a prime centre for international financial services businesses. The **Dubai International Financial Centre (DIFC)**, with its new and comprehensive legislative programme, will regulate the key financial services: banking, insurance, securities and other investment activities.

Dubai is already one of the most attractive business locations in the world:

- it provides an income tax free environment for most businesses;
- its Free Zones offer a virtually tax-free business environment, free of any local partnership requirements;
- the **Dubai Media City** has been established to encourage media-related businesses to operate globally from Dubai. It provides a thriving media-related micro-climate, supported by top quality infrastructure for international and local players;
- **Dubai Internet City** is a centre for Information Technology and telecommunications. It provides for easy business establishment, a tax-free environment, and a “state of the art” IT infrastructure supported by the world’s top companies.

Acknowledgment: photographs in this brochure provided courtesy of **Dubai, Department of Tourism & Commerce Marketing.**



Business Establishment Services in Dubai

Johansson Legal Consultants provides tax and commercial advice to all types of companies; from family-owned businesses to large companies. It can assist you and your company with various commercial agreements as well as the establishment of new businesses whether as companies, trusts or sole proprietorships.

For companies about to do business in Dubai, this brochure outlines 4 key services you may consider when establishing a business in Dubai; from Business Registration through to ensuring flexible structures and policies that will help to drive the business forward.

1. Business Registration and Establishment

Any company setting up business in Dubai needs expert help. **Johansson Legal Consultants** can assist you in obtaining initial marketing research and feasibility studies and then outlining the key business establishment issues. We can then help you with:

- Advice on business location: when should a Free Zone be used?
- Determining and establishing the most appropriate legal business structure for your business and preparing all corporate and business establishment documents.
- Employment and residence permits.
- Tax advice. This is to ensure that your Dubai company, which will operate in a tax-free environment, will be in harmony with your international taxation objectives.
- Advice on employment contracts, executive remuneration and incentive plans for key executives, all designed to promote corporate objectives and to provide lasting financial taxation advantages for executives after they return to their home country.

2. Assistance with Sponsorship

To establish in Dubai, you may be required to organise a local Sponsor. A sponsorship arrangement is like a business partnership and selection of the wrong Sponsor can hamper your business in the future. A Sponsor should not only facilitate the establishment of the business, but also enhance its on-going success.

Johansson Legal Consultants can introduce you to a Sponsorship Broker who will explain to you the importance of selecting a Sponsor, carefully assess what type of Sponsor you need and facilitate introductions.

Of course, we also will draft all appropriate agreements between you and the Sponsor.

3. Advice for Entrepreneurs

The Entrepreneur needs special help when establishing his business. **Johansson Legal Consultants** can help with advice on innovative business structures to meet the needs of all players: the entrepreneur, the venture participant who provides the finance the know-how and other resources, as well as your banker. Our focus is on:

- Flexible structures, designed to facilitate the introduction of new partners.
- Participant agreements between the various venture participants: agreements that clearly spell out the responsibilities and the input and contributions to be made by each.
- Dispute Resolution procedures: comprehensive procedures to help resolve differences between partners, without resort to legal action.
- All agreements required for licensing, trade marks and the use of intellectual property.
- Ensuring that you have in place all documents to ensure a seamless transfer of wealth from one generation to another and protection of your assets.

4. Executive Financial Services

We can also assist business owners with advice on their own personal affairs, including wealth management services generally and the establishment of trusts.

As international tax planners, **Johansson Legal Consultants** can assist you to establish the best structure for holding your international assets, so as to provide legal tax shelters and to protect your assets.

A special service is the provision of a structure to hold your offshore retirement funds, so as to provide you with retirement income in your home country, without subjecting all of the funds to home taxation.

In this area we would work closely with your own financial advisors and accountants, to ensure fully consistent advice. With its excellent international links, **Johansson Legal Consultants** can co-ordinate all your wealth planning needs worldwide.

Our Business Consulting Services in Dubai

Companies already doing business in Dubai should review their operational structure from time to time to ensure that it takes into account the way the business has developed and any changes of circumstances and/or needs of both the proprietors and the sponsors.

Johansson Legal Consultants can assist you with a review of:

1. Your Business Structure.
2. Executive Remuneration.
3. Wealth Management: Taxes & Trusts in the International Environment.
4. Business Protection and Business Succession.
5. Risk Management.

Business Structure and Sponsorship Arrangements

Too often sponsorship arrangements are hastily set up without full consideration of long-term issues.

Johansson Legal Consultants can help you to balance the needs of all participants: the entrepreneur, the venture participant who provides the finance know-how and other resources, your local business Sponsor, as well as your banker.

A “down the track” review can ensure that you have:

- the best business structure to carry your enterprise forward
- sponsorship arrangements that are not unfairly tilted against either party, so that you and your partner both work together to make the business prosper.

Executive Remuneration

Companies offer a “package” of benefits that are often not only under-valued by their executives, but sometimes do not truly motivate staff to achieve higher levels of performance. With our particular experience in this area, we can provide 2 distinct services that will help your business to attract, maintain and motivate your key executives.

1. Employment Contracts

Comprehensive executive employment contracts should detail the rights and obligations of both the executive and the company, and:

- provide flexible packaging facilities that will enhance the value of the package for the executive at no extra cost to the business;
- ensure that the value of the package is clearly communicated to the executive in competitive terms;

- protect the executive’s entitlements to gratuities, incentives, superannuation and insurance proceeds; and
- protect the confidentiality and intellectual property rights of the company, and prevent unwelcome competition if the executive moves to a competitor.

2. Executive Incentives to Boost Corporate Performance

Innovative companies can devise incentive plans that focus executive efforts on achieving pre-determined corporate objectives, objectives that are weighted in order of priority. This ensures that the executive does not focus on one single measure (eg: “sales”) to the detriment of equally important criteria (such as client retention, staff turnover). The plan can also be used to reward both individual and team efforts.

An appropriate plan can avoid the company having to pay an executive an incentive payment to reward him for “windfall results” due to circumstances outside the control of the executive and not related to the executive’s efforts.

Johansson Legal Consultants can provide a mechanism for rewarding executives via an option, or share plan. We understand that many business owners do not want to introduce their executives as owners, so our innovative plans can reward executives *as if* they were equity holders, while ensuring that they do not have any propriety claims to the business.

Wealth Management: Taxes and Trusts in the International Environment

Johansson Legal Consultants can assist the business owner with advice on management and protection of their own wealth and the establishment of trusts.

Very often the entrepreneur ends up with assets that are scattered over several countries, with no real means of co-ordinating them. Frequently business problems in one location can expose assets in another location to risk.

As international tax planners, **Johansson Legal Consultants** can assist you in establishing the best structure for holding your international assets, so as to provide legal tax shelters and to protect your assets.

We can provide you with the most appropriate structures to enable you to retire in your home country, without subjecting all of your funds to home taxation. Proper planning can reduce the ultimate effect of capital gains taxes and inheritance taxes in your home country.

In this area we would work closely with your own financial advisers and accountants to ensure fully consistent advice. With its excellent international links, **Johansson Legal Consultants** can co-ordinate all of your wealth planning needs worldwide.

Business Protection and Business Succession

In the event of the unexpected retirement or death of a business partner, a business can pass to the surviving business partners.

What is worse, the "heirs" may miss out on full compensation.

Just think: with things as they are currently structured, if anything happened to you, what would happen to your business? Will your business partners buy you out? Will they have the capital? Will your family be paid out or will they be locked into the business and find themselves at the mercy of the continuing business partners?

Frequently we find that where Key Man Insurance is already in place to supposedly cover these situations, the policy is not supported by correct documentation, and the insurance proceeds may fall into the wrong hands resulting in the deceased's family being effectively "locked into" the business and held to ransom.

An expertly prepared "buy sell" agreement can ensure that that the continuing partners will be obliged to buy out the exiting partner, that the insurance proceeds are secured for the family of the deceased partner, and that the continuing partner will have sufficient funds for the purchase, all without crippling the day to day finances of the business!

Risk Management

Johansson Legal Consultants has had many years of experience in protecting clients during the 3 key times of business risk.

1. Business Establishment

Key business documentation should be drawn and linked to carefully tailored insurance to ensure maximum control, profits and taxation advantages for the owners, but also minimisation of risk should the venture fail.

2. Working Capital

Every business must finance its day to day obligations, and the inability to manage these finances is one of the main reasons for business failure.

An appropriate reserving strategy and regular funding can ensure that the business has available any lump sums that it will be required to pay on an irregular basis, such as End of Service Gratuities. With careful funding these gratuities can even be set up to be self financing!

3. Business Disposal

Every business owner must prepare for the eventual sale of the business, or for his retirement.

Johansson Legal Consultants can prepare appropriate business succession agreements: see "Business Protection And Business Succession" above.

**To discuss how we can help you, please call
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Tax and Wealth Management Services for the Expatriate

The expatriate can spend years offshore, and then face the prospect of returning home, or even migrating to another country altogether. **Johansson Legal Consultants** is a unique legal firm, here to provide all the services the expatriate may require.

Relocating Or Just Going Home: Tax Protection

You will have probably spent years accumulating your assets, and now that you are thinking of relocating, or just going home, you should consider the impact of the move on your tax situation.

A change of residence will often expose your worldwide assets to the laws of your new country. For instance, a change of residence to a "high tax" country may result in the following:

- your overseas assets may become subject to taxes such as the UK Inheritance Tax laws, or the capital gains tax legislation of countries such as Australia. Restructuring your assets may prevent this;
- any overseas trusts you control (or even in which you may only have a beneficial interest) may be subject to tax in your new country: not only income tax, but also capital taxes too! Careful re-structuring before you return can save you from this wealth hazard;
- any assets you transfer to your new country may be subject to tax there. It is unwise to transfer assets to the country of your new residence without proper advice and planning;
- income earned on your overseas assets after you relocate may be taxed in both the country where they are held, and in your new country;
- your Will would probably need to be revised, to ensure that your assets pass exactly as you would want.

We can also provide:

- advice on executive packages/superannuation
- legal assistance with international property purchases.

Johansson Legal Consultants can review your situation and advise on the best wealth and tax protection strategies available to you.

Wealth Management Services

Johansson Legal Consultants is in a unique position to help clients who are more "asset-rich".

Very often the key to proper wealth management is the use of an offshore trust. This enables businesses to be conducted, and investments to be held in various countries, with the ultimate investment fund held in a safe, secure and tax-advantageous environment.

As international tax planners, **Johansson Legal Consultants** can assist you to establish the best structure for holding your international assets, so as to provide legal tax shelters and to protect your assets.

We can also help you to protect your retirement funds by setting up an incentive or superannuation fund to hold your offshore retirement funds. This can provide you with retirement income in your home country, without subjecting all of the fund to home taxation.

In these areas we would work closely with your own financial advisors and accountants, to ensure fully consistent advice.

With its excellent international links, **Johansson Legal Consultants** can co-ordinate all of your wealth planning needs, worldwide.

Selecting Your New Base

Many Expatriates are confused as to which country is the best one in which to re-settle.

There are many attractive places that welcome the re-settling or retiring Expatriate. All offer a bewildering choice of

- geography and climate
- culture
- tax rules (especially income tax and inheritance taxes)
- residency visas, and
- retirement visas.

Using our unique Re-settlement Planning Service, **Johansson Legal Consultants** can help.

We can help you to select not only the best tax environment but also cover the key lifestyle issues that are important to you. Our service gives you a 'short list' of suitable locations with key tax and financial data presented on a comparative basis, designed to help you make your selection.

And remember, we are experienced with the best places, from Europe to exotic Asia.

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