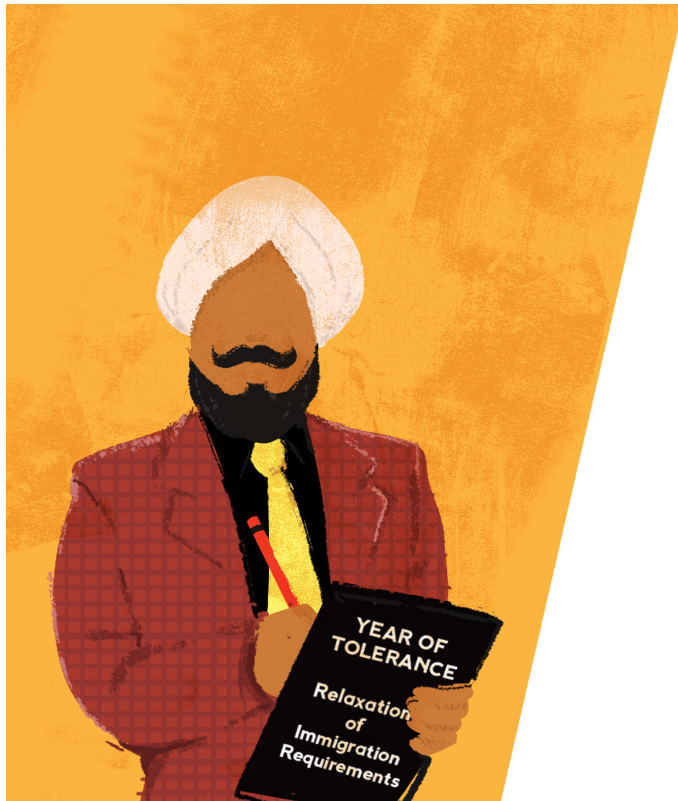


Year of Tolerance: Relaxation of Immigration Requirements

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This article considers some key immigration implications arising from the decision of His Highness Sheikh Khalifa bin Zayed Al Nahyan, the President of the UAE and the Ruler of Abu Dhabi to proclaim 2019 as “The Year of Tolerance” in the UAE. As a wider goal, the purpose of this year was to highlight the UAE as a global capital for tolerance through legislation and policies aimed at establishing the values of tolerance, dialogue, co-existence and openness to different cultures, especially amongst the youth, which will reflect positively on society as a whole.

As announced by the Supreme National Committee, the general framework of the Year of Tolerance focuses on seven main pillars, which aim to spread peace and tolerance between all communities in the UAE. The seven pillars are: community; education; workplace; culture; UAE model; media; policies and legislation. As part of this overall aim, legislative changes have taken place to emphasise the importance of tolerance within society.

How have the Immigration Requirements been Relaxed?

Turning specifically to immigration, there have been major changes to the current policies via the introduction of a 10-year residence visa (which has received much press attention as the so-called ‘Golden Card’) and a new 5-year residence visa for certain qualifying expatriates. We consider each in further detail below.

The 10-year renewable residence visa is available for long-term residents who have contributed to the country's developments through their investments or achievements. The General Department of Residency and Foreign Affairs ('GDRFA') has outlined certain eligible categories namely: investors; entrepreneurs; scientists; outstanding students; executive directors; inventors; artists; and culture specialists. The residents who meet the requirements of one of these criteria may submit an application to GDRFA. If the application is deemed to satisfy the criteria, GDRFA will submit the application to a committee which will then take it into consideration and decide whether the individual is eligible for a Golden Card.

To qualify for a Golden Card as an investor, the applicant must have in place a deposit of AED 10 million (US\$ 2.7 million) in an investment fund in the UAE, or ownership of a company with AED 10 million (US\$ 2.7 million) in capital or be a partner in a company with a share of up to AED 10 million (US\$ 2.7 million). As an alternative, the investor could also have an investment of AED 6 million (US\$ 1.6 million) or own a company with a capital of AED 6 million (US\$ 1.6 million) and own a property or properties with a value of AED 4 million (US\$ 1.1 million) in order to meet the AED 10 million (USD 2.7 million) threshold. For the avoidance of doubt, the investment must be fully owned by the applicant (or their company) rather than it being funded by a bank or through a loan and, likewise, the property or properties must also be fully owned by the investor and not mortgaged by any bank.

The second newly introduced long-term residence visa is the five-year renewable residence visa. The UAE will provide this visa to residents who own a property in the UAE with a value of AED 5 million (US\$ 1.3 million) or more. This visa may also be utilised during retirement, an important step as many long-term expatriates have historically had to leave the UAE upon reaching retirement. This will certainly prove to be a positive change in the context of the property market as it will encourage current residents and foreign investors to buy properties in the UAE. The previous three year renewable residence visa for residents or investors who own properties with a value less than AED 5 million (US\$ 1.3 million) is still effective in conjunction with the newly introduced five-year visa.

Following the same ideology, the Ministry of Human Resources and Emiratization (the 'MOHRE') has also relaxed its requirements insofar as work permits (also known as labour cards) for UAE residents are concerned. Now MOHRE will allow UAE companies to hire men sponsored by and under their existing family residence visa. Previously, only women (daughters or wives) sponsored by a parent or a spouse were issued work permits whilst continuing to be provided a residence visa by a family member. This new approach will enable companies to potentially save costs associated with obtaining residence visas, Emirates ID and medical coverage, which will continue to be borne by the sponsoring family member. In turn, this may encourage employers to hire more staff or at least a different profile of employee.

In our view, these new policies help underline the UAE's commitment to the Year of Tolerance whilst also encouraging entrepreneurship, generating more foreign investment and retaining existing talent.

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