



دائرة بلدية رأس الخيمة
Ras Al Khaimah Municipality Department



فريق رأس الخيمة لكفاءة الطاقة والطاقة المتجددة
RAK ENERGY EFFICIENCY AND RENEWABLES TEAM

Guidelines to Avail of Business Set-Up Incentives in Ras Al Khaimah for Companies Operating in Selected Sectors of Activity Related to Sustainable Energy

Issue 1.1
January 2022

Revision History

Issue	Revision	Issued by	Approved by	Date
1.0	First Issue	RAK Municipality	Director General	20/12/2018
1.1	Second Issue - extension and expansion of incentive scheme	RAK Municipality	Director General	05/01/2022



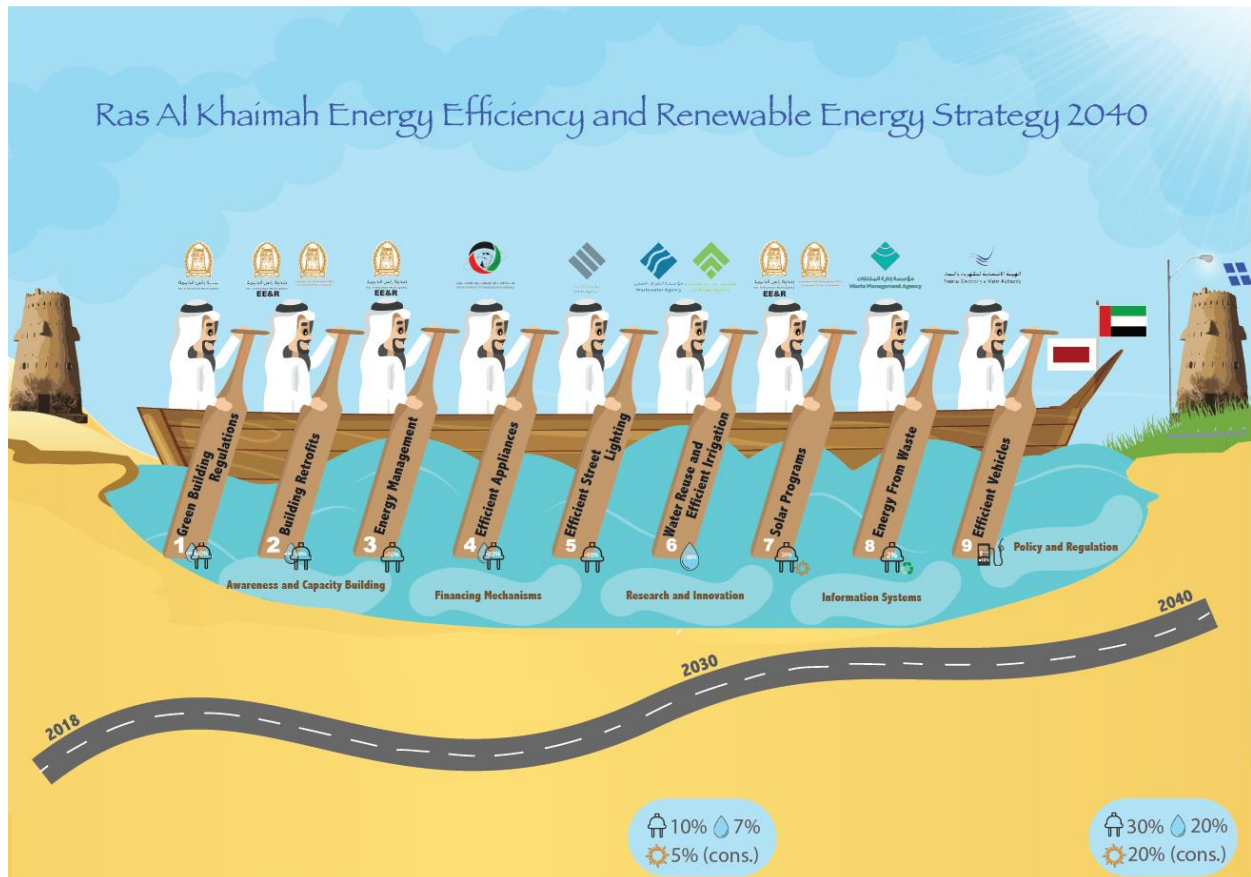
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1. Context

The RAK Energy Efficiency and Renewable Energy Strategy 2040 (the Strategy), established under the patronage of His Highness Sheikh Saud bin Saqr Al Qasimi, Supreme Council Member and Ruler of Ras Al Khaimah, targets 30% energy savings, 20% water savings, and 20% generation from renewable energy sources by 2040 (the Strategy Targets).

The Strategy is organized around 9 different programs, as described in the picture below:



Each program is driven by one or more Program Owner entities both at Ras Al Khaimah Government level and at UAE Federal level, and requires engagement with a large number of stakeholders both in public and in private sectors. They all contribute to a successful implementation of the Strategy and to reach the ambitious goals set for the Emirate.

As an important pillar of the Strategy, the Retrofit Program, coordinated by the Energy Efficiency and Renewables Sector (Reem) within Ras Al Khaimah Municipality (RAK Municipality), aims at retrofitting about 3,000 buildings by 2040.

2. Definitions

Selected Sectors: means specific types of economic activity, described in article 4. Eligibility.

Relevant Company: means any company working in any of the Selected Sectors.

Eligible Company: means any Relevant Company whose application for Incentives has been approved by RAK Municipality.

Incentives: means a package of benefits for Eligible Companies to promote their business set-up in Ras Al Khaimah.

3. Objective

The main objective for the Incentives is to create an ecosystem of companies in Selected Sectors that can contribute toward the Strategy Targets by promoting favorable conditions for them to establish a local presence in the Emirate. This is achieved through a package of reduced fees for business set-up, both in the free zone and in the mainland territories.

This is an informative and explanatory document meant to describe the Incentives that are being provided by relevant Government Entities to Eligible Companies.

4. Eligibility

The Incentives are aimed at all Eligible Companies who set-up a local presence in Ras Al Khaimah or are already set-up in the Emirate. In the latter case, any Incentives that may be granted to such Eligible Companies pursuant to an application to the relevant Government Entities, shall not apply retrospectively. The Incentives would only apply from the date of approval of the application, upon the next renewal cycle of the trade license.

All legal forms of company set-up are considered eligible, including establishing a new company, a subsidiary or a branch of an existing company, in accordance with the applicable laws in the Emirate.

A Relevant Company must apply to RAK Municipality and receive RAK Municipality's approval to be considered an Eligible Company for the Incentives. The application process is described in more detail in section 7 below.

Eligible Companies must carry out the majority of their business, either in terms of share of revenues or in terms of share of workforce within the following selected sectors of activity (the Selected Sectors):

- Energy service companies (ESCOs) with trade licenses classified under the activity entitled "Alternative Energy Equipment Installation & Maintenance", activity code 3320008 as per the ISIC4 classification system used by DED.
- Energy auditors with trade licenses classified under the activity entitled "Alternative Power and Research Consultancy", activity code 7110403 as per the ISIC4 classification system used by DED.
- Companies specialized in industrial energy management and related activities with trade licenses classified under the activities entitled "Retail of Smart Systems", "Wholesale Trading of Smart Systems" or "Power Preservation Consultancy", with activity codes 4741019, 7110407 and 4651005 respectively, as per the ISIC4 classification system used by DED.
- Renewable energy development and consultancy companies with trade licenses classified under the activities entitled "Alternative Energy Equipment Installation and Maintenance"

and "Alternative Power and Research Consultancy", activity codes 3320008 and 7110403 respectively, as per the ISIC4 classification system used by DED

5. Incentives

The incentives available to all Eligible Companies are the following:

- Eligible Companies who set-up their business in the free zone areas of Ras Al Khaimah Economic Zone (RAKEZ)

Benefits for those Eligible Companies are provided by RAKEZ, based on the applicable laws, and include the following as of the date of this document:

KEY INFO:

License Type:	Services
Activity Name:	Buildings Energy Efficiency Consultancy
Facility:	Standard Office
Legal Entities:	FZE / FZC / Branch
Activity Allowed:	1
Visa Eligibility:	3 (for a standard office)

PRICING:

Service	Freq.	Std. Price	Eco-Savers Price
Pre-Approval	One-time	250	100
Registration	One-time	1,000	1,000
License	Annual	8,500	5,000
Lease - Standard Office (3 FTE)	Annual	12,650	6,000
Admin	Annual	6,000	0
MOA	One-time	2,500	0
Immigration File Opening	annual	535	535
Total price (excluding visas)		31,435	12,635

For RAKEZ, all Eligible Companies with activity name "Building Energy Efficiency Consultancy" can avail of an estimated total business set-up fee of 12,635 AED (twelve thousand six hundred and thirty five Dirhams) including all set-up fees and office annual lease, but excluding all visa fees.

- Eligible Companies who set-up their business within DED jurisdiction

Benefits for those Eligible Companies are provided by various government entities through DED (Department of Economic Development), based on the applicable laws, and include the following as of the date of this document:

KEY INFO:

License Type:	Professional Services
Activity Name:	1. Alt. energy equip. installation & maint. (ESCO) 2. Alternative power research consultancy (Auditor)
Facility:	Standard Office
Legal Entities:	Any
Activity Allowed:	1
Visa Eligibility:	n/a

PRICING:

Service	Freq.	Std. Price	Eco-Savers Price
Commercial name fees	One-time	2,000	0
RAK DED fees	Annual	3,160	0
Municipality fees	Annual	3,200	0
RAK CoC fees	Annual	1,800	0
Public Works & other fees	Annual	5,100	0
Total RAK Government Fees		15,260	0
Ministry of Economy fees	One-time	4,750 (*)	4,750 (*)
Ministry of Human Resources fees	One-time	10,500 (*)	10,500 (*)
Total Federal Government Fees		15,250	15,250

* These fees are estimates, actual Federal fees will apply at the time of application.

For DED, all Eligible Companies with activity name "Alt. Energy Equip. Installation & Maintenance" or "Alternative Power Research Consultancy" can avail of an estimated total business set-up fee of 15,250 AED (fifteen thousand two hundred and fifty Dirhams) including all set-up fees, but excluding all visa fees and office annual lease.

6. Duration

The Incentives will be available for a period of 3 years starting from 25th November 2021. This means that **until 24th November 2024** all Relevant Companies can apply for business set-up under this incentive scheme and benefit from the preferential conditions if their application is accepted.

If the Incentives are granted to an Eligible Company, they will remain in place for a period of **3 years**. This Incentive application period will start to be counted from the date of completion of business set-up process (either with RAKEZ or DED), and will remain in place for a period of 3 years after this date, subject to yearly renewal of the trade license with the competent authority and yearly renewal of the approval letter by RAK Municipality.

Every Eligible Company is entitled to the 3-year Incentive only once, and such Incentive may not be renewed.

Applications from companies who have already availed of incentives based on the Guidelines to Avail of Business Set-Up Incentives in Ras Al Khaimah for Energy Services Companies (ESCOs) and Energy Auditing Companies (EACOs), Issue 1.0 of November 2018, shall not be accepted.

7. Application

In order to apply for the Incentives, a Relevant Company must follow the below process:

1. Apply for RAK Municipality approval and obtain the respective approval letter (described in more detail in section 7.1).
2. Apply for business set-up either with RAKEZ (described in more detail in section 7.2) or DED (described in more detail in section 7.3) under the Incentives described previously.

7.1. RAK Municipality

In order to obtain RAK Municipality approval, a Relevant Company must follow the below process:

1. If the Relevant Company is making a first application for the Incentives with the purpose of creating a new company in Ras Al Khaimah:
 - a) Apply via email to Reem at the address eer@mun.rak.ae stating the intention of being approved for the Incentives, and providing the following information:
 - i. Background of the shareholders (in case of a new company) or parent company (in case of a branch or subsidiary).
 - ii. The intended activities¹ in Ras Al Khaimah for the new company to be set-up.
 - iii. Any additional information and supporting documents requested by Reem.

¹ While other activities may be conducted by the Relevant Company, the majority of activities should be related to the Selected Sectors, for the Relevant Company to be approved for the Incentives. RAK Municipality retains discretionary powers to deny approval of the Relevant Company application if there is reasonable doubt that the Relevant Company does not intend to conduct a majority of its business within the Selected Sectors.

- b) Receive a response from Reem about the application outcome. If the application is approved, RAK Municipality will issue the respective approval letter, as per the template described in Annex 1. The approval of the application is at the sole discretion of RAK Municipality.
2. If the Relevant Company is applying for the yearly renewal of the Incentives:
or
If the Relevant Company is making a first application for the Incentives for an already existing company in Ras Al Khaimah:
- a) Apply via email to Reem at the address eer@mun.rak.ae stating the intention of renewing the application of the Incentives or being approved for the Incentives (as applicable), and providing the following information:
- Activity of the company during the previous year, confirming that the majority of the activity is related to either ESCO business or energy auditing business¹.
 - Intended activities in Ras Al Khaimah for the following year.
 - Any additional information and supporting documents requested by Reem.
- b) Receive a response from Reem about the application outcome. If the application is approved, RAK Municipality will issue the respective approval letter, as per the template described in Annex 1. The approval of the application is at the sole discretion of RAK Municipality.

7.2. RAKEZ

To set-up a business with RAKEZ, an Eligible Company needs to complete the following steps:

- Contact RAKEZ information desk using the email address info@rakez.com or the phone number +971 7 204 1111, who will refer the Eligible Company to the appropriate RAKEZ sales agent to carry out the incorporation process.
- Prepare all required documentation, as described in the following link: <https://rakez.com/Client-Services/New-Company-Setup-Services>.
- Provide the RAKEZ sales agent with RAK Municipality approval letter as described in section 7.1, item b), along with all other required documentation.
- The assigned RAKEZ sales agent will provide guidance through the documentation submission process and all necessary additional steps to complete the business set-up.

7.3. DED

To set-up a business with DED, an Eligible Company needs to complete the following steps:

- Contact DED information desk using the email address solarded@economic.rak.ae or the phone number +971 7 227 1222, who will refer the Eligible Company to the appropriate DED sales agent to accompany the incorporation process.

2. Prepare all required documentation, as described in the following link: <http://ded.rak.ae/en/pages/business.aspx>.
3. Provide the DED sales agent with RAK Municipality approval letter as described in section 7.1, item b), along with all other required documentation.
4. The assigned DED sales agent will provide guidance through the documentation submission process and all necessary additional steps to complete the business set-up.

8. Additional Information

For any additional information request or clarification of doubts, any Relevant Company may contact Reem using the following email: eer@mun.rak.ae.



Annex 1 – RAK Municipality Application Approval Letter Template

Please refer to next page for the RAK Municipality application approval letter template.



Ref: <reference number for the document>

Date: <date>

Issued To: <RAKEZ or DED, as per the incorporation decision made by the Eligible Company>

Subject: Approval of Incentives Application

Dear <RAKEZ / DED>,

With reference to Ras al Khaimah Municipality's "Guidelines to Avail of Business Set-Up Incentives in Ras Al Khaimah for Companies Operating in Selected Sectors of Activity Related to Sustainable Energy" of January 2022, RAK Municipality has approved the Eligible Company described below for the Business Set-Up Incentives in Ras Al Khaimah, upon a review of its application submission and respective supporting documentation by our Energy Efficiency and Renewables Sector (Reem).

The Eligible Company details are the following:

- <identification of the company shareholders or their official representative through a legally recognized power of attorney, when the Eligible Company is making a first application for the incentives with the purpose of creating a new company>
or
- <identification of the company, when the Eligible Company is renewing an already existing incentive approval letter or making a first application for the incentives for an already existing company>

RAK Municipality requests <RAKEZ / DED> to extend to the Eligible Company the incentive package as approved, subject to the successful completion of the business <incorporation / license renewal> process according to your relevant processes and procedures.

This application approval is valid for a period of 1 (one) year from the date of issuance of this letter.

With our best regards,

<signature>

Director General, Ras Al Khaimah Municipality