

Starting a business in Dubai

The 3 legal mistakes that quietly cost founders money — and how to avoid them.

Business setup & licensing

Setting up in Dubai is exciting and fast — which is exactly why founders make avoidable legal mistakes. Here are the three that cost the most.

Mistake 1 — Choosing the wrong structure

Mainland, free zone, or offshore each have different rules on ownership, activities, visas, where you can trade, and tax. Founders often pick based on a single price quote instead of what their actual business needs.

Avoid it: Start from your business: who are your clients, where will you invoice, how many visas do you need, what activity licence fits? Then choose the structure that serves that — not the cheapest setup package.

Mistake 2 — No proper founder / shareholder agreement

Two friends start a company on a handshake. A year later there's a disagreement about money, roles or exit — and nothing written down. This is the single most common founder regret.

Avoid it: Agree the important things in writing early: ownership split, decision-making, what happens if someone leaves, how profits and IP are handled.

Mistake 3 — Signing contracts and licences you don't understand

Licence terms, office/lease commitments, supplier and client contracts, and IP all carry obligations. Signing without understanding them creates expensive surprises later.

Avoid it: Have key contracts and your licence terms reviewed before you sign, and

protect your brand early (e.g. trademark) if it matters to you.

Quick pre-launch checklist

- Have I matched my structure to my actual activity, clients and visa needs?
- Do my co-founders and I have a written agreement?
- Has someone reviewed my licence terms and key contracts?
- Is my brand / IP protected?

When to get a lawyer

Before you commit to a structure or sign founder, lease or client agreements. A short, upfront review is far cheaper than fixing the wrong setup later.

Got a question this didn't answer?

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