



INDIA → UAE · SERVICES CORRIDOR

Expanding an Indian Services Business to Dubai

A decision guide for Indian IT, consulting and B2B services firms
setting up in Dubai and the wider UAE

Key points

- 1 Dubai can be a market, a Gulf sales base, a deal-making hub or a regional headquarters. Delivery usually stays in India.
- 2 **Plan on 9% UAE corporate tax.** Consulting and IT services are not "qualifying activities", so the free zone 0% rate rarely applies to service fees.
- 3 Once profits come home as dividends, total tax can be **higher** than selling straight from India. The case for Dubai is clients and contracts, not tax.
- 4 The structure works only if Dubai really wins, signs and carries risk. If it just invoices, both countries can challenge the profit split.
- 5 Plan 3 to 4 months from decision to a Dubai company that can sign, invoice and bank.

Who this guide is for

Founders, CEOs and CFOs of Indian IT, software, consulting, marketing, engineering and other B2B service firms that already win work in the Gulf, or plan to, and want to know whether a Dubai company is worth it, how to set it up, and what it does to their tax in both countries.

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1. The short answer

Dubai can play four roles for an Indian service business. It can be a **market**, where UAE clients buy from you. It can be a **base for the Gulf**, where one team handles sales and contracts for several countries. It can be a **regional headquarters** for the Middle East and Africa. Or it can be **the commercial front** of a company that still delivers from India.

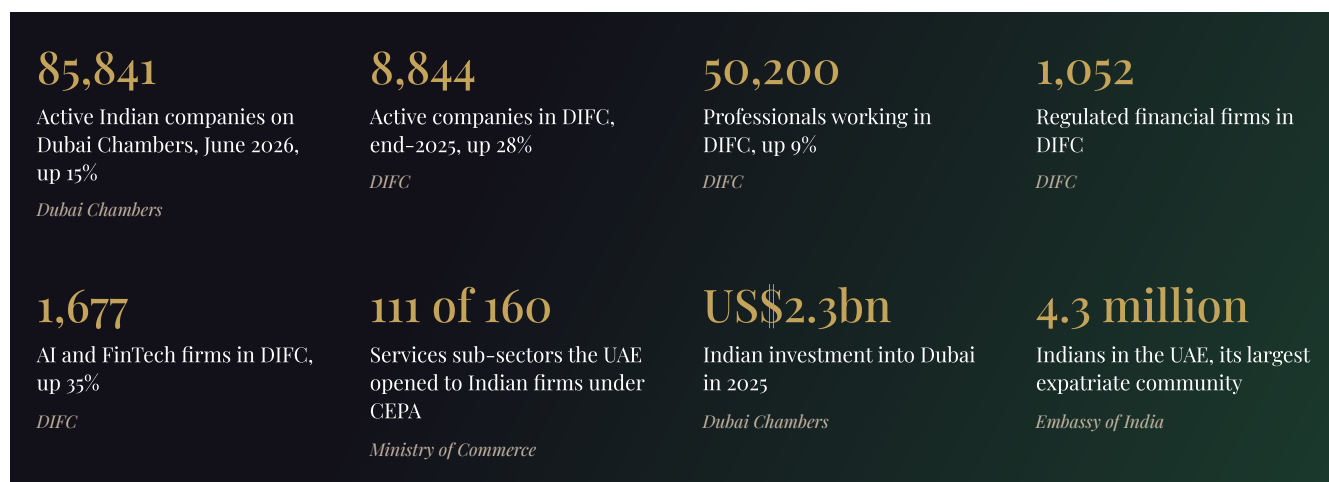
Unlike goods, services do not need to pass through Dubai. Your engineers and consultants stay in India. Dubai holds the client relationships, contracts and regional leadership. Many firms start with the first role and add others later. Some never need more.

The decision to make is whether keeping all international sales and contracts in India still fits your next stage of growth.

Why now?	7,579 Indian companies joined Dubai Chambers in the first half of 2026. DIFC's active companies rose 28% in 2025 to 8,844. Under CEPA, the UAE opened 111 of 160 services sub-sectors to Indian firms. India also eased two tax rules for service exporters in 2026 (Section 4).
When does it make sense?	There is no fixed size. Our rule of thumb: 15–30% or more of revenue from the GCC, repeat UAE clients, a client asking for a UAE contract, a need for a local salesperson, or Indian clients expanding into the Gulf.
Can we own 100%?	Yes, in free zones and in most mainland activities. Regulated professions, such as law and audit, follow separate rules.
How fast?	A free zone licence often takes 1 to 3 weeks. The bank account is slower (2 to 10 weeks). Plan on 3 to 4 months in total (Section 9).
What tax do we pay in the UAE?	0% on taxable profit up to AED 375,000 and 9% above. Consulting and IT fees are generally not "qualifying income" , so the free zone 0% rate rarely applies. Plan on 9%. VAT is 5% on standard-rated supplies.
Can we take money out?	The UAE withholds no tax on dividends. India taxes them at your company's normal rate (25.17% effective on the 22% regime).
Can our Indian team keep delivering?	Yes. India delivers and charges the UAE company a fair price. Services sold to a separate UAE company can be zero-rated for GST (Section 8).
What are the main risks?	Tax officers questioning the price between the two companies; India treating the UAE company as Indian; assuming a 0% rate; Indian staff creating a taxable presence; regional disruption. All can be planned for (Section 10).

2. Dubai at a glance

Dubai already hosts a large Indian business community and a dense cluster of the clients many service firms want: banks, wealth managers, family businesses, technology companies and large corporates.



Sources: Dubai Chambers (August 2026); DIFC annual results (5 February 2026); Ministry of Commerce and Industry, India; Embassy of India, UAE. fDi Markets puts 2025 Indian greenfield investment into Dubai at US\$1.65bn across 241 projects, the most projects from any country.

What this means for you

Dubai has the buyers, partners and talent many service firms want. But a large market is not proof that it will buy from you. First count your own UAE clients, pipeline and repeat work.

3. How do Indian service firms use Dubai?

Start with the role Dubai should play in your business, not the tax rate. Most firms fit one or more of these six patterns.

Role	What it looks like	Often starts when...
A market	UAE banks, family offices, property and hospitality groups and large corporates buy from you. You own the client relationship.	UAE clients keep coming back.
A base for the Gulf	One small Dubai team handles sales, key accounts and contracts for the UAE, Saudi Arabia, Qatar, Oman, Kuwait and Bahrain.	You sell in several Gulf countries and need someone local.
A deal-making hub	Bankers, family offices, fund managers and founders meet in Dubai. You reach buyers and referrers you rarely meet from India.	Your best leads come from Dubai introductions.
A route through partners	Dubai firms refer, resell, subcontract or bid with you. You enter without a large sales team.	You want Gulf revenue without a big upfront cost.
A regional headquarters	Leaders, sales and senior consultants sit in Dubai. Delivery stays in India.	Revenue spans many countries and senior people already work from the region.
Following your Indian clients	Indian clients start projects in the Gulf or Africa. You go with them.	A client asks you to support projects abroad.

Some international clients prefer to sign with a regional company. Where that matters, the UAE company signs and India delivers. We test this client by client.



Most firms move in these steps. You do not need every step. The right one depends on your clients, your services and how they buy.

4. What has changed in 2025–26?

Change	What it means for you
Regional conflict (since 28 February 2026)	Shipping through the Strait of Hormuz has been disrupted and Gulf flights were heavily disrupted. As at early October 2026, Dubai's airports are operating and Indian airlines fly India–UAE routes, though some European and North American airlines have not fully returned. UAE non-oil trade still grew 13.1% in H1 2026. Services are less exposed than goods because delivery stays in India. Plan travel and staff safety.
UAE corporate tax	Applies since June 2023. The free zone 0% rate covers only "qualifying income", and consulting and IT services are not on the closed list of qualifying activities (Ministerial Decision 229 of 2025). Small business relief (revenue up to AED 3 million) was extended in August 2026 to tax periods ending on or before 31 December 2029; free zone companies claiming 0% cannot use it.
Free zone companies can work onshore	Since 3 March 2025, a Dubai free zone company can get a Dubai mainland branch licence or temporary permit (DIFC-licensed financial firms excluded; free zones in other emirates, such as RAKEZ, are not covered). That income is taxed at 9%.
UAE e-invoicing	Starts 1 January 2027 for businesses with revenue of AED 50 million or more, and 1 July 2027 for others. Each business must appoint an accredited service provider before it goes live.
India: GST on "intermediary" services	Finance Act 2026 removed the intermediary rule from 30 March 2026. Sales-support and agency-type services to foreign clients can now qualify as exports. The change is not retrospective.
India: safe harbour for IT services	From 1 April 2026, low-risk providers of IT and IT-enabled services to group companies can use a fixed 15.5% margin on costs. The threshold is ₹2,000 crore and the choice can run for five years. Pure management consulting is not covered.
What did not change	CEPA does not guarantee UAE clients or remove visa and licence rules. Indian rules on overseas investment, pricing between group companies and tax residence still apply.

5. Is Dubai right for us?

A strong fit if...

- 15–30% or more of your revenue comes from the GCC.
- Clients ask for a UAE contract or invoice.
- You need a local salesperson or account leader.
- Your Indian clients are moving into the Gulf.
- Someone senior will work from Dubai.

Think twice if...

- Your UAE revenue is small or occasional.
- Lower tax is the main reason. Once profits come home, it usually is not lower (Section 8).
- Decisions would still be made in India.
- Clients are happy buying from India.
- A partner may serve you better for now.

6. How do you set up? Six routes

Option	How it works	Best when	Watch out for
Sell from India	Remote selling and visits. No UAE company.	You are testing demand.	Some clients will not sign with an Indian vendor.
Partner or subcontractor	A UAE firm refers, resells or delivers with you.	You want Gulf revenue at low cost.	Put territory, client ownership and exit terms in writing.
Free zone company	You own 100% of a company in a zone such as DMCC, IFZA, RAKEZ or DIFC.	You want a Dubai team and a UAE contracting company.	Workspace and visa allowance depend on the zone and licence. Most service fees are still taxed at 9%.
Mainland company	You own 100% in most activities and contract directly with UAE clients, including government, subject to licensing and procurement rules.	Most clients are UAE companies.	9% corporate tax above AED 375,000. Office and Emiratisation rules apply.
Free zone plus mainland licence	A free zone base with a licence or permit for onshore work.	You need both.	Mainland income is taxed at 9%. Not open to DIFC financial firms.
Joint venture or acquisition	You partner with, or buy, a UAE firm.	You want clients and people faster.	Valuation, due diligence, Indian overseas investment rules.

Who owns the UAE company matters. An Indian company can generally make overseas investments within 400% of its net worth under the automatic route, subject to FEMA conditions. Personal investment follows different limits (US\$250,000 a year under LRS) and rules. Financial services businesses have extra requirements. Decide the ownership before incorporation.

Company, not branch. A UAE subsidiary is a separate company. A branch remains part of the Indian company, so it is not a separate recipient for GST export purposes and its income stays inside the Indian company's tax position.

Staff in India stay with the Indian company. If a Dubai company employs people who work from India, it can create a taxable presence and payroll duties in India. The usual answer is that the Indian company employs the team and charges Dubai a fair price.

7. Where should you set up?

There is no single best free zone for a service firm. The right choice depends on who your clients are, whether they need you to contract onshore, how many people you will place in the UAE, and your budget. Greenwolf does not sell a particular zone: we first understand the business, then recommend the zone and licence that fit.

Option	Best suited for	Selling to UAE mainland clients	Visas and workspace	First-year cost (AED, indicative)
DMCC (Dubai, JLT)	Consulting, technology and professional services; the largest Indian business community of any zone	Dubai permit or branch licence, or a partner	Flexi desk to full offices	About 35,500–43,800 (licence, flexi desk, 1 visa)
IFZA (Dubai Silicon Oasis)	Low-cost consulting, marketing and professional services	Dubai permit or branch licence, or a partner	Desks and offices	About 17,700–21,400 (1 visa)
Meydan Free Zone (Dubai)	Digital, e-commerce and small service businesses	Dubai permit or branch licence, or a partner	Desk included	About 20,750 (licence, 1 visa)
RAKEZ (Ras Al Khaimah)	The lowest-cost UAE base for service and professional licences, including a dual licence	Through a partner, a RAKEZ dual or non-free zone licence, or a mainland branch. Not covered by Dubai's permit	Flexi desk allows 1 visa; offices for more	From about 14,000 (licence, 1 visa, shared desk)
DIFC (Dubai)	Financial services, wealth, FinTech, and advisers to them; common-law courts	Financial firms cannot use the Dubai permit	Physical office required	About 81,000 in fees for a private company; Innovation licence about 11,600
Dubai mainland (DET)	Contracting directly with UAE companies and government	Direct, without restriction	Registered office lease required	About 18,750–21,050 in government fees with 1 visa, plus office rent

Option	Strength	Main limitation
DMCC	26,000+ companies from 180+ countries; 4,080+ Indian companies, its largest foreign community	Among the dearer zones for a small start-up
IFZA	High-volume, low-cost services zone	Prices only through agents
Meydan Free Zone	Fast digital licensing	Small-office model only
RAKEZ	50,000+ companies including 11,500+ Indian firms; office in Mumbai; lowest published entry price	Outside Dubai, so a less familiar address for Dubai clients and no Dubai mainland permit
DIFC	10,000+ companies; finance cluster and its own courts	Highest cost; not for general services
Dubai mainland	Full access to UAE clients and tenders	Office lease and Emiratisation rules apply

Dubai Internet City and Abu Dhabi's ADGM are also used by technology and financial firms. Costs are indicative, October 2026: DMCC, RAKEZ, Meydan and DIFC from published prices; IFZA and mainland from adviser estimates. For a consulting or IT firm, the zone rarely changes the tax rate: plan on 9% either way (Section 8). We confirm current fees with the zone before you commit.

Selling onshore from outside Dubai. Since March 2025, Dubai free zone companies (DMCC, IFZA, Meydan) can get a Dubai mainland branch licence or six-month permit. This does not apply to RAKEZ, which is in Ras Al Khaimah, or to DIFC financial firms.

Support from both sides. CEPA sets the visa categories for business visitors, intra-company transferees and contract service suppliers. Dubai International Chamber runs two offices in India, in Mumbai and Bengaluru, and RAKEZ has an office in Mumbai.

8. Tax, money and law

Topic	What you need to know
UAE company tax	0% on taxable profit up to AED 375,000 and 9% above. A Qualifying Free Zone Person can apply 0% to qualifying income only.
Why services usually pay 9%	Consulting and IT services are not on the UAE's list of qualifying activities. Fees from mainland clients and from clients outside the UAE are non-qualifying. Only fees from other free zone companies can qualify. If non-qualifying income goes above 5% of revenue or AED 5 million, whichever is lower, the company loses free zone status and pays 9% on all taxable income for that year and the next four. Most service firms should plan on 9%.
VAT	5% on standard-rated UAE supplies. Services to clients outside the UAE can be zero-rated if the export conditions are met.
Money in	Overseas investment is generally limited to 400% of net worth under the automatic route, counting equity, loans and guarantees. Report through your bank, file the Annual Performance Report and the FLA return where applicable.
Pricing between your companies	Must be at arm's length. Low-risk IT and IT-enabled service providers can use the 15.5% safe harbour. Other services need a transfer-pricing study. If India does the work and Dubai only invoices, the profit split may be challenged.
GST on services to your UAE company	Services from the Indian company to a separate UAE company can be zero-rated exports if the conditions are met. Supply under a Letter of Undertaking, or pay IGST and claim a refund.
Money out	The UAE withholds no tax on dividends. India taxes them at your company's normal rate: 25.17% effective on the 22% regime. With no UAE withholding tax there is little to credit, so model the total tax first.
Could India treat the UAE company as Indian?	Yes, if its key decisions are in substance made in India (place of effective management). India can then tax its worldwide income.
Can the Indian team create a taxable presence?	Yes. Under the India–UAE treaty, services on the same or connected projects for more than nine months in any 12 can create a taxable presence, and a tribunal has counted remote work towards that. Indian staff who negotiate and sign for the UAE company add to the risk.
People and visas	CEPA provides categories for business visitors, intra-company transferees and contract service suppliers, subject to conditions. Visa capacity depends on the licence and workspace.
Emiratization	Mainland companies with 50 or more employees must reach 10% Emiratis in skilled roles by end-2026. Firms with 20–49 staff in listed activities, including IT and professional services, must employ at least two. Free zone companies are generally outside these rules.
Yearly rhythm	UAE: tax registration within three months; tax return within nine months of year-end; VAT returns; audit where required; e-invoicing from 2027. India: Form FC, Annual Performance Report, FLA return, transfer-pricing report, foreign asset disclosure.

Worked example · where profit and tax land (AED, illustrative)

India builds and Dubai sells. India's delivery costs are 4,000,000 and it charges Dubai cost plus 15.5%: 4,620,000. Dubai sells to clients for 6,500,000 and spends 800,000 on its own sales team. Dubai's fees are non-qualifying, so 9% applies.

India: profit 620,000, tax 156,042 (25.17%). **Dubai:** profit 1,080,000, tax 63,450 (9% above AED 375,000). **Dividend home:** 1,016,550, taxed in India at 25.17% = 255,866.

Total tax: about 475,000, or 28% of the 1,700,000 group profit. Selling straight from India would cost about 428,000 (25.17%). So Dubai costs more tax once profits come home. Dubai earns its place by winning clients, signing contracts and carrying risk, and it keeps that profit only if it really does that work.

Before you incorporate

Answer eight questions: Who finds and wins the client? Who negotiates and signs, and where do they sit? Who delivers, and for how many days a year? Who carries the risk if a project fails? Who employs the Dubai staff, and are any of them actually in India? Where does the Dubai board meet? Are clients mainland, foreign or free zone? Will mainland headcount pass 20 or 50? If most answers are "India", Dubai is a mailbox and a tax risk.

9. Illustrative setup timeline: 3 to 4 months

Weeks 1 to 3	Decide Dubai's role, owner and location. Check investment headroom. Agree who wins clients, signs and delivers.
Weeks 3 to 6	Apply for the licence. Sign the lease. Prepare the bank documents.
Weeks 5 to 10	Receive the licence. Register for tax. Open the bank account. Send the investment and file Form FC. Apply for visas.
Weeks 10 to 16	Sign the agreement between your companies. Set up invoicing. Sign first client contracts. Start hiring.
Months 4 to 12	First VAT returns, audit and tax return. Indian annual filings. Review pricing between the companies.

Estimate based on published adviser ranges. Bank approval and document attestation cause most delays.

10. Main risks and how we manage them

Risk	What it means	How we manage it
Pricing questioned	Either country can challenge what the UAE company pays India, especially if Dubai only invoices.	Set who wins, signs, delivers and carries risk. Price to match. Document from day one.
UAE company taxed as Indian	If key decisions are made in India, India can tax the UAE company's worldwide income.	Put real decision-makers in Dubai. Record who decides what. Hold board meetings in Dubai.
Indian team creates a taxable presence	Long service periods or Indian staff signing for Dubai can create a taxable presence in India.	Keep employment in the Indian company. Keep signing in Dubai. Track service days.
Assuming 0% tax	Most service fees are taxed at 9%. Breaking one free zone condition costs five years at 9%.	Model the tax before incorporation. Plan on 9%.
Investment limits and filings	Investing above 400% of net worth needs RBI approval. Late filings bring penalties.	Check headroom first. One compliance calendar for both countries.
Bank account delays	UAE banks check ownership and activity closely.	Prepare full documents. Show premises, contracts and clients. Start banking alongside the licence.
Regional disruption	Flights can change at short notice. Some clients are cautious.	Keep delivery in India. Agree a travel and safety plan. Avoid long fixed commitments for now.
Hiring thresholds (mainland)	Emiratization rules apply at 20 and 50 employees.	Plan headcount and the Dubai–India split in advance.

11. Indian companies that have done it

All three set up in 2026, according to company announcements and stock exchange filings.

Company	Location	What they set up
Juspay (payments)	DIFC	Middle East regional headquarters, announced 11 February 2026, to serve enterprise merchants, banks and financial institutions.
Hinduja Global Solutions (business and technology services)	Dubai mainland	HGS MENA IT Consulting L.L.C., approved 3 July 2026 and held through its Mauritius subsidiary.
IRIS RegTech Solutions (regulatory technology)	Dubai mainland	IRIS Gulf Regulatory Technology L.L.C., a wholly owned subsidiary approved 20 August 2026, to serve clients across the GCC.

12. Frequently asked questions

Does an Indian IT company need a Dubai company to sell in the UAE?

No. Many Indian firms invoice UAE clients from India. You need a UAE company when clients insist on a local contract, you hire people in Dubai, or you bid for local tenders. If UAE revenue is small or occasional, a partner may be enough.

Is a Dubai free zone company tax-free for consulting income?

Usually not. Consulting and IT services are not qualifying activities. Fees from mainland clients and from clients outside the UAE are taxed at 9% above AED 375,000. Only fees from other free zone companies can qualify for 0%. Plan your numbers on 9%.

Which free zone is best for a consulting firm?

DMCC, IFZA, Meydan and RAKEZ all license consulting and technology services, at different prices; RAKEZ is the cheapest but sits outside Dubai. DIFC suits firms serving banks and wealth managers. Choose by where your clients are and whether they need you onshore.

Can Indian employees work for a Dubai company from India?

Not simply. A Dubai company employing people in India may create a taxable presence and payroll duties in India. The usual answer is that the Indian company employs the team and charges the Dubai company a fair price.

How is profit from a Dubai company taxed when brought back to India?

The UAE takes no tax on dividends. India taxes them at your company's normal rate, about 25.17% under the 22% regime. Add the UAE's 9% and total tax can exceed what you would pay selling from India.

Do we charge GST on services our Indian company provides to our Dubai company?

Usually not. Services to a separate UAE company can be zero-rated exports if the conditions are met. Since 30 March 2026, intermediary and sales-support services to overseas recipients can also qualify.

13. How Greenwolf helps you expand to the UAE

Getting a Dubai licence is the easy part. Setting up a Dubai company that wins and signs work while your team keeps delivering from India, without creating tax problems in either country, is where the real work begins.

Greenwolf looks at both sides of the structure: commercial, tax, FEMA, transfer pricing, people and ongoing compliance. We then coordinate execution across India and the UAE, so the Dubai company and the Indian company work as one business.

- 1 First, we tell you whether you need a UAE company at all.**

We look at your revenue by country, key clients, pipeline and how your clients buy. Many service firms can keep selling from India, or work through a Dubai partner, and we will say so. If a UAE company makes commercial sense, we tell you what role it should play: local contracting entity, Gulf sales base or regional headquarters.
- 2 We identify the right UAE setup.**

Free zone or mainland? DMCC, IFZA, Meydan, RAKEZ, DIFC, Dubai Internet City or Dubai mainland? Which licence covers your services, how many visas you need, and whether your clients need you to contract onshore. We compare the options on your clients, activities, cost and plans, not on where the licence is cheapest.
- 3 We structure India and the UAE together.**

This is where most of the value sits. Who owns the UAE company and how it is funded from India; who wins, signs, delivers and carries risk; how India charges Dubai for delivery (including whether the 15.5% safe harbour applies); how GST export treatment is kept; how to avoid the Indian team creating a taxable presence; and how profits come back to India. We plan the tax on 9%, so there are no surprises.
- 4 We execute the setup through one coordinated team.**

Licence and incorporation, bank account support, visas, UAE corporate tax and VAT registration, Form FC and overseas investment filings in India, the services agreement and transfer-pricing file between your companies, and client contract templates. We coordinate the zone, the bank and our UAE partners, and work alongside your existing Indian accountants.
- 5 We keep both sides compliant after launch.**

One calendar for both countries: UAE audit, tax return, VAT and e-invoicing; Indian Annual Performance Report, FLA return, transfer-pricing report and GST export filings. The same team sees both sets of books, so the pricing between the companies stays consistent.
- 6 We help the structure evolve as the business grows.**

Saudi Arabia and the wider GCC, Africa, a larger Dubai team, partners or acquisitions, a regional holding company, founders relocating to Dubai, or bringing profits back to India. Greenwolf stays on as your cross-border adviser as the business grows.



What you have at each stage

After the assessment

A clear recommendation: whether to set up, which route and which zone, what it will cost and how long it will take.

After structuring

A structure chart, who does what in each company, the pricing between them and the tax position in both countries.

After set-up

A licensed, funded and banked UAE company, registered for tax, with intercompany and client contracts in place.

After launch

Filings made on time in both countries, and one team that knows both sets of books.

What we need from you. A decision-maker who can approve each step, your Indian company and director documents, and a named person to lead the Dubai business.

Start with an assessment

In one conversation we will tell you whether a Dubai company makes sense for your firm, which setup fits, what it involves and how long it will take.

Speak with a strategist: www.greenwolfadvisors.com · info@greenwolfadvisors.com

Sources: Dubai Chambers; DIFC annual results 2025; UAE Government Media Office (WAM); Ministry of Commerce and Industry and Embassy of India, UAE; India–UAE CEPA; UAE Ministerial Decision No. 229 of 2025; Dubai Executive Council Resolution No. 11 of 2025; PwC Worldwide Tax Summaries; Finance Act 2026 (India); Income-tax Act, 2025 and Income-tax Rules, 2026; FEMA (Overseas Investment) Rules, 2022; Ministry of Human Resources and Emiratisation; DMCC; company announcements and stock exchange filings. General information, not tax or legal advice. Rules and the regional position change quickly; confirm before acting.



Talk To Our Strategist

One conversation. We tell you which route fits your business, what it involves and how long it will take.

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