

Another authentic Romanian brand enters the UAE market under the coordination of Casiana Dusa, senior attorney and specialist in Islamic business | About the support received by entrepreneurs who wish to expand to the UAE: setting up a local company and concluding an agency or distribution contract, among the options. Romanian entrepreneurs are advised in all aspects related to the consolidation of customers' portfolio and product marketing.



It is essential for Romanian producers who wish to enter the United Arab Emirates (UAE) market to properly explore the available legal options and their choice depending on the pursued commercial goals. The implementation of a promotion strategy based on market realities and local competition, as well as the consolidation of products according to the Islamic laws and rigors shall underlie any business plan for the export of products to the UAE, explained Casiana Duşa, senior attorney specializing in business consultancy in Romania and the Middle East, in the article published today in the [section Islamic](#)

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Besides organizing legal aspects, one of the entrepreneurs' main concerns is how to make their brand locally known and how to strengthen their clients' portfolio. "Before actually entering the market, the first step I usually recommend is to learn about it from a practical perspective, on the ground. Thus, participating in fairs organized by the Dubai World Trade Center and organizing business missions, as well as conducting B2B meetings with potential partners are the most simple and effective methods by which the entrepreneurs can have the first contact with the realities of the market", explained the lawyer.

The know-how consolidated in the Islamic business environment is now helping **Casiana Duşa** to develop complex projects regarding either the attraction of Middle East investments to our country or the promotion of Romanian businesses on the Arab markets. She founded **Romanian Arab Investments House** and promotes the principles of Islamic investments in Romania, subject to their compliance with the Romanian law, by which the business environment can attract important financing to local projects of interest and access the opportunities of business expansion to the Middle East.

Her latest project is the progressive promotion to the Middle East of the premium brand *LushiLush*, owned by *Mirela Rancu-Patru*, a successful entrepreneur who is already receiving orders from Romanians residing abroad. Firstly, a business mission shall be organized, then a distribution agreement will be negotiated for the Emirate of Dubai until the end of 2023. "Subsequently, we aim to gradually expand the export to other emirates, as well as to other Arab countries", mentioned **Casiana Duşa**.

We remind you that in another major project, the lawyer works together with [Alin Benghiac and Olga Petz](#), the owners of the company *Casa Concrete*, to a complex plan regarding the relocation of their Romanian business to Dubai. **Casiana Duşa** designed a market entry plan targeting several types of options and budgets and the entire project is now being developed under her coordination.

According to the latest records of the Ministry of Economy of the United Arab Emirates, non-oil trade reached a

record in 2022, rising to a value of over 2233 trillion AED (equivalent to 608 trillion USD). At the same time, according to the public information shared by the Romanian Chamber of Commerce, the import of Romanian products in the UAE reached the value of 300 million USD in 2022.

About the international development opportunities for Romanian entrepreneurs and the opening of new markets through access to Muslim markets, in the analysis published below under the signature of Casiana Duşa.

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Options to enter the UAE market

To open this new market, one of the options Romanian entrepreneurs can opt for is the establishment of a local company aimed at consolidating the brand locally and/or developing actual production, as per the business size. This option comes with the advantage to access various types of local financing, but also with the possibility for the foreign investor to own 100% of the company's capital, even if the entity is established in mainland Dubai (the condition of appointing a local partner owning 51% of the business being eliminated for most activities). Until recently, the actual sale of products could only be done through a local agent with 100% Emirati capital, however the new Commercial agency law, respectively Federal Law no. 3/2022 now allows, in certain situations, an international company to carry out this activity for its own products if it has not yet been registered locally and no agent has been appointed on the market.

Alternatively, a Romanian producer can opt for the option to conclude a contract of agency or distribution, without establishing an own entity locally. I have noticed that the two types of contracts are constantly mixed up, very often entrepreneurs making disadvantageous choices due to lack of awareness. Knowing the legal conditions of the two types of contracts, as well as the related advantages / disadvantages are essential to successfully open the new market in Dubai. Moreover, it is highly important that a specialist performs a due diligence of the targeted partner, analyzing the applicable regulations, considering that agency contracts can be difficult to terminate, while commercial losses may be quite high.

As regards the applicable laws, the agency contract is governed by Federal Law no. 3/2022 regarding commercial agencies, promulgated by UAE President Mohamed bin Zayed Al Nahyan. On the other hand, the contract of distribution is governed by Federal Law Decree no. 50/2022 on commercial transactions (Commercial Code), which repeals Law no. 18/1993, as well as any other legal provision that contravenes the new law, except for some guidelines that will remain in force until new ones will be issued.

The agency contract resembles the commercial mandate contract, whereby the agent trades products in the name and on behalf of the seller, in exchange for a commission. It's important to point out that the seller's responsibility is the same as the principal's responsibility for the proxy's actions, hence proper training and pre-screening of the agent is crucial. The agent is entitled to negotiate on behalf of the seller, promote the products as it deems fit and perform marketing activities. However, ownership of the products does not pass to the agent.

As regards the termination of the agency contract, even if Article 9 of Law No. 3/2022 sets forth the possibility to terminate the contract at the expiry of term, Article 11 provides the agent's right to compensation, if it is proven that his activity contributed to the achievement of a visible and significant success of the seller's products, to the increase of the clients' portfolio and to the promotion of the products on a large scale, while the termination of the contract would deprive the agent from the profit generated thereof.

In practice, the agency contract option is adopted by foreign companies with an international reputation already consolidated and which need a point of contact for customers in the UAE.

The distribution contract consists of the purchase of the foreign seller's products by the distributor, which will sell them with a mark-up to end customers. In this case, ownership of the products passes to the local distributor, the latter entering commercial relations in its own name.

Regarding termination of the distribution contract, Article 212 of Law no. 50/2022 grants each party this right, subject to prior notice being provided. If the contract is concluded on limited term, then it may be terminated only for good cause, otherwise the party requesting termination shall be obliged to pay damages.

In practice, distribution deals are preferred for growing brands that can gain access to know-how and local resources, while still retaining a sense of control over the business.

Read also

[→ INTERVIEW | Casiana Duşa, Attorney with experience in Dubai and specialization in „Islamic Law”, founded Romanian Arab Investments House to boost the Muslim business community with interests in Romania and the Romanian entrepreneurs wishing to expand to the Middle East. „The interaction between the business environment, society and Islamic principles set up the premises for a sustainable investment in any jurisdiction”, says the Law graduate that studied Sharia principles and the Islamic Finance principles in the United Arab Emirates](#)

How is brand promotion carried out?

Besides organizing legal aspects, one of the entrepreneurs' main concerns is how to make their brand locally known and how to strengthen their clients' portfolio. "Before actually entering the market, the first step I usually recommend is to learn about it from a practical perspective, on the ground. Thus, participating in fairs organized by the Dubai World Trade Center and organizing business missions, as well as conducting B2B meetings with potential partners are the most simple and effective methods by which the entrepreneurs can have the first contact with the realities of the market.

The presentation materials and product sample at high standards can often make the difference over quality. Therefore, to be successful in such a competitive market as the UAE, it is necessary that the Romanian entrepreneur maintain optimal standards for all plans related to the product: quality, mode of presentation, element of novelty / uniqueness, identification of consumer needs.

Having an extensive experience with promotion of various types of products to the UAE, as well as with the management of problems occurred thereof, Casiana established as aim of Romanian Arab Investments House to prepare entrepreneurs for successful market entry. Thus, the strategy designed thereby primarily focuses on the analysis of Romanian products according to the competitiveness of the UAE market, their adaptation to local rules, preparation of business proposals with optimal protection of interests of producers, identifying the best opportunities on the market, structuring development strategies and new entities such as to attract financing and strengthen their position in the UAE, leading negotiations with the major players on the market as well as offering know-how on UAE law and commerce.

A new authentic Romanian brand enters the UAE market

Casiana Duşa recently started a wonderful collaboration with the premium brand *LushiLush*, owned by *Mirela Rancu-Patru*, a successful entrepreneur who is already receiving orders from Romanians residing abroad. *LushiLush* is a 100% Romanian brand of textiles dedicated to babies, made of muslin, linen, canvas melted and cotton.

The collaboration with this brand is part of Casiana's initiative to promote authentic Romanian brands on the Emirati market and supporting Romanian entrepreneurship abroad.

"The experience gained with the internationalization of European brands in the Middle East has shown me that dedication, story and passion underlying a concept, on the one hand, and quality, on the other hand, are the ingredients needed to generate a grand result that makes the difference between a mediocre product that hardly sells and a prized product that enjoys continuous demand. LushiLush has all these ingredients. We start the journey with a strategy aimed at gradually introducing the brand to the Middle East through a selection of products specifically adapted to local requirements, firstly organizing a business mission, then negotiating a distribution contract for the emirate of Dubai until the end of 2023. Afterwards, we aim to progressively expand the export to other emirates and to the other Arab countries", stated **Casiana Duşa**.

"I have been following Casiana's work since the early years and have always admired her for her inspiration, professionalism and dedication. One day I saw an article related to Casiana's support for entrepreneurs who want to expand to the Middle East. I immediately made the connection with the LushiLush materials and the Dubai environment. In fact, I imagined pure linen Romanian enveloping the babies and children there and I wrote to her", *Mirela Rancu-Patru* told us.