Dubai SME Rating Framework

“Dubai SME Rating Framework” is the first rating system for small and medium sized companies in the region. The system provides a comprehensive review of SME’s performance based on financial and non-financial criteria.

The Framework contributes to effectively realizing the UAE’s vision of building a sustainable and diversified economy. The initiative also plays a key role in achieving the goals of Dubai Plan 2021. Dubai plan 2021 focuses on increasing the contribution of SMEs’ to the GDP as they are considered an integral pillar of the economy due to their contribution to generating innovative ideas, providing career opportunities, and boosting productivity.

The Framework will facilitate governmental support to rated SMEs through developing a unique strategic partnership between the private and public sector. This collaboration will result in providing SMEs with benefits that will help improve their efficiency with the aim of accelerating their growth and paving the way for them to thrive in a global setting.
Dubai is turning its global leadership from a concept into reality. Small and medium sized companies are one of the vital catalysts that will help the emirate realize this goal, as they play an integral role in fostering innovation and entrepreneurship. Accordingly, SMEs are a priority of the Dubai Plan 2021 given that they represent 95% of the registered companies, account for 42% of the workforce, and contribute to 40% to Dubai’s GDP.

Dubai SME has launched a series of initiatives and programs that aim to develop entrepreneurship. The SME RATE Framework is a new program aiming to stimulate the growth of the sector and highlight the pivotal role it plays in advancing the UAE economy, and is the first rating system of its kind in the UAE.

The Framework’s main objectives are creating new career opportunities and growing the talent pool, boosting productivity, elevating competitiveness and reinforcing strategic collaboration between the public and private sectors in Dubai. It will contribute effectively to building a knowledge-based economy with world-class efficiency and productivity.

The Dubai Plan 2021 aims to increase the SMEs GDP contribution to 45% by 2021, and the SME RATE framework will play a vital role in stimulating the growth of SMEs, specially those who have the greatest potential to play a pivotal role in their own sphere and contribute to the wider economy. The Framework fosters innovation and entrepreneurship which will have economic and social benefits that will empower Dubai to be one of the world’s leading business centers.

The Framework will contribute to realizing the UAE’s vision, which aims to build a diversified economy led by Emirati talent and empowered with premium services to ensure economic prosperity for the country. I believe in SMEs vitality for realizing sustainable economic development. Launching SME RATE reflects Dubai’s comprehensive strategy to stimulate growth through boosting confidence in the sector, and attracting investment through improving transparency and trust.
The Dubai Government appreciates the pivotal role SMEs play in developing its economy and is highly invested in their development. For this reason, Dubai SME has launched a series of initiatives since 2002, to help Dubai be recognized as a hub that fosters entrepreneurship and enables the launch of new projects.

Dubai SME provides a variety of support services to member companies. Since it started, 23,109 Emirati entrepreneurs and 4,152 Emirati start-ups benefitted from these programs. More than 3.3 billion dirhams of government contracts were allocated to national Dubai SME member companies, while the financial exemptions and incentives that have been submitted for national member companies have reached AED 282 million.

At an international level, Dubai SME aims to enhance Dubai’s global position by promoting its SME development programs at international events, commissioning studies about the SMEs in the Emirate, providing data on the status of SMEs and their growth needs, in addition to developing a governance framework and issuing a business trust index for these companies.

The Dubai SME Rate Framework, the latest initiative from Dubai SME, has been developed in line with Dubai Strategic Vision, marking the first rating system of its kind in the region. The rating system defines a criterion for evaluating SMEs and provides a comprehensive insight to their performance in terms of operations, financial growth, innovation, governance, international expansions and CSR.

Dubai SME seeks to use the Dubai SME Rate Framework to stimulate the growth of this vital sector and empower it to contribute effectively to Dubai’s economic and societal development. Moreover, the program encourages SMEs to look beyond financials, contributing positively to society and realizing sustainable development.
Inspired by its leadership, Dubai’s strategic vision was translated into reality through Dubai Plan 2021, which was launched by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, in December 2014. The plan serves as a guide for local entities to identify key priorities and strategic directions aiming to enhance Dubai’s status as a global destination.

The Plan describes the future of Dubai through holistic and complementary perspectives, starting with the people and the society. This aspect describes the characteristics that Dubai’s people, both residents and Emiratis, need to have to drive development and deliver on the city’s aspirations in all areas. The plan also addresses the Emirate’s economy, considered as the city’s development engine and the fuel for its march forward, to fortify its position as a pivotal hub in the global economy.

The Plan’s perspectives were divided into six themes, each highlighting a group of strategic developmental aims for Dubai, and together forming the city’s vision for 2021.

As SMEs represent 95% of registered businesses in Dubai, contribute to approximately 40% of its gross domestic product, and account for 42% of the workforce, they play a significant role in the economic development of the emirate. To realise the potential of the SME sector, Dubai SME together with the General Secretariat of the Executive Council of Dubai have developed a new initiative to support the growth and development of SMEs: the Dubai SME Rating Framework.

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Objectives

The Dubai SME Rating Framework supports SMEs and enables them to achieve sustainable development by channeling the combined support of the framework’s partners.

- Provide a unified and comprehensive framework for the classification of small and medium enterprises in Dubai.
- Provide a bundle of facilities and advantages for the rated companies offered by the programme’s partners from private and government entities.
- Enable capability development and access to capital for rated companies.
- Recognise Dubai companies and provide the necessary support to increase international market exposure.
- Enhance the productivity and competitiveness of small and medium enterprises.
Rating Categories

Each rated company will receive a comprehensive feedback report highlighting key areas of strength and improvements. Each company will also receive a bundle of services and benefits based on its rating as shown below:
Eligibility Criteria

To be eligible for the Dubai SME Rating Framework, an enterprise should be recognised as an SME in Dubai, as outlined in the definition below:

<table>
<thead>
<tr>
<th>Industry Group</th>
<th>Micro</th>
<th>Small</th>
<th>Medium</th>
<th>Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading</td>
<td>3</td>
<td>50</td>
<td>100</td>
<td>250</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3</td>
<td>50</td>
<td>200</td>
<td>250</td>
</tr>
<tr>
<td>Services</td>
<td>2</td>
<td>20</td>
<td>9</td>
<td>3</td>
</tr>
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An SME is defined as an entity engaged in an economic activity, with a legal form (registered as a business either with a commercial registry like the DED or with a free or industrial zone) and meets the thresholds of employee headcount and turnover as applicable to the industry group it belongs to (Trading / Manufacturing / Services), as specified by the definition.
Application Process

It takes four simple steps to complete the application process and receive a rating.

1. Visit the website, fill in the application form, and attach all necessary forms.
2. Pay a small fee through our convenient online payment system.
3. Set a date for our representatives to visit your business.
4. Receive your SME company rating.
Evaluation Framework

The Dubai SME Rating Framework highlights key areas of strength and improvements in the following areas:

- Business Performance
  - Operational Analysis
  - Financial Analysis
- Corporate Governance & Excellence
- Corporate Social Responsibility
- Innovation
- International Expansion
Benefits

The Dubai SME Rating Framework offers each rated company a bundle of services based on its rating.

**Capability development programme**
- Directors’ executives’ consultancy programme.
- Rational corporate governance programme for SMEs.
- Series of workshops for rated SMEs’ management teams.
- Training programme in reputable universities and/or institutes.
- Connection programme with universities and/or institutes.
- Programme for connecting SMEs with university graduates

**Financial support**
- Funding programme.
- Emerging enterprises fund.
- Funding solutions with competitive prices.

**International expansion program**
- Valuable information on export markets.
- Consultancy services to support export.
- Participation support in local and international exhibitions.
- Exporters’ qualifying programme.

**Benefits from government entities and programme’s partners:**
- Members’ exemption from registration and vendor renewal fees.
- Fast tracked application for services.
- Assigned priority and smart quick-pay process.
- Assigned priority on contracting.
- Orientation and awareness.