

UAE FREEZONE INVESTOR GUIDE



68%

09:72:08

45.00.33

45.00.33

23.90.34

23.90.34

23.90.34

SALES per COUNTRIES

+50.0

SALES per COUNTRIES

45.00.33

23.90.34

45.00.33

45.00.33

45.00.33

55.40.00

Level

92%

CTMX

CSTO

98.0

-0.05

▲ +98.0%

▼ -0.05%



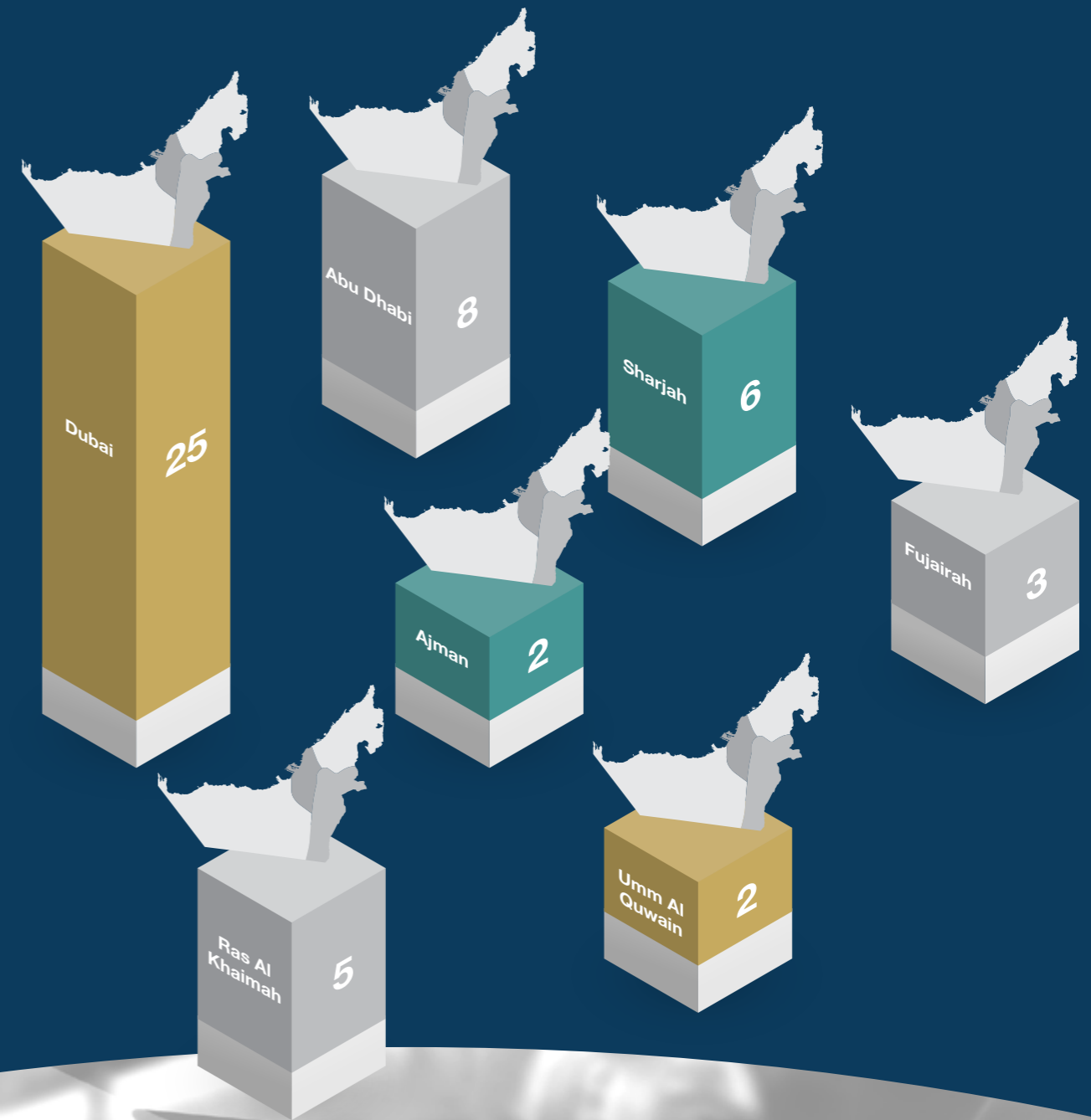
| | | | |
|------|---|-------|--------|
| CTMX | ▲ | 98.0 | +98.0% |
| CSTO | ▼ | -0.05 | -0.05% |

UAE Free Zone Investor Guide

The United Arab Emirates (UAE) government has set up multiple free zones in the Emirates, each designed for a specific business activity. UAE free trade zones offer facilities to non-resident corporates, like the convenience of single-window administration, and 100% ownership. There are about 44 free zones situated all over UAE that have attracted foreign direct investment in the form of 200,000 companies. The free trade zones vary in their focus, setup costs and paperwork needed, but the basic requirements are the same.

The ease of doing business, government support for entrepreneurs, world-class infrastructure and secure banking facilities, etc., are factors in making the UAE a strategic location for business establishments. Being present in the UAE through one of the available Free Zones truly supports a company's global expansion.

Number of Free Zones by Emirates



DUBAI

Dubai Academic City
 Dubai Airport Free Zone
 Dubai Biotechnology & Research Park (**DuBiotech**)
 Dubai Car and Automotive City Free Zone (**DUCAMZ**)
 Dubai Design District
 Dubai Gold and Diamond Park
 Dubai Healthcare City
 Dubai Industrial City (**DIC**)
 Dubai International Academic City
 Dubai International Financial Centre
 Dubai Internet City (**DIC**)
 Dubai Knowledge Village
 Dubai Logistics City
 Dubai Media City
 Dubai Multi Commodities Centre or Jumeirah Lakes Towers Free Zone
 Dubai Outsource Zone
 Dubai Silicon Oasis
 Dubai Studio City
 Dubai Techno Park
 Dubai Technology and Media Free Zone
 International Media Production Zone
 Jebel Ali Free Zone Economic Zones World
 Dubai South or DWC
 Dubai Science Park

ABU DHABI

Abu Dhabi Airport Free Zone (**ADAFZ**)
 Twofour54
 Abu Dhabi Ports Company (**ADPC**) Free Zone
 Abu Dhabi Global Markets Free Zone (**ADGMFZ**)
 Industrial City of Abu Dhabi
 Higher Corporation for Specialized Economic Zones (**ZonesCorp**)
 Masdar City Free Zone
 Khalifa Industrial Zone Abu Dhabi (**KIZAD**)

SHARJAH

Hamriyah Free Zone
 Sharjah Airport International Free Zone
 U.S.A. Regional Trade Center (**USARTC**) Free Zone
 Sharjah Publishing City Free Zone
 Sharjah Media City Free Zone (**Shams**)

RAS AL KHAIMAH

Ras Al Khaimah Economic Zone (**RAKEZ**)
 RAK Maritime City Free Zone Authority (**RMCFZA**)
 Ras Al Khaimah Investment Authority
 Ras Al Khaimah Free Trade Zone
 Ras Al Khaimah Media Free Zone

AJMAN

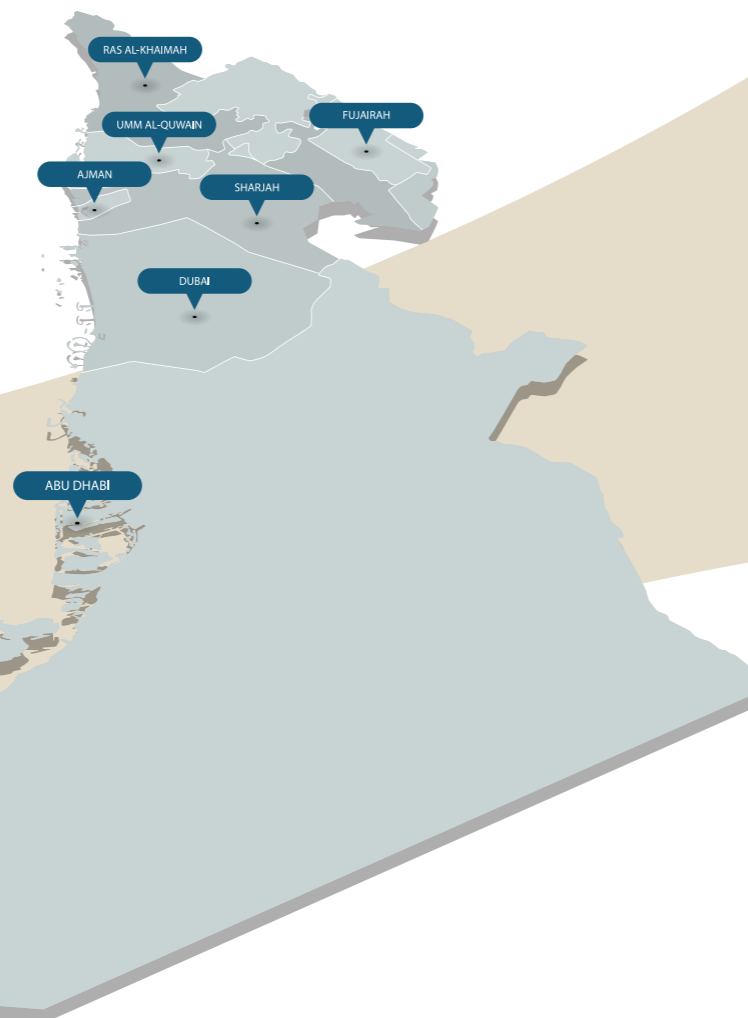
Ajman Free Zone
 Ajman Media City Free Zone

UMM AL QUWAIN

Umm Al Quwain Free Trade Zone (**UAQFTZ**)

FUJAIRAH

Fujairah Free Zone
 Fujairah Creative City
 International Free Zone Authority (**IFZA**)



Procedure to Set Up a Business in the UAE Free Zones

Get pre-approval, register your business, and get the license

It will merely take 2-4 weeks to get done with this process. Once you get the license, you are good to start your business.

STEP 5

Apply for a business license

The type of business license depends on the primary activity of your business. You need to submit the supporting documents when applying for the license.

STEP 3

Determine the type of legal entity

Determine which type of entity you want to set up in any of the free zones.

STEP 1

Choose an office space

Free zone authorities provide flex-desk office service to support start-ups. You can either buy or lease office spaces in free zones.

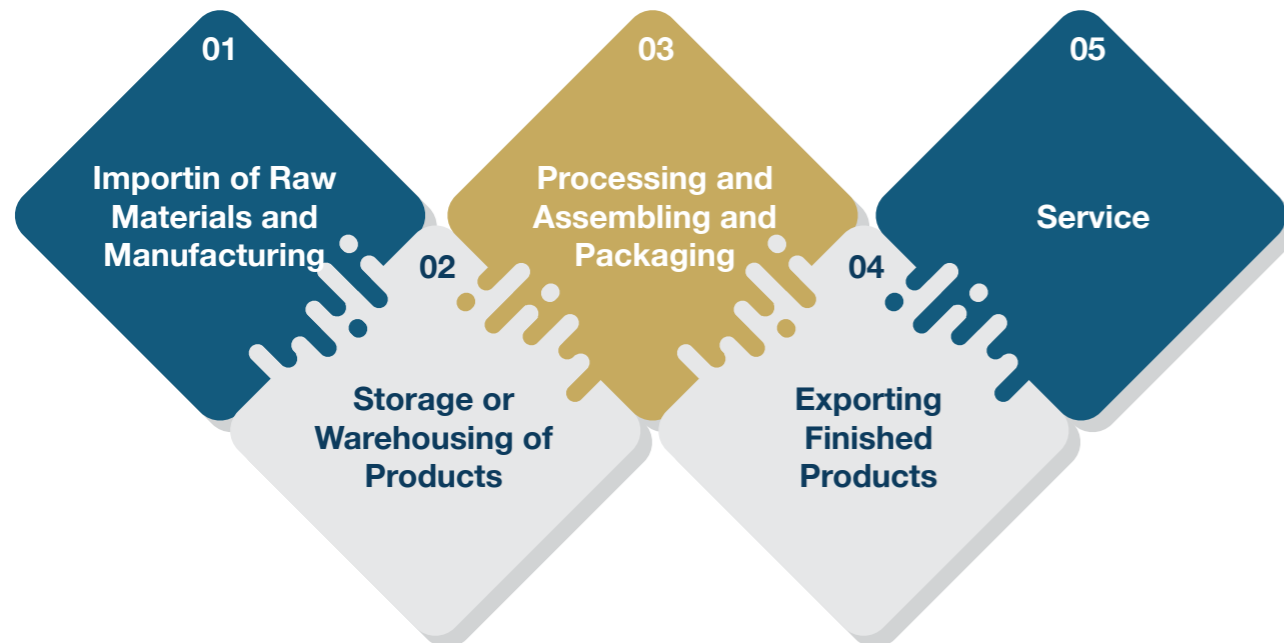
STEP 4

Choose a trade name

After deciding the type of legal entity, choose a trade name for your company.

STEP 2

Free Zone Activities Allowed



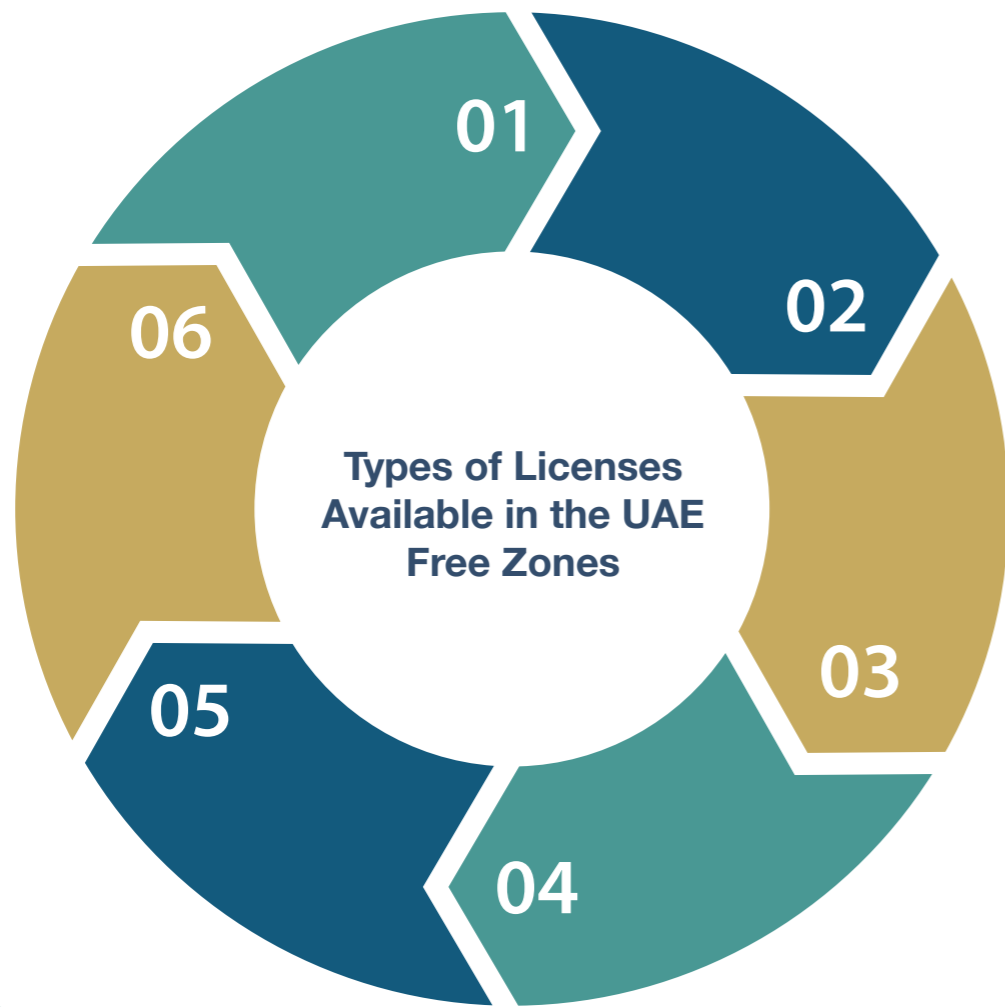
A service license allows the investor to carry out the services specified in the license within the free zone. Consulting services include management, finance, investment, legal issues, labor relations, industrial development, and marketing;

Other services include logistical support such as: restaurants or food outlets, catering services, travel agencies, leisure and social activities, insurance, cargo and freight forwarding, accounting, and audition services.



There are many benefits of starting a business in the UAE. Setting up a business in one of the Free Zones offers investors with additional advantages, such as:

- 100% foreign ownership
- 100% repatriation of capital and profits
- 100% exemption from corporate, personal and income taxes
- 100% free transfer of funds, and no foreign exchange controls
- Flexibility to operate 24/7
- Freehold offices available for sale or lease
- Ready-made offices, factories, and warehouses
- Exemption from all import and export duties
- Low freight charges
- Abundant and inexpensive energy
- Inexpensive workforce, and easy recruitment procedures
- Easy start-up and licensing procedures
- Unique industry clustering and purpose-built infrastructure
- Efficient communication procedures and single-window administration
- Liberal government policies and legal framework
- The timely and streamlined immigration process
- Sponsorship and visas for an affordable skilled workforce
- Three year UAE residence visa
- No restrictions on hiring expatriates



**01
General Trading License**

Allows investors to Trade in all kinds of products

**02
Trading/Commercial License**

Grants a time-limited authorization to perform industrial, commercial, or consulting activities

**03
Services License**

Allows law firms, accounting firms, and business consultancy firms to operate

**04
Manufacturing License**

Permits applications to manufacture products

**05
Warehousing License**

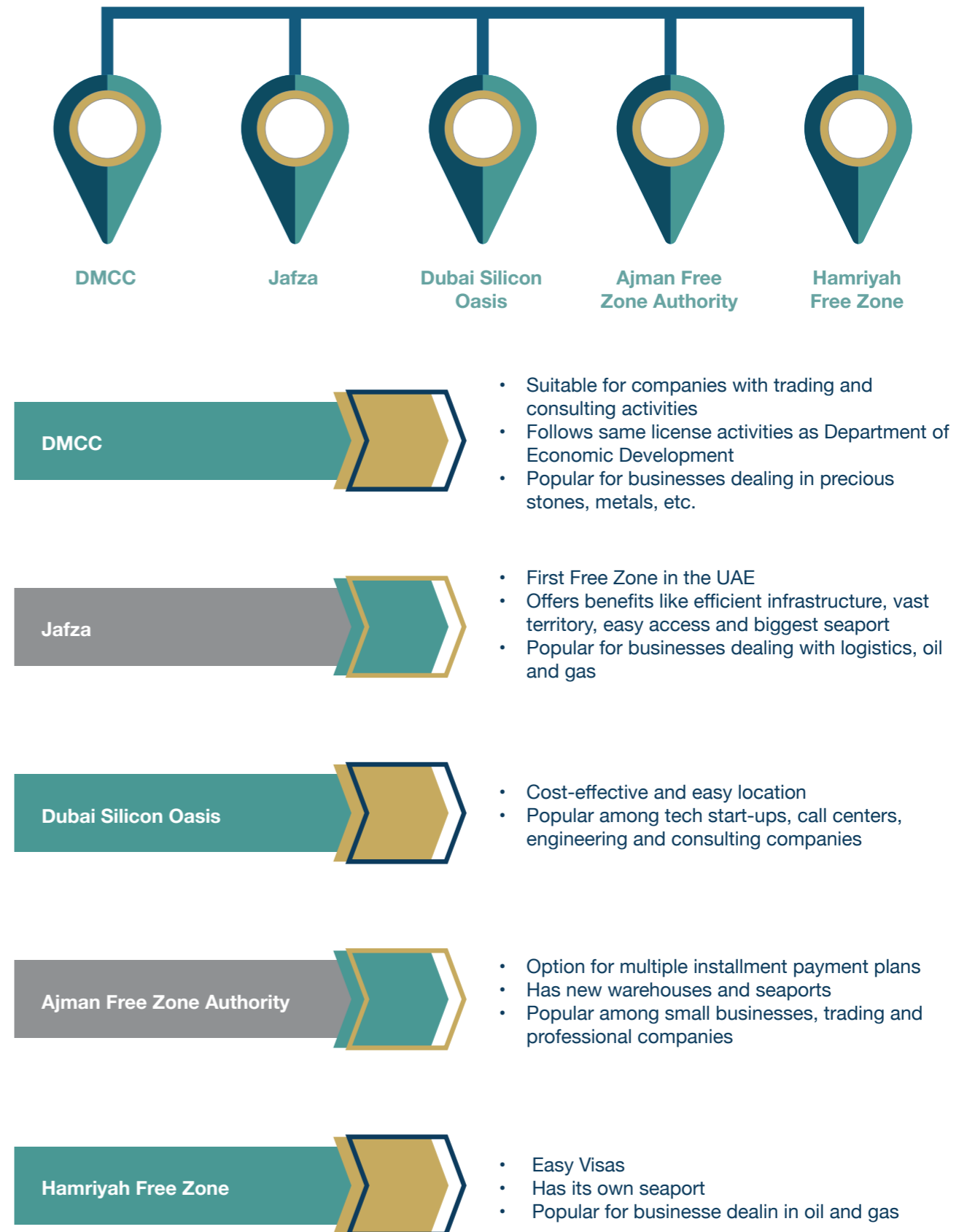
Used to avail warehousing facilities on lease for distribution, packaging, and storage of goods

**06
Industrial License**

Permits importing raw materials, manufacturing goods, exporting finished products across the global boundaries

Popular Free Zones in the UAE

Based on the fastest set-up time, cost effectiveness and growth, below are the top free zones :



Industrial City of Abu Dhabi (ICAD)

The Industrial City of Abu Dhabi (ICAD) is located in the outskirts of Abu Dhabi city spreading over an area spanning over 40 square km., with multiple clusters and vantage locations.

Each cluster in ICAD has a world-class infrastructure and benefits from reliable utility and communication networks. ICAD offers easy access to fully-developed roads, storage and logistic hubs that have quick and easy access to multiple ports and airports. Market connectivity is easily attainable by sea, land and through more than 200 air routes from Abu Dhabi and Dubai.

Planned, constructed, and operated under the highest technical and environmental standards, ICAD complements existing and planned initiatives featuring adequate scalability to accommodate future demand and growth, appealing to many investors' needs with a diversity of heavy and light industries that range from steel and metals to construction material, logistics, food and oil and gas.

Featured industries:

- Engineering & Metals
- General Industries
- Chemical and Plastic
- Oil and Gas services
- Construction Materials
- High Tech Industries
- Advanced Factory Units

Business benefits within ICAD:

- Excellent Infrastructure
- Excellent Business Environment
- Administrative Efficiencies
- Strategic Locations – Abu Dhabi Airports, Abu Dhabi Ports
- 0% tax
- Repatriation of profits and capital.

Existing zones:

ICAD I: heavy-to-medium manufacturing, engineering and processing industries, including metal products, construction materials, fiberglass and plastics assembly. ICAD I extends over an area of 14km².

ICAD II: light-to-medium manufacturing, engineering and processing industries, including wood processing, engineering, oil and gas, construction materials, and chemicals.

ICAD III: light-to-medium engineering and processing business with an international focus. Wood processing and engineering, chemicals and plastics, construction materials, high-tech industries, food and textiles are the key target sectors for this zone.

Low Cost Free Zones

International Freezone Authority (IFZA)

The International Freezone Authority (IFZA), Fujairah is one of the most cost-effective business centers in the UAE. IFZA offers a host of profitable solutions for setting up your first business in the UAE.

IFZA offers its investors a wide range of modern office solutions that match international standards. IFZA has a warehouse facility that is built on the highest international logistics standards. It also offers flexi-desk and flexible rental solutions for the investors to keep their operational cost at the minimum.

Benefits for the Investors

- Fast and easy incorporation and company management
- A wide and comprehensive range of business activities (Consultancy, Services, Trading, etc.)
- 100% Foreign Ownership
- Ability to Setup a Limited Liability company and get the LLC Suffix after the company name
- 100% exemption from corporate and income tax
- No foreign currency restrictions
- No physical office requirement
- No share capital requirement
- Ability to incorporate holding companies

Type of licenses available in IFZA

- Consultancy License – Ideal for professional services like management consultants, HR Consultants, etc.
- Service License- Suited for production, transformation, and distribution of service companies
- Trading License- Best fit for a company that trade specific goods
- General Trading license – For companies that trade a wide range of items
- Industrial License- Best fit for companies involved in importing raw materials, production, manufacturing, package, and exports, etc.
- Holding license – Enables the holding of standalone assets and/or shares of other company

Ras Al Khaimah Economic Free zone (RAKEZ)

RAKEZ is a cost-effective business hub with customizable solutions for business establishments to set up your dream company. RAKEZ offers Cost-effective business set-up packages, modern facilities, and first-class services. It has the state of the art infrastructure and hi-tech facilities for industrial growth and development.

RAKEZ offers an easy and fast business setup, customer friendly environment for investors. There are more than 14,000 companies from 100+ countries registered in RAKEZ. RAKEZ has 5 Freezone parks that are tailor-made for investor requirements. RAKEZ consists of a business park, industrial parks (3), and an academic zone.

RAKEZ has provision for Freezone and Non-Freezone company formation. It offers a wide range of business and industrial facilities. The easy access to global markets through the seaports and airports of the UAE is making RAKEZ a preferred destination for investors.

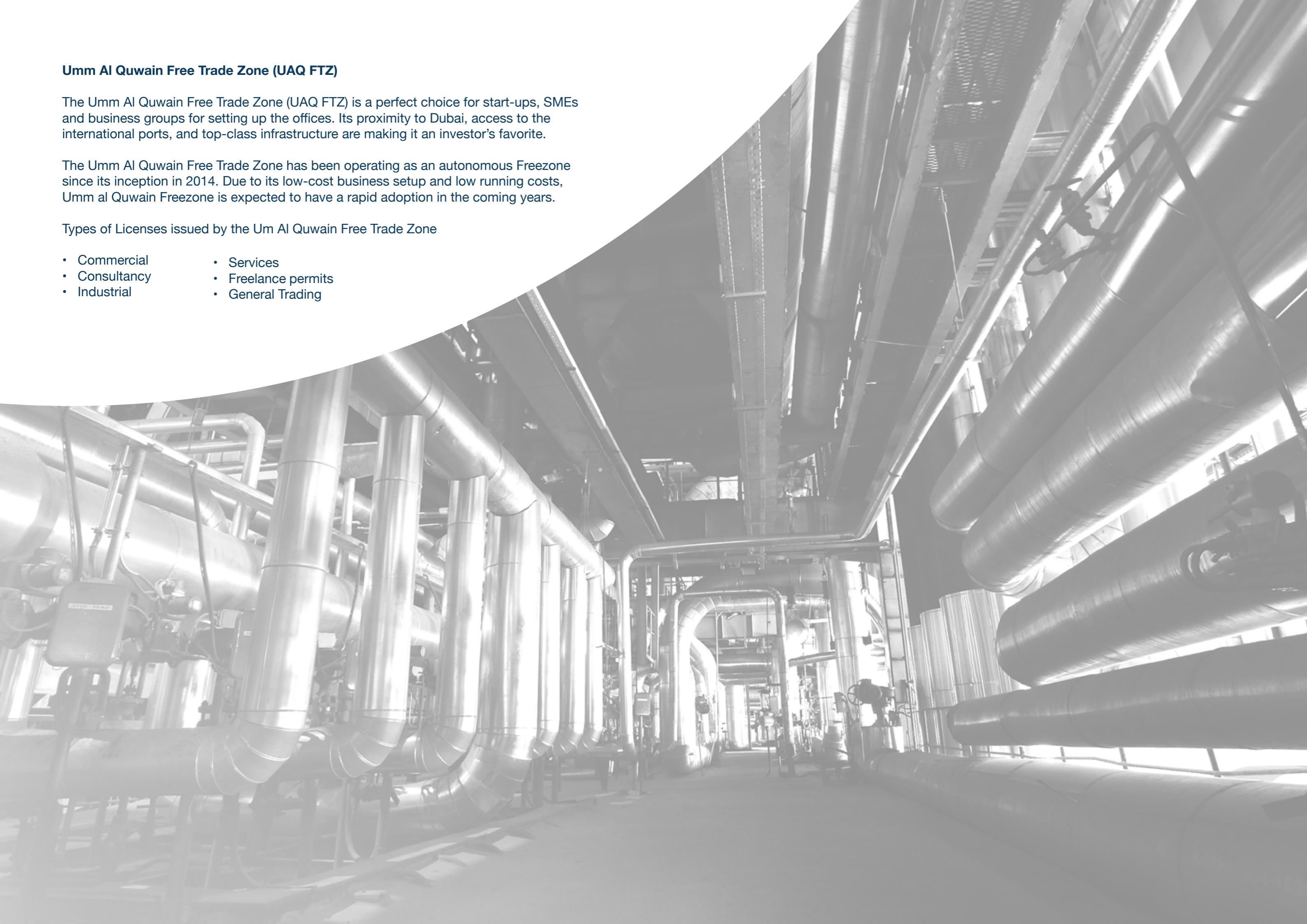
Umm Al Quwain Free Trade Zone (UAQ FTZ)

The Umm Al Quwain Free Trade Zone (UAQ FTZ) is a perfect choice for start-ups, SMEs and business groups for setting up the offices. Its proximity to Dubai, access to the international ports, and top-class infrastructure are making it an investor's favorite.

The Umm Al Quwain Free Trade Zone has been operating as an autonomous Freezone since its inception in 2014. Due to its low-cost business setup and low running costs, Umm al Quwain Freezone is expected to have a rapid adoption in the coming years.

Types of Licenses issued by the Um Al Quwain Free Trade Zone

- Commercial
- Consultancy
- Industrial
- Services
- Freelance permits
- General Trading



Frequently Asked Questions

1. What is the process of setting up a business in the UAE Free Zones?

Generally, free zones require minimum paperwork and time for processing requests. Below are steps to set up a business in a free zone:

- Choose the type of legal entity
- Choose a trade name
- Apply for a business license
- Choose an office space
- Get pre-approvals, register your business and get your license

2. How much is the capital requirement to set up a business in a UAE free zone?

Depending on the free zone, capital requirement may vary. You can form an LLC for which the minimum paid-up capital should be AED150,000 in KIZAD

- You can form an FZ Co. with a minimum share capital of AED 1,000 in Dubai Airport free zone. Each share should be in the denomination of AED 1,000.
- The minimum share capital for forming a free zone company is AED 50,000 in DMCC per company & AED 10,000 per shareholder. For a company to be issued a General Trading Licence, it should have a minimum of AED 1,000,000 share capital.
- You can form an FZE with a share capital of AED 150,000 in Hamiriya free zone.

3. How do you choose a trade name? Are there rules?

A trade name should be chosen while choosing the type of legal entity for your business. It is advised to check with the respective free zone authority or with the Department of Economic Development (DED) if the name is already taken.

For Example, Twofour54 Abu Dhabi doesn't allow the use of 'Abu Dhabi' and/or 'United Arab Emirates' in the name of the FZ-LLC or branch.

4. What are the different types of legal entities in a UAE Free Zone?

There are two types of legal entities in the UAE Free Zone:

- Free Zone Limited Liability Company (FZ LLC) or Free Zone Company (FZ Co.)
- Free Zone Establishment (FZE)

5. What are the Requirements for initial approval, registration, and licensing and visa process?

Each free zone has their own rules and companies are bound to follow these rules. The list of documents and requirements varies on the type of business activity, company and free zone authority requirements.

A. Initial Approval

- Completed application form
- Business plan
- Copy of existing trade license/registration certificate (if you are an existing company, application for local company only)
- Colored passport copies of the company's shareholders and the appointed Manager/Director for the new company
- Specimen signature of the company's shareholder and the appointed Manager/Director for the new company
- 2 year's audited financial reports for corporate entity or certificate or reference from a personal bank of the individual shareholder
- NOC from current sponsor (for Individuals)
- Unit title deed
- Letter of intent
- Registry Identification code form (RIC) for Manager/Director(Original and notarized)

B. For freelancers, you need to submit the follow documents:

- Application for registration
- CV
- Bank reference letter
- Registry identification Code Form (RIC) (Original and notarized)

C. Licensing and Visa process:

- Lease agreements will be prepared by the authority
- Then trade license will be issued
- Visa Processing will start





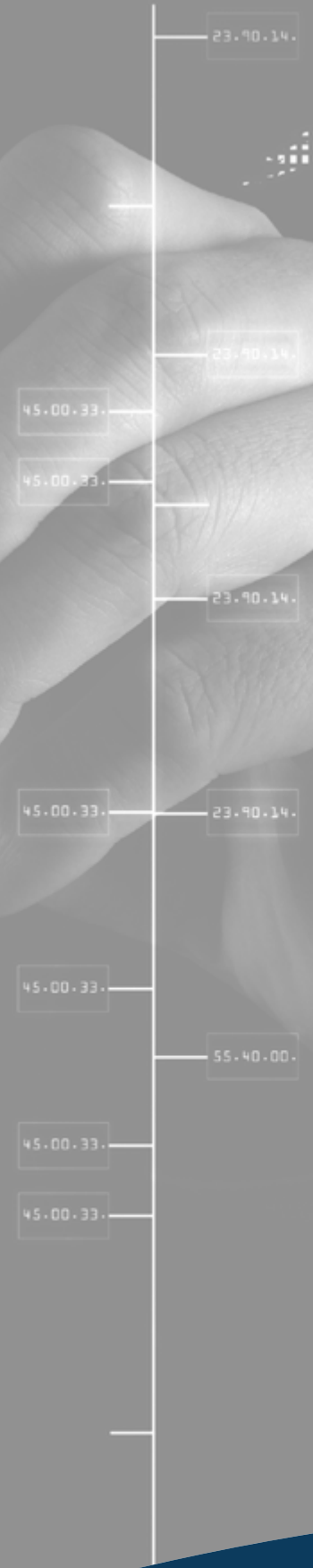
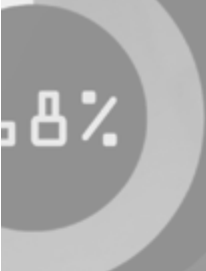
(Please read this disclaimer (“disclaimer”) carefully before using the Guide.

The information contained on this Guide for general information purposes only and all information posted is merely for informational purposes. It is not intended as a substitute for professional advice. Should you decide to act upon any information on this Guide, you do so at your own risk. While the information on this Guide has been verified to the best of our abilities, we cannot guarantee that there are no mistakes or errors, makes no representations or warranties of any kind, express or implied about the completeness, accuracy, reliability, suitability or availability with respect to the information, services or related graphics contained on the Guide for any purpose. If you want to make sure that you are up to date with the latest changes, we advise you to frequently visit UAE Free Zones website.

The content displayed on the website is the intellectual property of the ENEC.
You may not reuse, republish, or reprint such content without our written consent.

All the information from this document are gathered from these websites:

www.edarabia.com
www.uaefreezones.com
www.aurionuae.com
www.commitbiz.com
www.u.ae



| | | |
|------|--|-----|
| CTMX | | 98. |
| CSTO | | -0. |
| FTR | | -20 |
| CHK | | +50 |
| HTA | | -10 |