



## UAE STRUCTURING SERIES (IV) WHICH FREE ZONE FOR WHICH PURPOSE?

Over the past decade, the UAE has established itself as one of the most competitive and versatile structuring hubs worldwide (see also our fact sheet: [The Constant Evolution of UAE's Structuring Environment](#)<sup>1</sup>). A combination of factors has contributed to this ascension – e.g. no corporate and personal income tax, access to a broad network of double tax and investment protection treaties, no restriction on profit repatriation, no foreign currency control, increasingly sophisticated regulatory framework and corporate tools, worldwide connectivity – but perhaps none more than the concept of “free zone”.

Free zones are geographically segregated areas operating their own set of laws and administrative regulations, under the supervision of an autonomous body. Their prominent objective is to reduce taxes, by allowing goods to be received and stored without the payment of customs duties. In the UAE however, the free zones’ USP is that they allow 100% foreign ownership – unlike companies registered in the UAE mainland which are subject to foreign ownership restrictions. Most traditional free zones are so-called “multipurpose”: they allow a wide variety of activities with a core focus on logistic and trade. Dubai’s Jebel Ali free zone (“JAFZA”) was UAE’s original free zone. Over time, its model was first replicated, then expanded and reinvented.

The “new wave” of free zones are so-called “themed”: they are limited to companies the business plan of which is in line with the zone’s title theme, be it media, internet or financial services.

Selecting an appropriate free zone depends on a number of criteria, chief among which:

- Availability of suitable license
- Location – one may favour being close from its main customers or supply chain. Location should also be considered in relation to employees’ projected domicile;
- Price – the costs of constitution and maintenance of an entity will vary from zone to zone. An important factor to take into consideration is the cost of the premises. As a rule of thumb, the farther the zone from an urban area – i.e. Dubai or Abu Dhabi City – the cheaper the premises. Some zones offer cost-effective versatile options in the form of flexi-offices/smart-offices/shared offices.
- Administrative/logistic facilities – the quality of support offered by the zone – i.e for license processing, visa processing, etc. – may vary.
- Branding/credibility – one may favour an established zone (or “premium”) over relative newcomers, for branding and market awareness purpose. The internal ratings of banks of the most credible free zones are relevant when financing is required.

Other topical factors notably consist of the availability of efficient telecommunications, energy suppliers, port handling facilities, warehouses and laboratories, proximity to the company’s core markets, presence of competitors and facilities tailored towards the specific needs of the industry.

There are now over 30 free zones in the country spread across all seven emirates, each having different reasons for and against why one should consider them. How to navigate all this offering?

By popular demand, M/HQ’s structuring team has compiled a comparison of UAE’s major free zones, their core focus, key features and USPs. This guide will help you and/or your clients determine which free zone is most suitable for every specific business concept.

### CSS & Economic Substance Rules

The UAE introduced an Economic Substance Law (“ESR”) with effect 30th April 2019.

Pursuant to the ESR and its Guidance, companies deploying a “relevant activity” will have to demonstrate that they have effective substance in the UAE by satisfying the “economic substance test”. A company meets the test if it:

- is directed and managed in the UAE,
- has adequate people/premises/expenditure in the UAE; and
- conducts its income generating activities (CIGA) in the UAE.

**Be aware that the use of a flexi desk may not be sufficient to comply with the ESR’s requirements.**

Please see our factsheets for further information on ESR: [UAE Economic Substance Law Briefing & UAE Economic Substance Regulation Update: Guidance Released](#)

### Who we are

We are a multi-services platform catering to a broad spectrum of clients – from individual entrepreneurs and local SMEs to wealthy international families, to established blue-chip companies and multinationals. Our one-stop-shop offering is unique in the Middle East: a holistic and cross-disciplinary combination of a market-leading corporate services firm, a law firm’s specialist expertise and a regulatory & compliance services practice, all through one single platform.

We have broad experience in facilitating entry-to-market for businesses across all major fields of activities. We have a one-of-a-kind practical expertise understanding and handling complex corporate structures.

Headquartered in the UAE, we are an entrepreneurial firm for entrepreneurial clients.

### Who will assist you



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1. One of the only 4 structuring centers amongst the top 12 rated jurisdictions worldwide to grow in importance year to year [Source Vistra].



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	DUBAI										ABU DHABI		
	Dubai Airport Free Zone Authority (DAFZA)	Dubai Development Authority (DDA - formerly DCCA)	Dubai International Financial Centre (DIFC)	Dubai Multi Commodities Center (DMCC)	Dubai Silicon Oasis (DSO)	Dubai South (DS - formerly DWC)	Dubai World Trade Centre (DWTC)	Jebel Ali Free Zone (JAFZA)	KIKLABB @ Queen Elizabeth 2 (KIKLABB @ QE2)	Meydan Free Zone	Abu Dhabi Airport Free Zone (ADAFZ)	Abu Dhabi Global Market (ADGM)	TwoFour54 Abu Dhabi (2454)
Free zone in a nutshell	Generalist free zone with core focus on logistics and aviation sectors. Modern infrastructure (offices and warehouses)  Premium option	Themed multi-cluster free zone with core focus on services relevant to the industries of IT, Media, Healthcare, Fashion, Media & Production, Science & Technology. Each industry organized by geographical cluster. Modern infrastructure (offices)	Themed free zone with core focus on Financial services. Common law regulatory framework. Modern infrastructure (offices)  Premium option	Generalist free zone with core focus on oil & gas, precious metals and diamond trading. Modern infrastructure (70+ commercial and residential towers). UAE's largest free zone (12,000+ registered entities)  Premium option	Themed free zone with core focus on hightech industry, technological, electronic and engineering sectors. Modern infrastructure (offices and warehouses)	Generalist free zone with core focus on logistics and aviation sectors. Modern infrastructure (offices and warehouse). Direct connection to port (JAFZA) and airport (DWC)  Value option (for Dubai; attractive license rates)	A public corporation that enjoys corporate body status, financial and administrative autonomy and full legal capacity to help it carry out its duties and activities  Under the jurisdiction of the DWTC Authority, the Free Zone spans locations within the iconic Dubai World Trade Centre and the adjoining One Central	Generalist free zone with core focus on trading, manufacturing and logistics. Region's first established and second largest free zone. State-of-the-art logistic facilities – operated by DP World. Direct connection to airport (DWC)  Premium option	Generalist free zone. Modern infrastructure (offices) all aboard the Queen Elizabeth 2	Generalist free zone. Modern infrastructure (offices)	Generalist free zone with core focus on logistics and aviation sectors. Modern infrastructure (offices and warehouses)	Themed free zone with core focus on Financial services. Common law regulatory framework. Modern infrastructure (offices)  ADGM registered entities can apply for license issued by the Abu Dhabi Department of Economic Development to conduct business activities outside the borders of ADGM, without the need to maintain additional office space in Abu Dhabi mainland  Premium option	Themed free zone with core focus on services relevant to the industries of IT & Media. Modern infrastructure (offices)
Mostly suitable for	<ul style="list-style-type: none"> <li>Logistics and Aviation (core)</li> <li>Commodity trading</li> <li>Services</li> </ul>	<ul style="list-style-type: none"> <li>Services within the core sectors of Healthcare, IT, Media &amp; Production, Science &amp; Technology and Fashion</li> </ul>	<ul style="list-style-type: none"> <li>Financial services (regulated or nonregulated)</li> <li>Ancillary support services</li> <li>Proprietary investment</li> <li>Holding/Regional HQ</li> <li>SFO</li> </ul>	<ul style="list-style-type: none"> <li>Commodity trading (core)</li> <li>Services</li> <li>Holding</li> <li>SFO</li> </ul>	<ul style="list-style-type: none"> <li>Services, trading and light manufacturing within the core sectors of high tech, electronic and engineering</li> </ul>	<ul style="list-style-type: none"> <li>Logistics and Aviation (core)</li> <li>Commodity trading</li> <li>Services</li> </ul> Holding not permitted	<ul style="list-style-type: none"> <li>Event management</li> <li>Commodity trading</li> <li>Services</li> </ul>	<ul style="list-style-type: none"> <li>Commodity trading</li> <li>Manufacturing</li> <li>Logistic</li> </ul>	<ul style="list-style-type: none"> <li>Commodity trading</li> <li>Services</li> </ul>	<ul style="list-style-type: none"> <li>Commodity trading</li> <li>Service</li> </ul>	<ul style="list-style-type: none"> <li>Logistics and Aviation (core)</li> <li>Commodity trading</li> <li>Services</li> </ul>	<ul style="list-style-type: none"> <li>Financial services (regulated or nonregulated)</li> <li>Ancillary support services</li> <li>Proprietary investment</li> <li>Holding/Regional HQ</li> <li>SFO</li> </ul>	<ul style="list-style-type: none"> <li>Services within the core sectors of IT &amp; Media</li> </ul>
Types of Licenses	<ul style="list-style-type: none"> <li>Professional (services)</li> <li>Commercial (trading)</li> </ul> General Trading no longer available	<ul style="list-style-type: none"> <li>Commercial (covers different sectors i.e. Media, Arts, Education, Science &amp; Technology, etc.)</li> <li>License for Non-profit entities and associations (subject to approval)</li> </ul>	<ul style="list-style-type: none"> <li>Professional (services – regulated/nonregulated)</li> <li>Other (e.g. NPIO, SFO)</li> <li>Retail</li> </ul>	<ul style="list-style-type: none"> <li>Professional (services)</li> <li>Commercial (trading, including general trading)</li> <li>Industrial</li> </ul>	<ul style="list-style-type: none"> <li>Professional (services)</li> <li>Commercial (trading)</li> <li>Industrial</li> </ul>	<ul style="list-style-type: none"> <li>Professional (services)</li> <li>Commercial (trading, including general trading)</li> <li>Industrial</li> </ul>	<ul style="list-style-type: none"> <li>Professional (services, including Event Management (MICE) and Business &amp; Leisure events, as well as provision of related goods and services being hosted by an organiser)</li> <li>Commercial (trading, including general trading)</li> </ul>	<ul style="list-style-type: none"> <li>Commercial (trading, including general trading)</li> <li>Industrial</li> </ul> Services licenses no longer issued	<ul style="list-style-type: none"> <li>Professional (Services)</li> <li>Commercial (trading, including general trading)</li> <li>Freelance</li> </ul>	<ul style="list-style-type: none"> <li>Professional (services)</li> <li>Commercial (trading)</li> </ul> General Trading no longer available	<ul style="list-style-type: none"> <li>Professional (services)</li> <li>Commercial (trading, including general trading)</li> <li>Industrial</li> </ul>	<ul style="list-style-type: none"> <li>Professional (services – regulated/nonregulated)</li> <li>Other (e.g. NPIO, SFO)</li> <li>Retail</li> </ul>	<ul style="list-style-type: none"> <li>Commercial (covers different sectors i.e. IT &amp; Media)</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>Expensive facilities</li> </ul>	<ul style="list-style-type: none"> <li>Expensive facilities</li> </ul>	<ul style="list-style-type: none"> <li>Expensive license</li> <li>Expensive facilities</li> <li>Strict compliance requirements (even for non-regulated entities)</li> </ul>	<ul style="list-style-type: none"> <li>Long(er) set-up time frame</li> </ul>	<ul style="list-style-type: none"> <li>Expensive facilities</li> </ul>	<ul style="list-style-type: none"> <li>Far from Dubai city</li> </ul>	<ul style="list-style-type: none"> <li>Expensive facilities</li> </ul>	<ul style="list-style-type: none"> <li>Far from Dubai city</li> <li>High capital requirement</li> <li>Expensive facilities</li> </ul>	<ul style="list-style-type: none"> <li>New free zone [No rating with third parties]</li> <li>Long(er) set-up timeframe</li> </ul>	<ul style="list-style-type: none"> <li>Below average registrar responsiveness</li> <li>Below average after-sale service</li> </ul>	<ul style="list-style-type: none"> <li>Far from Dubai City (90 min)</li> <li>Expensive facilities</li> </ul>	<ul style="list-style-type: none"> <li>Expensive license</li> <li>Expensive facilities</li> <li>Strict compliance requirements (even for non-regulated entities)</li> </ul>	<ul style="list-style-type: none"> <li>Far from Dubai City (90 min)</li> </ul>



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	DUBAI									ABU DHABI			
	DAFZA	DDA	DIFC	DMCC	DSO	DS	DWTC	JAFZA	KIKLABB @ QE2	Meydan	ADAFZ	ADGM	2454
Advantages	<ul style="list-style-type: none"> <li>Adjacent and connected to airport</li> <li>Central location</li> <li>High credibility vis-à-vis banks</li> </ul>	<ul style="list-style-type: none"> <li>Wide range of available licenses</li> <li>Central location</li> </ul>	<ul style="list-style-type: none"> <li>Wide range of available licenses</li> <li>Common law regulatory framework</li> <li>High credibility vis-à-vis banks</li> <li>Central location (in Dubai)</li> <li>Sophisticated back office; able to handle sophisticated structures</li> <li>Pragmatic immigration<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>Wide range of available licenses</li> <li>Central location</li> <li>High credibility vis-à-vis banks</li> <li>Sophisticated back office; able to handle sophisticated structures</li> <li>Virtual offices options</li> <li>Avail dual licensing benefits and establish a presence in the mainland jurisdiction without maintaining an office</li> </ul>	<ul style="list-style-type: none"> <li>Wide range of available licenses</li> <li>State of the art IT infrastructure and facilities</li> <li>Industrial units available</li> <li>Virtual offices options</li> </ul>	<ul style="list-style-type: none"> <li>Wide range of available licenses</li> <li>Adjacent and connected to port and airport</li> <li>Cost effective</li> <li>Virtual offices options</li> </ul>	<ul style="list-style-type: none"> <li>Prime location. Located in prestigious Dubai World Trade Centre and within the city limits</li> <li>Offers a wide choice of premium commercial and retail space</li> <li>Strong regulatory framework</li> <li>Wide range of available licences</li> </ul>	<ul style="list-style-type: none"> <li>Broad range of available licenses</li> <li>Own port facilities</li> <li>Adjacent and connected to airport</li> <li>High credibility vis-à-vis banks</li> </ul>	<ul style="list-style-type: none"> <li>Prime location. Located in the prestigious QE2 ship docked in Port Rashid</li> <li>Offers a wide choice of premium commercial and retail space</li> <li>State of the art facilities</li> </ul>	<ul style="list-style-type: none"> <li>High end buildings and facilities</li> <li>Central location</li> <li>Cost effective</li> <li>Virtual offices options</li> </ul>	<ul style="list-style-type: none"> <li>Wide range of licenses across different market sectors including aviation</li> <li>Adjacent and connected to airport</li> <li>Broad range of facilities</li> </ul>	<ul style="list-style-type: none"> <li>Wide range of available licenses</li> <li>Common law regulatory framework</li> <li>High credibility vis-à-vis banks</li> <li>Central location (in Abu Dhabi)</li> <li>Sophisticated back office; able to handle sophisticated structures</li> <li>Pragmatic immigration<sup>2</sup></li> <li>Avail dual licensing benefits and establish a presence in the mainland jurisdiction without maintaining an office</li> </ul>	<ul style="list-style-type: none"> <li>State of the art facilities</li> <li>Central location (in Abu Dhabi)</li> </ul>
Minimum Share Capital Requirement	From AED 100,000.00 (appr. USD 27,400.00)  Capital pay-up: Required at inception	From AED 10,000.00 (appr. USD 2,723.00)  Capital pay-up: Required at inception	From USD 10,000.00 depending on activity  Public companies: Min. USD 100,000.00  Regulated Activities: Capital adequacy requirements based on projected burning rate  Capital pay-up: Required at inception; not required for SPCs	From AED 50,000.00 (appr. USD 13,700.00)  General Trading: AED 1 Mio  Capital pay-up: To be deposited within 30 days of registration	From AED 10,000.00 (appr. USD 2,780.00)  Capital pay-up: Not required at inception but must be paid up post-licensing	From AED 300,000.00 (appr. USD 82,200.00)  Capital pay-up: Not required at inception; recommended within the first year of operation	AED 1,000.00- AED 300,000.00 (USD 273.00-USD 81,688.00) – capital pay up not required  AED 300,000.00 (USD 81,688.00) and above – capital pay up required  Capital pay-up: Required for issuance of share certificate  Note: Capital pay-up required for issuance of share certificate	From AED 200,000.00 (appr. USD 137,000.00) [2+ shareholders] and AED 1,000,000.00 (approx. USD 274,000.00) [1 shareholder]  Capital pay-up: Not required at inception; recommended within the first year of operation <sup>3</sup>	AED 50,000  Capital pay-up: Not required at inception; recommended within the first year of operation. Share certificates to be issued only once the capital is paid up.	From AED 100,000.00 (appr. USD 27,800.00)  Capital pay-up: Not required at inception; recommended	From AED 500,000.00 (appr. USD 137,000.00) [corporate shareholder] and AED 1,000,000 (appr. USD 274,000.00) [individual shareholder] for core activities. From AED 150,000.00 (appr. USD 41,100.00) for non-core activities; from AED 500,000.00 (appr. USD 137,000.00) for core activities  Capital pay-up: Not required at inception; recommended	From USD 50,000.00 depending on activity; SPVs: none  Regulated Activities: capital adequacy requirements based on projected burning rate  Capital pay-up: Required at inception for regulated entities, not required for non-regulated entities	None  AED 50,000.00 recommended (to be paid up within the first year of operation)
Timeframe <sup>4</sup> to set-up	6-8 weeks	6-8 weeks	Regulated: 4-6 months  Non-Regulated: 6-8 weeks  SPC: 2 weeks	8 weeks	2-3 weeks	4-6 weeks	2-3 weeks	6-8 weeks	4-5 weeks	4-6 weeks	6-8 weeks	Regulated: 4-6 months  Non-Regulated: 6-8 weeks  SPV: 2-3 days	6-8 weeks

2. General rule is individuals 21- and 60+ cannot be employed; exception can be sought on a case by cases basis for qualified employee visas for individuals over 60+ (1 year visa).

3. Share capital of AED 1,000,000 and above must be deposited to the company's bank account prior to the issuance of the license.

4. Time-frame includes mandatory CID Police [background] check. Process takes appr. two weeks (standard); may take (much) longer depending on circumstances (nationality, place of birth).

5. Public companies which have existed for more than one financial year and has not had an annual turnover exceeding USD 5,000,000 (calculated on a consolidated basis including all subsidiaries) over the preceding financial year and has not had more than 20 shareholders during that year.

6. Turnover < USD 13.5 Million, no more than 35 employees; some exclusions.

7. Turnover < USD 2.5 Million, no more than 9 employees; some exclusions.



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	DAFZA	DDA	DIFC	DMCC	DSO	DS	DWTC	JAFZA	KIKLABB @ QE2	Meydan	ADAFZ	ADGM	2454
<b>Available Facilities</b>	<ul style="list-style-type: none"> <li>Offices: fitted and shell &amp; core options</li> <li>Warehouses</li> </ul>	<ul style="list-style-type: none"> <li>Wide range of facilities across Dubai [depending on specific cluster]</li> <li>Virtual Offices, flexi desks [subject to availability]</li> </ul>	<ul style="list-style-type: none"> <li>Serviced Offices</li> <li>Offices: fitted and shell &amp; core option</li> <li>Retail Spaces</li> </ul>	<ul style="list-style-type: none"> <li>Offices: fitted and shell &amp; core options</li> <li>Virtual Offices, flexi desks offices options</li> <li>Light manufacturing units</li> </ul>	<ul style="list-style-type: none"> <li>Virtual Offices, flexi desks and offices</li> <li>Warehouses</li> <li>Retail</li> </ul>	<ul style="list-style-type: none"> <li>Virtual Offices, flexi desks and offices</li> <li>Warehouses</li> <li>Open land</li> <li>Custom Built Units</li> </ul>	<ul style="list-style-type: none"> <li>Executive office, shared desk (subject to availability)</li> </ul>	<ul style="list-style-type: none"> <li>Offices: fitted and shell &amp; core options</li> <li>Warehouses (including for manufacturing purpose)</li> </ul>	<ul style="list-style-type: none"> <li>Shared desks and (fitted) offices</li> <li>Commercial spaces (restaurants)</li> </ul>	<ul style="list-style-type: none"> <li>Virtual Offices, flexi desks and (fitted) offices</li> </ul>	<ul style="list-style-type: none"> <li>Virtual Offices, flexi desks and offices</li> <li>Warehouses</li> <li>Open land</li> </ul>	<ul style="list-style-type: none"> <li>Serviced Offices</li> <li>Offices: fitted and shell &amp; core option</li> <li>Retail Spaces</li> </ul>	<ul style="list-style-type: none"> <li>Serviced Offices</li> <li>Offices: fitted and shell &amp; core option</li> </ul>
<b>Submission of Audited Financial Report</b>	Required annually (at the time of license renewal)  Exemption for branch of a foreign co	Required annually	Required annually  Exemption for Public companies under certain conditions <sup>8</sup> , SPCs, foundations; proper books of accounts must be maintained	Required annually	Required annually (at the time of license renewal)	Required annually (with grace period during year 1; 2 year audited to be submitted at year 2 anniversary)	Not required as part of license renewal process  Recommended (as part of best practice)	Required annually	Not required as part of license renewal process.  Recommended (as part of best practice). Proper books of accounts must be maintained.	Required annually	Required annually	Required annually  Exemptions for small <sup>9</sup> and micro entities <sup>10</sup> ; proper books of accounts must be maintained	Required for renewal
<b>Legalization<sup>8</sup></b>	Required	Required	Required	Required	Required	Required	Required	Required	Required	Required	Required	Required	Required
<b>UBO Identification<sup>9</sup></b>	Required	Required	Required	Required	Required	Required	Not required to be submitted to the registrar  Recommended (as part of best practice)	Required	Required	Required	Required	Required	Required
<b>Resident Director/Manager</b>	Not required at inception; recommended within the first year of operation (as part of best practice)	Not required at inception; recommended within the first year of operation (as part of best practice)	Required for regulated activities; not required at inception for un-regulated activities; recommended within the first year of operation (as part of best practice)	Not required at inception; recommended within the first year of operation (as part of best practice)	Required  The Manager must obtain a residence visa sponsored by the company within the first year of operation	Not required at inception; recommended within the first year of operation (as part of best practice)	Required	Required  The Manager must obtain a residence visa sponsored by the company within the first year of operation	Not required at inception; recommended within the first year of operation (as part of best practice)	Not required at inception; recommended within the first year of operation (as part of best practice)	Not required at inception; recommended within the first year of operation (as part of best practice)	Required for regulated activities; not required at inception for un-regulated activities; recommended within the first year of operation (as part of best practice)	Not required at inception; recommended within the first year of operation (as part of best practice)
<b>Standard Corporate Documents</b>	License Cert. of Incorporation Mem & Arts Shares Certificate	License Cert. of Incorporation Mem & Arts <sup>10</sup> Share Certificate	License Cert. of Incorporation Mem & Arts Shares Certificate	License Cert. of Incorporation Mem & Arts Shares Certificate	License Mem & Arts Shares Certificate	License Cert. of Incorporation Mem & Arts Shares Certificate	License Cert. of Incorporation Mem & Arts Shares Certificate	License Cert. of Incorporation Mem & Arts <sup>11</sup>	License Mem & Arts Share Certificate (to be issued once the capital is paid up)	License Cert. of Registration; Mem & Arts	License Cert. of Incorporation Mem & Arts	License Cert. of Incorporation Mem & Arts Shares Certificate	License Mem & Arts Shares Certificate
<b>Tax Status</b>	Total tax and duty exemption	Total tax and duty exemption	Total tax and duty exemption	Total tax and duty exemption	Total tax and duty exemption	Total tax and duty exemption	Total tax and duty exemption	Total tax and duty exemption	Total Tax and duty exemption	Total tax and duty exemption	Total tax and duty exemption	Total tax and duty exemption:	Total tax and duty exemption

8. For POA and corporate documents; standard legalization: each document to be notarized by the Notary Public, legalized by the supervising authority [i.e. apostille], legalized by the UAE Embassy abroad and super-legalized by the UAE Ministry of Foreign Affairs.

9. Identification of individual Shareholder(s) [for double/multiple layer structures].

10. Not issued as standard for FZE but may be requested.

11. Not issued for FZE.



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NORTHERN EMIRATES										
	Ajman Free Zone Authority (AFZA)	Ajman Media City Free Zone (AMC)	Creative City Fujairah (Creative City)	Fujairah Free Zone Authority (FFZA)	Hamriyah Free Zone Authority (HFZA)	Ras Al Khaimah Economic Zone (RAKEZ)	Sharjah Airport International Free Zone (SAIF)	Sharjah Media Free Zone (SHAMS)	Umm Al Quwain Free Trade Zone (UAQFTZ)	International Fujairah Free Zone Authority (IFZA)
Free zone in a nutshell	Generalist free zone with core focus on trading and services. Modern infrastructure (offices)  Value option	Generalist free zone with core focus on the creative, media and entertainment industry  Value option for Northern Emirates; cost-effective packages	Themed free zone with core focus on services relevant to the industries of IT, Media, consulting education, communication, marketing, music, entertainment and design. Modern infrastructure (offices)  Value option	Generalist free zone with core focus on trading, manufacturing and logistics  Value option	Generalist free zone with core focus on trading, manufacturing and logistics. Direct connection to port  Value option	Generalist free zone with core focus on trading, manufacturing and logistics. Modern infrastructure (offices and warehouses)  Value option	Generalist free zone with core focus on trading, manufacturing and logistics. State-of-the-art logistic facilities. Direct connection to port	Themed free zone with core focus on services relevant to the industries of IT & Media. Modern infrastructure (offices)  Value option	Generalist free zone with core focus on trading and services. Modern infrastructure (offices)  Value option	Generalist free zone offering service, consultancy and trading licenses. Modern infrastructure (business centres in Fujairah and Dubai) with other office, warehousing, residential and hotel properties under development.
Mostly suitable for	<ul style="list-style-type: none"> <li>Commodity trading</li> <li>Manufacturing</li> <li>Services</li> </ul>	<ul style="list-style-type: none"> <li>Services with core focus on the creative, media and entertainment industries</li> <li>Ideal for entrepreneurs and SMEs</li> </ul>	<ul style="list-style-type: none"> <li>Services within the core sectors of IT, Media, consulting education, communication, marketing, music, entertainment and design</li> </ul>	<ul style="list-style-type: none"> <li>Commodity trading</li> <li>Logistics</li> <li>Manufacturing</li> </ul>	<ul style="list-style-type: none"> <li>Commodity trading</li> <li>Logistics</li> <li>Manufacturing</li> </ul>	<ul style="list-style-type: none"> <li>Commodity trading</li> <li>Logistics</li> <li>Manufacturing</li> <li>Services</li> </ul>	<ul style="list-style-type: none"> <li>Logistics and Aviation (core)</li> <li>Manufacturing</li> <li>Commodity trading</li> <li>Services</li> </ul>	<ul style="list-style-type: none"> <li>Services within the core sectors of IT &amp; media</li> </ul>	<ul style="list-style-type: none"> <li>Commodity trading</li> <li>Manufacturing</li> <li>Services</li> </ul>	<ul style="list-style-type: none"> <li>Service companies</li> <li>Consultancies</li> <li>Traders</li> </ul>
Type of Licenses	<ul style="list-style-type: none"> <li>Professional (services)</li> <li>Commercial (trading, including e-commerce and general trading)</li> <li>Industrial</li> </ul>	<ul style="list-style-type: none"> <li>Commercial (covers up to 5 allied activities mainly for import &amp; export)</li> <li>Service (covers up to 5 allied activities mainly for service providers)</li> <li>Mix of Commercial &amp; Service (covers allied activities in both categories and grouped to a specific business type i.e. IT Consultancy, Software Design, Computer Hardware Trading, Web Design, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Commercial (covers different sectors i.e. IT, Media consulting education, communication, marketing etc)</li> </ul>	<ul style="list-style-type: none"> <li>Commercial (trading, including general trading)</li> <li>Professional (Service)</li> <li>Industrial</li> </ul>	<ul style="list-style-type: none"> <li>Professional (services)</li> <li>Commercial (trading, including general trading)</li> <li>Industrial</li> </ul>	<ul style="list-style-type: none"> <li>Professional (services)</li> <li>Commercial (trading, including general trading)</li> <li>Industrial</li> </ul>	<ul style="list-style-type: none"> <li>Professional (services)</li> <li>Commercial (trading, including general trading)</li> <li>Industrial</li> </ul>	<ul style="list-style-type: none"> <li>Professional (covers sectors of IT &amp; Media)</li> </ul>	<ul style="list-style-type: none"> <li>Professional (services)</li> <li>Commercial (trading, including general trading)</li> <li>Industrial</li> </ul>	<ul style="list-style-type: none"> <li>Commercial including General Trading</li> <li>Professional (service)</li> <li>Consulting</li> </ul>
Advantages	<ul style="list-style-type: none"> <li>Fast set-up process</li> <li>Cost effective</li> <li>Visa requirements (medical test + Emirates ID biometrics) can be undertaken in Dubai</li> </ul>	<ul style="list-style-type: none"> <li>Cost effective option</li> <li>No corporate or personal income tax</li> <li>Multiple business activities in once license</li> <li>Option of setting up own business without having to issue a visa</li> </ul>	<ul style="list-style-type: none"> <li>Straight forward set-up process</li> <li>Cost effective (virtual offices options)</li> <li>Visa requirements (medical test + Emirates ID biometrics) can be undertaken in Dubai</li> </ul>	<ul style="list-style-type: none"> <li>Wide range of licenses across different market sectors including aviation</li> <li>Adjacent and connected to airport</li> <li>Straight forward set-up process</li> </ul>	<ul style="list-style-type: none"> <li>Wide range of licenses across different market sectors including aviation</li> <li>Adjacent and connected to airport</li> <li>Straight forward set-up process</li> <li>Virtual offices options</li> <li>Visa requirements can be undertaken in Dubai</li> </ul>	<ul style="list-style-type: none"> <li>Wide range of licenses</li> <li>Straight forward set-up process</li> <li>Virtual offices options</li> <li>Visa requirements can be undertaken in Dubai</li> </ul>	<ul style="list-style-type: none"> <li>Wide range of licenses across different market sectors including aviation</li> <li>Adjacent and connected to airport</li> <li>Straight forward set-up process</li> </ul>	<ul style="list-style-type: none"> <li>Straight forward set-up process</li> <li>Cost effective (virtual offices options)</li> <li>Corporate director allowed</li> <li>Visa requirements (medical test + Emirates ID biometrics) can be undertaken in Dubai</li> </ul>	<ul style="list-style-type: none"> <li>Straight forward set-up process</li> <li>Cost effective (virtual offices options)</li> <li>Visa requirements can be undertaken in Dubai</li> </ul>	<ul style="list-style-type: none"> <li>Wide range of licenses</li> <li>Cost effective</li> <li>Visa requirements can be done in Dubai</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>Far from Dubai (45 min)</li> <li>Low(er) credibility</li> <li>Below average after sale service</li> </ul>	<ul style="list-style-type: none"> <li>New jurisdiction</li> <li>Far from Dubai city</li> </ul>	<ul style="list-style-type: none"> <li>Far from Dubai (90 min)</li> <li>Low(er) credibility</li> <li>Slow after-sale service</li> </ul>	<ul style="list-style-type: none"> <li>Far from Dubai (90 min)</li> <li>Slow after-sale service</li> <li>Visa requirements must be completed in Fujairah</li> </ul>	<ul style="list-style-type: none"> <li>Far from Dubai (30 min)</li> <li>Low(er) credibility</li> <li>Below average after sale service</li> </ul>	<ul style="list-style-type: none"> <li>Far from Dubai (90 min)</li> <li>Low(er) credibility</li> </ul>	<ul style="list-style-type: none"> <li>Far from Dubai (30 min)</li> <li>Slow post-sale service</li> <li>Visa requirements must be completed in Sharjah</li> </ul>	<ul style="list-style-type: none"> <li>Far from Dubai (30 min)</li> <li>Low(er) credibility</li> <li>Unproven after sale service (zone is new)</li> </ul>	<ul style="list-style-type: none"> <li>Far from Dubai (90 min)</li> <li>Low(er) credibility</li> </ul>	<ul style="list-style-type: none"> <li>Far from Dubai City (90 mins)</li> </ul>



## UAE STRUCTURING SERIES (IV) WHICH FREE ZONE FOR WHICH PURPOSE?

NORTHERN EMIRATES										
	AFZA	AMC	Creative City	FFZA	HFZA	RAKEZ	SAIF	SHAMS	UAQFTZ	IFZA
<b>Minimum Share Capital Requirement</b>	From AED 185,000.00 (appr. USD 50,000)  Capital pay-up: Not required at inception; recommended within the first year of operation	AED 100,000.00 (appr. USD 13,700.00)  Capital pay-up: Not required	None  AED 50,000.00 recommended (to be paid up within the first year of operation)	From AED 150,000.00 (appr. USD 41,100.00)  For "Investment Activity": AED 1mio  Capital pay-up: Not required at inception; recommended within the first year of operation	From AED 150,000.00 (appr. USD 41,000)  AED 50,000.00 recommended (to be paid up within the first year of operation)	Not specified (registrar can demand capital adequacy VS activity)  AED 50,000.00 recommended (to be paid up within the first year of operation)	From AED 150,000.00 (appr. USD 41,100.00)  Capital pay-up: Not required at inception; recommended within the first year of operation	None  AED 50,000.00 recommended (to be paid up within the first year of operation)	From AED 300,000.00 (appr. USD 82,200.00)  Capital pay-up: Not required at inception; recommended within the first year of operation	None
<b>Timeframe<sup>12</sup> to set-up</b>	1 week	3 - 4 days	1 week	3-4 weeks	1 week	3-4 weeks	2-3 weeks	1 week	1 week	1 week
<b>Available Facilities</b>	<ul style="list-style-type: none"> <li>Shared desks and (fitted) offices</li> <li>Warehouses (including for manufacturing purpose)</li> </ul>	<ul style="list-style-type: none"> <li>Executive office, shared permanent office, shared workspace (subject to availability)</li> </ul>	<ul style="list-style-type: none"> <li>Virtual desks, flex desk and offices</li> </ul>	<ul style="list-style-type: none"> <li>Virtual Offices, flexi desks and offices</li> <li>Warehouses</li> <li>Open land</li> <li>Custom Built Units</li> </ul>	<ul style="list-style-type: none"> <li>Virtual desks, flex desk and offices</li> <li>Warehouses (including for manufacturing purpose)</li> <li>Open land</li> </ul>	<ul style="list-style-type: none"> <li>Virtual Offices, flexi desks and offices</li> <li>Warehouses</li> <li>Open land</li> </ul>	<ul style="list-style-type: none"> <li>Shared desks and (fitted) offices</li> <li>Warehouses (including for manufacturing purpose)</li> </ul>	<ul style="list-style-type: none"> <li>Virtual desks, flex desk</li> <li>Physical offices (not available as of writing; coming soon)</li> </ul>	<ul style="list-style-type: none"> <li>Virtual desks, flex desk</li> <li>Physical Offices (fully serviced)</li> <li>Warehouse Units</li> <li>Plots of Land available for lease (to be built on)</li> </ul>	<ul style="list-style-type: none"> <li>Flexi-desks</li> <li>Offices, warehousing under construction</li> </ul>
<b>Submission of Audited Financial Report</b>	Not required as part of license renewal process  Recommended (as part of best practice). Proper books of accounts must be maintained	Not required as part of license renewal process  Recommended (as part of best practice)	Not required as part of license renewal process  Recommended (as part of best practice). Proper books of accounts must be maintained	Not required as part of license renewal process  Recommended (as part of best practice). Proper books of accounts must be maintained	Required but can be waived for a fixed fee of AED 1,000.00  Recommended (as part of best practice). Proper books of accounts must be maintained in any event	Required annually starting from the 2019 financial year.  To be submitted within six (6) months after the end of the company's financial year.	Required annually	Not required as part of license renewal process  Recommended (as part of best practice). Proper books of accounts must be maintained	Not required as part of license renewal process.  Recommended (as part of best practice). Proper books of accounts must be maintained	Not required as part of renewal process.  Recommended (as part of best practice). Proper books of accounts must be maintained.
<b>Legalization<sup>13</sup></b>	Not required	Required	Not required	Not required	Required	Not required	Required	Required	Required	Required
<b>UBO Identification<sup>14</sup></b>	Required	Not required to be submitted to the registrar  Recommended (as part of best practice)	Required	Required	Not required in practice	Required	Required	Required	Not required in practice	Required
<b>Resident Director/Manager</b>	Not required at inception; recommended within the first year of operation (as part of best practice)	Not required at inception; recommended within the first year of operation (as part of best practice)	Not required at inception; recommended within the first year of operation (as part of best practice)	Not required at inception; recommended within the first year of operation (as part of best practice)	Not required at inception; recommended within the first year of operation (as part of best practice)	Not required at inception; recommended within the first year of operation (as part of best practice)	Not required at inception; recommended within the first year of operation (as part of best practice)	Not required at inception; recommended within the first year of operation (as part of best practice)	Not required at inception; recommended within the first year of operation (as part of best practice)	Not required at inception; recommended within the first year of operation (as part of best practice)
<b>Standard Corporate Documents</b>	License Cert of Incorporation Mem & Arts	License Cert. of Incorporation Mem & Arts Share Certificate	License Cert of Incorporation Mem & Arts Shares Certificate	License Cert of Incorporation Mem & Arts	License Cert of Incorporation Mem & Arts Shares Certificate	License Cert of Incorporation Mem & Arts Shares Certificate	License Cert of Incorporation Mem & Arts	License Cert of Incorporation Mem & Arts	License Cert of Incorporation Mem & Arts	License Cert of Incorporation Mem and Arts Share Certificate
<b>Tax Status</b>	Total tax and duty exemption	Total tax and duty exemption	Total tax and duty exemption	Total tax and duty exemption	Total tax and duty exemption	Total tax and duty exemption	Total tax and duty exemption	Total tax and duty exemption	Total tax and duty exemption	Total tax and duty exempt

12. Time-frame includes mandatory CID Police [background] check. Process takes appr. two weeks (standard); may take (much) longer depending on circumstances (nationality, place of birth).

13. For POA and corporate documents; standard legalization: each document to be notarized by the Notary Public, legalized by the supervising authority [i.e. apostille], legalized by the UAE Embassy abroad and super-legalized by the UAE Ministry of Foreign Affairs.

14. Identification of individual Shareholder(s) [for double/multiple layer structures].