

JEBEL ALI FREE ZONE

The **Jebel Ali Free Zone** is an outstanding example of the entrepreneurial spirit of the free trading city of Dubai. Superbly sited midway between East and West, and a convenient stopping-off point for global trade traffic, the Jebel Ali Free Zone is an ideal world hub. Add to this Dubai's strategic location close to the Gulf entrance with easy access to the entire Arabian peninsula, and it is easy to see why so many multinational giants have chosen the Free Zone as their regional distribution centre to reach the 1.5 billion consumers in the surrounding markets

Taxation is non-existent. Restrictions are minimal. There is no obligation to take on a local partner. Staff may be recruited from anywhere. Excellent port facilities, warehouses, office space, and even factories are already built and ready for lease. The strategic location of Dubai allows easy access to the 1.5 billion consumers in the countries surrounding the Gulf and Red Sea.

Created by a Dubai Government decree on 9 February 1985, the **Jebel Ali Free Zone** is now host to over 1,125 companies from 72 countries. Many of these are leaders in their industries.

UNIQUE ADVANTAGES

- 100% foreign ownership
- No corporate taxes for 15 years, renewable for an additional 15 years
- 100% repatriation of capital and profits
- No personal income taxes
- A market of over 1.5 billion people
- No administration problems, Jebel Ali Free Zone Authority (JAFZA) is on hand to give expert advice and ensure all your requirements are accomplished smoothly
- Modern efficient communications
- No recruitment problems
- Attractive working environment
- Abundant energy
- No currency restrictions
- Excellent support services from Dubai Ports Authority's two modern terminals

Once a company has been accepted into the free zone it will typically operate under one or more of four different licenses being commercial license, general trading license, industrial license and service license. Free zone establishments do not require a local sponsor. Registration costs including incorporation of an offshore company will be in the region of US\$ 3,500 and license fees, (which will depend on the type of license applied for) will range from UD\$1,000 to US\$4,000 approximately.

JFZ CHOICE OF LICENSES

All licences are issued by the Jebel Ali Free Zone Authority (JAFZA) and are valid for the period the company holds a lease from JAFZA, but are renewable annually.

SPECIAL LICENSE: Special licenses are issued to companies established outside the UAE. Ownership may be 100 percent foreign and a license from the Dubai Economic Department is not required. A company with a special licence may undertake any activity permitted in the zone, but may only operate in the zone or outside the UAE. However, business can be conducted in the UAE through agents and distributors.

GENERAL LICENSE: General Licences are issued to companies already holding a valid licence from the Dubai Economic Department permitting them to do business within the UAE. In the Free Zone, holders of a general license must comply with federal and municipal requirements relating to their operations in the rest of the UAE.

NATIONAL INDUSTRIAL LICENSE: A National Industrial Licence is for manufacturing companies registered inside or outside the UAE. The company must be at least 51 per cent UAE or GCC-owned. At least 25 per cent UAE ownership is required for a certificate of origin issued by the Ministry of Economy & Commerce, as well as the requirement for the UAE value-added input to be at least 40 per cent of the total value of the relevant products. The holder of a National Industrial Licence who manufactures goods which are eligible for a UAE certificate of origin therefore qualifies for customs duty exemption if its products are exported to other parts of the UAE or to other GCC countries.

FREE ZONE ENTITY LICENSE Free Zone Entity Licence. Free Zone Entities (FZEs) have been allowed since 1992. A FZE is 100 per cent foreign-owned and is similar to a limited liability company. The main difference is that a FZE can have only one shareholder which is of interest to foreign companies wishing to have a wholly-owned subsidiary in the Free Zone, rather than simply a branch. The minimum capital requirement is \$ 272,500 and liability is limited to the amount of paid up capital.

DIFFERENT FORMS OF REGISTRATION:

FREE ZONE ENTITY (FZE)

FZE is a limited liability Company incorporated in the free zone, owned by one person or Company. It has distinct legal entity and independent financial liability. The paid-up share capital is one million dirhams.(USD274,000) Registration charges is AED10,000 (USD2750)

FREE ZONE COMPANY (FZC)

FZCO is a limited liability Company incorporated in the free zone by more than one shareholder. It has distinct legal entity and independent financial liability. The paid-up share capital is AED500,000 (USD137,000). Registration charges is AED15,000 (USD4109)

BRANCH OF A LOCAL COMPANY (BLC) / BRANCH OF A FOREIGN COMPANY (BFC)

BRANCH OF A LOCAL COMPANY

Licenses under this category are issued to companies holding a valid license from any UAE Licensing authority except from other Free Zones.

BRANCH OF A FOREIGN COMPANY

Licenses under this category are issued to companies established outside the UAE. The ownership of the company could be 100% foreign. However, sales can be made through a UAE registered agent or a distributor only.

ANNUAL COSTS IN THE JEBEL ALI FREE ZONE (APPROXIMATE)

	USD
License Fees	1500.00
Office Lease (minimum 26.88 sq m.)	10000.00
Dubai Chamber of Commerce fees	600.00
Post Office Box Fees	57.00
Third party liability insurance, Annual Premium	27.00
Company's name on signboard (one time)	136.00
Total	12,320.00

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