UAE, Dubai offshore company

Incorporation of an offshore company in the Emirate of Dubai (JAFZA) UAE

The Emirate of Dubai is the UAE's second largest emirate and has a high reputation both within the UAE and in the world at large. The formation of offshore companies became possible in 2003 after special Regulations were adopted.

Offshore companies registered in Dubai (JAFZA) are completely exempt from taxation in the UAE and can conduct any business that is not subject to special regulation. But the activities of the company must be conducted exclusively outside the UAE.

**The director** can be an individual of any nationality; corporate directors can only be appointed out of those approved by the Registrar.

**The shareholders** can be individuals or legal entities (except foundations and trusts) irrespective of their country of nationality/ incorporation, and the company is not required to have local shareholders.

The company must also appoint a **secretary** (may be the same person as director); the secretary can be an individual of any nationality; corporate secretaries can only be appointed out of those approved by the Registrar.

There is no minimum **share capital** requirement, but there is a requirement to pay the share capital upon issue of shares. A company can have par value or no par value shares, and can issue different
classes of shares.

Employees of such companies cannot obtain residence visas. However, a Dubai offshore company can own real estate in this Emirate.

An offshore company must have a local registered agent whose details are entered in the Memorandum of Association. The registered office of such agent will also be the registered office of the company.

A company may have a nominee director, but nominee shareholders are not allowed.

The register of shareholders and directors of an offshore company is not available to third parties.

Every Dubai-registered offshore company must keep accounting records sufficient to confirm its financial position and reflecting up-to-date information about its assets and liabilities. It is also necessary to prepare annual financial statements of the company and have them audited.

Before incorporating a company, we recommend that you consult a specialist of the non-resident audit department and a tax adviser to discuss subsequent administration of the company and preparation of financial statements and audit.

Main features of incorporation procedures

The following information and documents have to be provided in order to incorporate a company:

— Details of the structure and activity of the company (in free form, based on the description of activity a business plan is drafted which has to be approved by the Registrar at incorporation of the company);

— Copy of passport of each director and shareholder of the company;

— Document confirming the residential address of each director and shareholder of the company (it can be a mobile phone, gas, electricity or water bill, etc., but must contain the individual's current address and full name);

— Original bank reference letter for each shareholder (preferably in English). It can be a reference from any bank where the individual has held an account for more than 1 year, stating the account opening date. The reference should say that the bank has had no disagreements with the client during their cooperation and that the bank can recommend such person as reliable partner;

— Short CV for each shareholder (it should state the individual's recent employments, including
After assessment of the standard package of documents, the Registrar may request additional documents/information (reference letters for the beneficial owner, source of funds, etc.)

The documents must not be older than **3 months**.

The documents must be translated into English; for now, such translation need not be certified by notary or professional translator.

The company’s incorporation takes **approximately 2 weeks** after the client has provided all the necessary documents and information.

A shareholder’s visit to the UAE is required only if a company wants to open a local bank account.

The cost of incorporation is **USD 9500**, which includes:

- Preparing and filing with the Registrar all necessary constitutive documents and subsequently handing over the original documents to the client;
- Providing registered office and registered agent for the first year after incorporation;
- Making the company’s seal;
- Standard Compliance fee; and
- Shipment of documents.

The cost of renewal of a company starting from the second year after incorporation is **USD 5800**, not including the Compliance fee** or preparation of financial statements and audit (the fee for the latter depends on the nature of the company’s business, number of transactions, and accounting system, and is calculated individually).

The nominee director fee is **USD 1140** per year, including one apostilled power of attorney.

**IMPORTANT**: The UAE is not party to the Hague Convention on Apostille. Constitutive documents legalization costs are not included in the cost of incorporation and are determined separately, depending on the prices of the consulate of the country where the company documents will be used.
** Compliance fee is calculated as follows:

1) USD 150 (standard rate, includes the check of 1 individual)
   + USD 50 for each additional individual (director, shareholder, or beneficial owner) or legal entity (director or shareholder) if such legal entity is administered by GSL
   + USD 100 for each additional legal entity (director or shareholder) if such legal entity is not administered by GSL

2) USD 250 (rate for High Risk companies, includes the check of 1 individual)
   + USD 50 for each additional individual (director, shareholder, or beneficial owner) or legal entity (director or shareholder) if such legal entity is administered by GSL
   + USD 100 for each additional legal entity (director or shareholder) if such legal entity is not administered by GSL

Offshore in Dubai (JAFZA)

Contact persons

Managing Partner of Alexander Alekseev
Phone/Fax: +7 (495) 234 38 33
gsl@gsl.org | www.gsl.org

Registration of companies abroad, Legal advice and administration, Law of foreign countries, Offshore financial companies, Funds, Trusts, Regulated companies, Bank accounts, Tax disputes, Legal due diligence and forming of legal opinions, Application of international tax agreements, E-commerce projects structuring, Compliance & Due Diligence.

Offices

MOSCOW, RUSSIA
Russia, Moscow, 1st magistral impasse, 5a, sector B, 5th floor
Phone/Fax: +7 (495) 234 3833, +7 (495) 921 3755
gsl@gsl.org | gsl.org

NICOSIA, CYPRUS
Kallipoleos Avenue and Ifigenias Street, Amaral 30, office 402, P.C. 1055 Nicosia, Cyprus
Phone: +357 22 003146, fax: +357 22 003147
gsl@gsl.com.cy | gsl.com.cy

LONDON, UK
8-12 New Bridge Street, London, EC4V 6AL, United Kingdom
Phone/Fax: +44(0) 207 822 8590
gsl@gsi.co.uk | gsl.co.uk

TORTOLA, BRITISH VIRGIN ISLANDS
Mandar House, Johnson's Ghut, Road Town, Tortola, British Virgin Islands
Phone: +1 (284) 495-4755, fax: +1 (284) 495 4753
gsl@gsl.vg | gsl.vg

HONG KONG, HK
8th Floor, 30 Hollywood Road, Central, Hong Kong
Phone: +852 2656 0166, факс: +852 2656 0266
gsl@gsl.org | gsl.org

MAHE, SEYCHELLES
Tenancy 10, Marina House, Eden Island, Mahe, Seychelles
Phone/Fax: +248 428 0505
gsl@gsl.org | gsl.org

ORADEA, ROMANIA
Scoalelor Str, 17, Bihor, Oradea, Romania
Phone: +40 775 202 635
gsl@gsl.org | gsl.org

Global presence

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- Romania
- Russia
- Saint Lucia
- Seychelles
- Singapore
- Slovakia
- South Korea
- Spain
- Sweden
- Switzerland
- Turkey
- UAE
- UK
- USA
- Vanuatu

Key facts

- 50+ jurisdictions where GSL registers companies
- 120+ banks and EMI where GSL opens accounts
- 7 countries in which GSL offices are open
- 20+ years in business
- 170+ employees work at GSL
- 16 languages spoken by GSL employees