



Free Zone Company Registration in Umm Al Quwain, UAE. Service offer

The Umm Al Quwain Free Trade Zone (UAQ FTZ) is a strategic project of the Umm Al Quwain Government, seeking to encourage entrepreneurial initiatives and provide the necessary infrastructure for a successful business community. Just 45 minutes off Dubai International Airport, Umm Al Quwain is an example of a progressive outlook and prosperity in the UAE.

Establishing an onshore company implies the possibility of obtaining residence visas for shareholders/employees, as well as their families, which is an indisputable advantage. Moreover, economic substance for onshore companies is created by renting an office or a workstation at Flexi desk / Flexi office.

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Major advantages of doing business in the UAE

- Stable banking system, high probability of opening a UAE bank account;
- Ability to work with US dollars;
- Quick company registration;
- Ability to create substance in the country of registration;
- Ability to obtain a residence visa for the company's shareholders and employees.

Budget for setting up business in UAQ FTZ[1]

Services	Fees (USD)
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Company registration in UAQ Free Zone,

including[2]:

- company incorporation (name check; collection, preparation and submission of documents for incorporation; selection of a licence; delivery of original corporate documents);
- liaising with government authorities regarding all matters of the company;
- maintaining the company's online service portal with the free zone and migration authorities;
- monitoring changes in legislation, informing about changes and the need to revise the activities / structure of the company;
- compliance-check;
- postal services (collection / delivery of documents and other correspondence);
- company seal.

The above price also includes the state fees billed by the Free Zone for company registration, issuance of a license for 1 type of activity and flexi desk office.

Other options are available upon request.

9 400

<p>Obtaining a residence visa (cost of one visa – investor visa), including:</p> <ul style="list-style-type: none"> - Government fees (Entry Permit, Medical Fitness Report & Emirates ID, Visa Stamping on the Passport); - preparing, executing and agreeing the necessary documentation with the migration authority; - accompanying the client to a medical clinic for medical examination; - accompanying the client to the Federal Migration Service for fingerprinting and biometrics; - submitting to the migration authority documents for issuing and stamping a visa; - filing an application for and obtaining a residence card; - selecting an insurance company for medical insurance (if required); - transport expenses. 	<p>4 200</p>
<p>Assistance with opening corporate and personal bank accounts^[3]</p>	<p>500 (Stage I) 2 000 (Stage II) 750 (Stage III)</p>
<p>Total:</p>	<p>16 850</p>

[1] VAT of 5% is applied.

[2] The cost of package may vary depending on the number of shareholders, type of licence, and size of office (office size dictates how many residence visas a company can have).

[3]The description of the account opening stages and the conditions for charging an additional success fee can be found below, in the Fees section.

Company registration

Company registration in UAQ FTZ includes the following steps:

1. Selecting

- company name to be checked for availability (at least three names), which name: can be in English or Arabic; must not be identical or similar to the name of an existing company; must end in a suffix indicating a type of entity ("FZE" / "FZC");
- company structure (director, manager, secretary, member, and attorney);
- share capital and distribution of shares between the members;
- activity and geography of business;
- type of license and type of office within UAQ FZT.

The UAQ FZT can issue the **following types of license to companies:**

Industrial license – enables the holder to carry on business related to manufacturing of goods, which includes importing raw materials, processing, manufacturing, assembling and packaging products, and exporting the finished product.

General Trading license – enables the holder to trade in goods, which includes importing, storing, warehousing, supplying and exporting various categories of permitted goods.

Commercial license – enables the holder to trade in goods, which includes importing, storing, warehousing, supplying and exporting permitted goods.

Service license – enables the holder to provide the type of services specified in the licence (for

example, business consulting, marketing consulting, insurance, etc.).

Some licences require approval from the relevant regulator: for example, opening a clinic will require approval from the UAE Ministry of Health.

2. Paying fees

3. Providing documents

for directors / managers / secretaries / shareholders / attorneys:

- color copy of internal passport with a page containing an address stamp;
- color copy of international passport;
- proof of address (unless the internal passport contains an address stamp);
- copy of visa / UAE entry stamp;
- CV.

IMPORTANT: a shareholder's prior visit to the UAE is mandatory for company registration. It is irrelevant how old the UAE entry stamp is. If a shareholder has never visited the UAE before, he/she will need to enter the country at least for one day.

The shareholders will need to sign a Questionnaire Form for completing compliance procedure, and a Contract for administration.

A business plan may also be required to register a company for certain types of business.

4. Preparing documents for company registration

having documents signed by the company's officers and shareholders.

5. Submitting company registration application

Upon registration of the company, the following documents will be issued:

- Certificate of Incorporation;
- Articles;
- Share Certificates;
- License for doing business (generally valid for 1 year);
- Registers of directors and shareholders;
- Lease agreement for office.

A company seal is also issued.

Upon registration of the company, you can proceed with visas and bank account opening. A company can open a bank account both at a UAE bank and at a foreign bank – please contact your GSL consultant for details.

IMPORTANT: Since the UAE is not party to the Hague Convention of 5 October 1961, which abolishes the requirement for legalization of foreign official documents, it is necessary to submit the documents of a local company for legalization to the consulate of a country where they will be used.

The total time to register a new company is around 10 days.

Visa application

The UAE does not have such concept as a residence permit. UAE migration rules require the issuance of residence visas, which in practice are similar to a residence permit.

A residence visa can be obtained on the following grounds:

- based on owning a UAE onshore company – **investor visa**;
- by making an employment contract with a UAE onshore company – **work visa**.

The number of residence visas depends on the business package chosen during registration of the company.

An investor visa and a work visa are normally issued for 2 years. Upon expiration, a visa can be renewed.

Application for residence visas includes the following steps (a visa can only be applied for **after registration of the company**):

1. Opening an Establishment Card (the migration file of the company) – 3-5 days. This document is necessary for the company to be able to apply for residence visas in the future.
2. Submitting documents for a residence visa and obtaining an Entry Permit (permission to enter the country) – 5-7 days.

To obtain a residence visa, an individual must enter the UAE with an Entry Permit.

If at the time of issuing of Entry Permit the applicant is already in the UAE, then in order to complete the issuance of a residence visa without leaving and re-entering the country, it is necessary to change the status of the visa. The service of changing the status of a visa is provided upon request and is subject to additional charges.

3. Visiting the UAE to obtain a residence visa – in most cases, a visa can be obtained within 5 working days.

The applicant needs to:

- undergo a medical examination (blood test and chest X-ray);
- submit biometric data (retina and fingerprints scan).

After receiving a passport with a residence visa inserted into it, one can leave the country.

4. Obtaining a resident ID card - ID Emirates.

The card is issued a few days after the issuance of a visa. Personal presence is not required to

receive it.

IMPORTANT: One is not required to reside in the UAE permanently, but a residence visa will be cancelled if one stays outside the UAE for more than 6 months. The fees for obtaining a residence visa in UAQ FTZ start from USD 4 200. Please contact your consultant for more details on the application.

Requirements for company structure

Directors

- minimum number:	- one
- individual / legal entity:	- individuals only
- residence:	- no requirements

Shareholders

- minimum number:	- one
- maximum number:	- 50
- individual / legal entity:	- individual / legal entity
- residence:	- no requirements

Manager

- number:	- only one
- individual / legal entity:	- individual

- residence:	- no requirements
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Secretary

UAQ FTZ companies must also have a secretary that can be either an individual or a legal entity. One person can simultaneously act as shareholder, director, secretary, manager and authorized representative of the company.

Share capital

- minimum share capital:	- AED 300 000
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May differ for certain business activities.

The share capital cannot be denominated in any currency other than AED.

A company is allowed to issue only one class of shares, of AED 1 000 or a multiple amount each.

Registered office

Upon registration the company and the Free Zone authority sign an office lease agreement; the address of such office is considered the official registered office address of the company.

UAQ FTZ offers various office packages depending on the needs of clients in terms of type and number of licences, number of visas, the need for substance and placement in the Free Zone: from flexi desk and flexi office (a separate room or cell in the open space of first-class business centres) to warehouses and land plots.

Subsequent administration of the company

The company must annually renew the licence, by paying a relevant fee, and the lease agreement.

Companies registered in UAE free zones are exempt from capital gains tax, property tax and other taxes, except corporate tax and VAT.

Corporate Tax

A federal corporate tax was introduced in the UAE on 1 June 2023. Free zone companies may be subject to both the standard rate of corporate tax (9%) and a zero rate. The application of a particular rate depends on a number of factors such as the company's income, the types of its activities (whether they are excluded or qualifying, or not), counterparties, whether the company maintains adequate economic substance in the UAE, and other aspects.

In order to understand which corporate tax rate (9% or 0%) applies to your company, we recommend that you seek advice from our specialists.

VAT

From 1 January 2018, the UAE introduced a Value Added Tax.

VAT as a general consumption tax applies to all transactions with goods and services, unless such transaction is exempted or taxed at 0% rate.

The standard VAT rate in the UAE is 5%.

There is no obligation to register for VAT unless sales turnover within the country exceeds the registration threshold, which is AED 375 000 (~ USD 100 000) in the UAE.

Registration as a VAT taxpayer is required in the following cases:

there is reason to believe that the taxable turnover in the next 30 days will exceed the registration threshold (for example, a contract has been made);

at the end of the month, the taxable turnover for the previous 12 months actually exceeded the registration threshold;

the company receives services to be included in the return using the reverse charge method, in excess of the registration threshold.

It is possible to initiate a voluntary registration after exceeding the threshold of taxable transactions in the amount of AED 187 500 (~ USD 50 000).

Registration with the UAE Federal Tax Administration and allocation of the company's Tax Reference Number (TRN) takes 20 business days, on average.

Upon registration with the Federal Tax Administration and allocation of the VAT number, a company must quarterly (or monthly in the case of annual turnover exceeding AED 150 000 000 (~ USD 40 830 900) prepare and file a VAT return, and pay the resulting VAT within 28 days of the VAT period end.

Before registering a company, we recommend that you consult a specialist of the non-resident audit department and a tax adviser to assess the company's tax burden and discuss subsequent administration of the company.

Financial Statements and Audit

Every company registered in UAQ FTZ must keep accounting records sufficient to confirm its financial position and reflecting up-to-date information about the assets and liabilities of the company.

At each reporting date, company directors must prepare financial statements of the company, including auditor's report, and circulate them to the shareholders for the annual general meeting within 4 months of the financial year-end. However, there is no requirement for audit or submission of financial statements to state authorities.

The company's first accounting period begins on the date of incorporation and lasts at least 6 months but not more than 18 months. Every subsequent accounting period lasts exactly 12 months from the end-date of the previous period.

Before registering a company, we recommend that you consult a specialist of the non-resident audit department and a tax adviser to assess the company's tax burden and discuss subsequent administration of the company.

Fees[4]

Services	Fees (USD)
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Company registration in UAQ Free Zone,

including^[5]:

- company incorporation (name check; collection, preparation and submission of documents for incorporation; selection of a licence; delivery of original corporate documents);
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- maintaining the company's online service portal with the free zone and migration authorities;
- monitoring changes in legislation, informing about changes and the need to revise the activities / structure of the company;
- compliance check;
- postal services (collection / delivery of documents and other correspondence);
- company seal.

The above price also includes the state fees billed by the Free Zone for company registration, issuance of a license for 1 type of activity and flexi desk office.

Other options are available upon request.

9 400

Annual renewal of the company,

including:

- liaising with government authorities regarding all matters of the company;
- maintaining the company's online service portal with the free zone and migration authorities;
- monitoring changes in legislation, informing about changes and the need to revise the activities / structure of the company;
- keeping track of the deadlines and making payments for the company renewal and the office lease agreement;
- postal services (collection / delivery of documents and other correspondence).

The above price also includes the state fees billed by the Free Zone for the renewal of the license.

Other options are available upon request.

7 200

<p>Obtaining a residence visa (cost of one visa – investor visa), including:</p> <ul style="list-style-type: none"> - Government fees (Entry Permit, Medical Fitness Report & Emirates ID, Visa Stamping on the Passport); - preparing, executing and agreeing the necessary documentation with the migration authority; - accompanying the client to a medical clinic for medical examination; - accompanying the client to the Federal Migration Service for fingerprinting and biometrics; - submitting to the migration authority documents for issuing and stamping a visa; - filing an application for and obtaining a residence card; - selecting an insurance company for medical insurance (if required); - transport expenses. 	<p>4 200</p>
<p>Renewal of a residence visa (cost of one visa – investor visa). Renewal of a residence visa (investor visa is issued for 2 years) requires taking the same actions and paying the same fees as upon initial application.</p>	<p>4 200</p>
<p>Assistance with opening corporate and personal bank accounts, including^[6]:</p>	

<p>== services of:</p> <ul style="list-style-type: none"> - analysing the company's structure, its activities / business model / turnover OR, in the case of a personal account, information on the individual's sources of funds / residence / account balance; - selecting banks individually for you – up to 3 options; - preparing descriptions of banks indicating the criteria by which they were selected; - preparing a description of further steps in the account opening procedure; 	<p>500 (Stage I)</p>
<p>== services of:</p> <ul style="list-style-type: none"> - collecting and analysing the corporate and other documents required to be submitted to the selected bank; - putting together a detailed account opening application, including complete information on the company, its owners and counterparties; - sending the application to one of the banks of your choice; - preparing a detailed description of all further steps in the account opening procedure; - preparing for an interview; - accompanying you to a personal / online meeting with a banker if necessary; - interacting with the bank at ALL stages; 	<p>2 000 (Stage II)</p>

<p>== payment of the remainder of the full fee – after receiving notification from the bank that the application is under final review by the bank’s compliance team;</p>	<p>750 (Stage III)</p>
<p>== an additional success fee is charged if the account is opened faster than the average standard procedure time, which is:</p> <ul style="list-style-type: none"> - for corporate accounts – 3 months, - for personal accounts – 1 month. 	<p>+10% to the fee for the service</p>
<p>Compliance fee Payable in the cases of:</p> <ul style="list-style-type: none"> - renewal of a company, - liquidation of a company, - transfer out of a company, - issue of a power of attorney to a new attorney, - change of director / shareholder / beneficial owner, except the change to a nominee director / shareholder, - signing of documents. 	<p>350 (standard rate – includes the check of 1 individual) + 150 for each additional individual (director, shareholder, or beneficial owner) or legal entity (director or shareholder) if such legal entity is administered by GSL + 200 for each additional legal entity (director or shareholder) if such legal entity is not administered by GSL 450 (rate for High Risk companies, includes the check of 1 individual) 100 (signing of documents)</p>
<p>Keeping company’s accounting records. Maintaining a systematic archive of company documents and providing them to the client upon request.</p>	<p>200 / hour</p>
<p>Preparing financial statements, conducting audit and submitting financial statements to the Free Zone authorities.</p>	<p>400 / hour^[7]</p>
<p>VAT registration.</p>	<p>1 500</p>

Preparing and submitting VAT returns.	200 / hour
Tax advice on VAT and other matters.	400 / hour

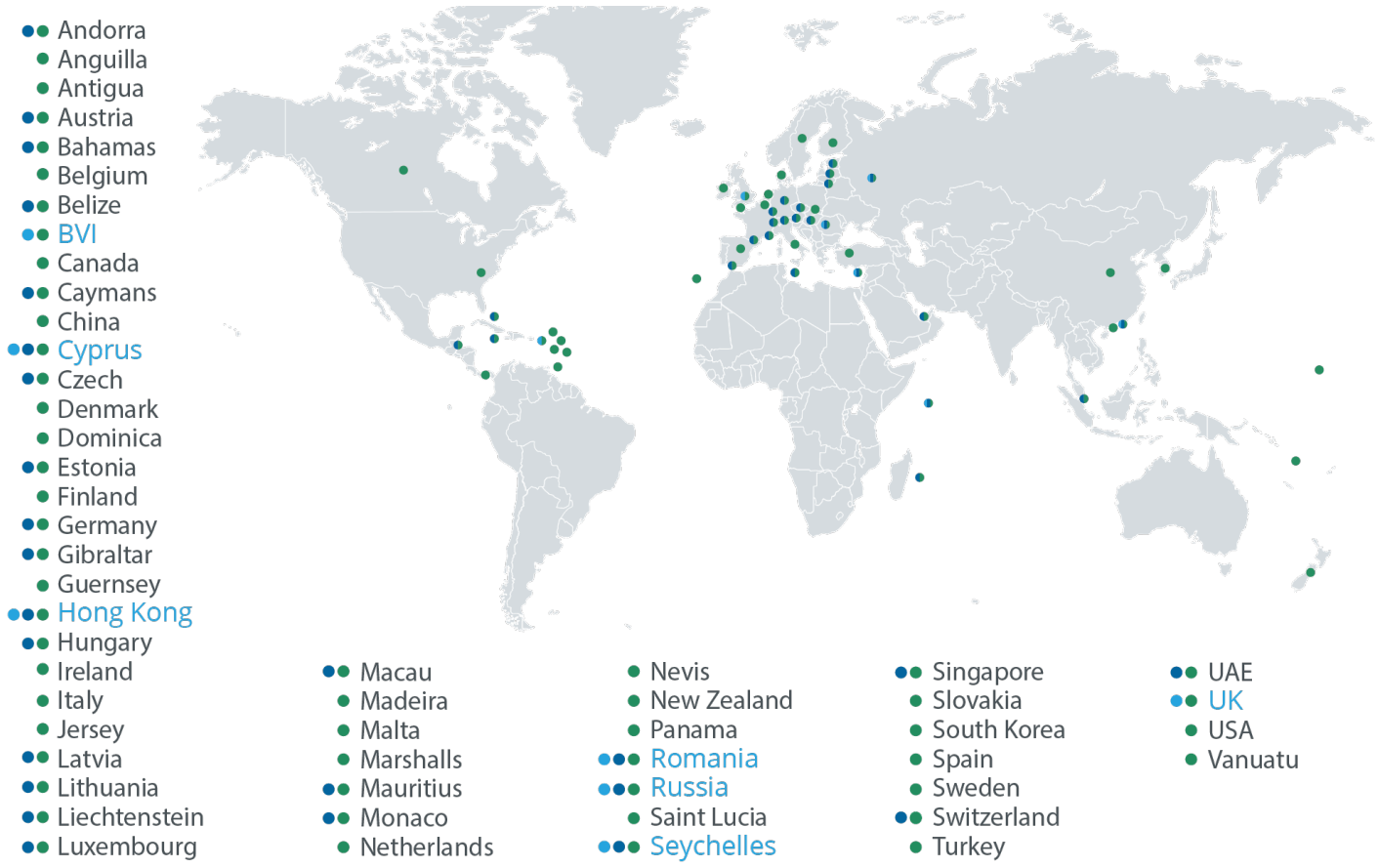
[4] VAT of 5% is applied.

[5] The cost of package may vary depending on the number of shareholders, type of licence, and size of office (office size dictates how many residence visas a company can have).

[6] For more details on how fees for account opening assistance are charged, please contact your GSL consultant.

[7] The fees for preparing financial statements and conducting an audit are charged based on the time spent at hourly rates ranging from USD 100 to 400, depending on the type of work and qualification of a specialist involved, but not less than USD 2 200 – fees for audited financial statements with a minimum number of transactions.

Global presence



● GSL offices ● Banks and payment systems where GSL opens accounts ● Jurisdictions where GSL registers companies

Key facts

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