



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

There are two ways to terminate offshore companies incorporated in the Emirate of Dubai. Differences, advantages and disadvantages.

There are two ways to terminate offshore companies incorporated in the Emirate of Dubai:

Contents

1. Striking off the Register of Companies
 2. Voluntary liquidation of a company
 3. Liquidator
 4. The cost of legal services for liquidation of a company
 5. Description of liquidation procedure
1. Striking off the Register of Companies
 2. Voluntary liquidation of a company

Striking off the Register of Companies

Striking off the Register of Companies – if a company does NOT pay the annual renewal fee, which includes the government fee and registered agent's services, the Registrar sends the company an official notice informing that it must pay the fee within the prescribed period (normally, it is 30

days), otherwise the company will be struck off the Register.

Despite the fact that the company is struck off the Register of Companies, the company itself and its officers continue to be liable for their obligations and bear liability.

Moreover, from the moment of striking the company off the Register, directors, shareholders or other officers of the company have no right to:

- conduct any business activity, dispose of their assets or initiate legal proceedings;
- defend any legal proceedings, file claims or demand exercise of any right for the company or on its behalf; or
- perform any other actions relating to the company's affairs.

A company may be restored by paying all annual fees and penalties. Only after 2 years, a company will be deemed liquidated. In the case of restoration of a company, it is deemed that it has not been struck off the Register and its legal capacity has not been interrupted.

Voluntary liquidation of a company

Voluntary liquidation of a company – a company is deemed officially closed, and its obligations are terminated; it may only be restored in court. Upon liquidation, you will receive a certificate of liquidation of the company issued by the registration authority.

This procedure is only available to a company that meets the following requirements:

- (a) it has no liabilities; or
- (b) it can pay its debts as they fall due.

In order to prepare the documents you will have to provide us with a copy of the passport of the person who will act as the company's liquidator, and you will have to tell us the amount of their remuneration.

Liquidator

MAY be an individual unless that individual is disqualified from acting as a voluntary liquidator of a company in accordance with the legislation.

MAY NOT be:

- a disqualified person or individual in respect of whom analogous disqualification applies in accordance with the legislation of a country outside the United Arab Emirates;
- a person with restricted rights or an individual in respect of whom similar restriction of rights applies in accordance with the legislation of a country outside the United Arab Emirates;
- an underage person;
- an undischarged bankrupt;
- a person who at any time was director of the company or affiliated entity or held other managerial positions in the company;
- a person who during the last year was an employee of the company.

After the payment and above information have been received, we prepare a set of documents to be signed by the company's directors, shareholders and liquidator. In order to liquidate a company, financial statements and liquidation balance sheet also have to be prepared. The cost of this service is calculated individually depending on the nature of the company's business, number of transactions, bookkeeping method, etc. The company must terminate its activity by the beginning of liquidation.

Please also be aware that at the time of issue of a certificate of liquidation the company must be in good standing.

The cost of legal services for liquidation of a company

USD 8 500 + compliance fee* – without liquidator's services;

USD 9 500 + compliance fee* – including liquidator's services.

A liquidation takes approximately 2-3 months.

Description of liquidation procedure

The liquidation procedure comprises the following stages:

1. Signing and presenting to the registered agent prepared documents, in particular:

- notice of appointment of liquidator;
- declaration of solvency;
- liquidation plan approved by the company's shareholders;
- company liquidation provision signed by directors.

2. Publishing a notice in a newspaper.

The liquidator will have to publish a notice (we will send you the text separately) of the company's liquidation in a newspaper, so the maximum possible number of creditors can find this notice (normally, such notice is placed in a newspaper in the country of the company's core business). The Registrar provides a list of newspapers for publishing.

3. The liquidator sends a notice of completion of liquidation.

4. Obtaining from the Register the certificate of the company's liquidation.

5. The Regulator publishes a notice of completion of the liquidation procedure.

The company is deemed liquidated from the time of issue of the certificate and may ONLY be restored by a court decision and if there is a strong reason.

*The compliance fee is calculated as follows:

option 1

USD 250 (standard fee – includes check of 1 individual)

- + USD 150 for each additional individual (director, shareholder or beneficiary) or legal entity (director or shareholder) if legal entity is serviced by GSL
- + USD 200 for each additional legal entity (director or shareholder) if legal entity is not serviced by GSL
- + USD 100 for signing documents

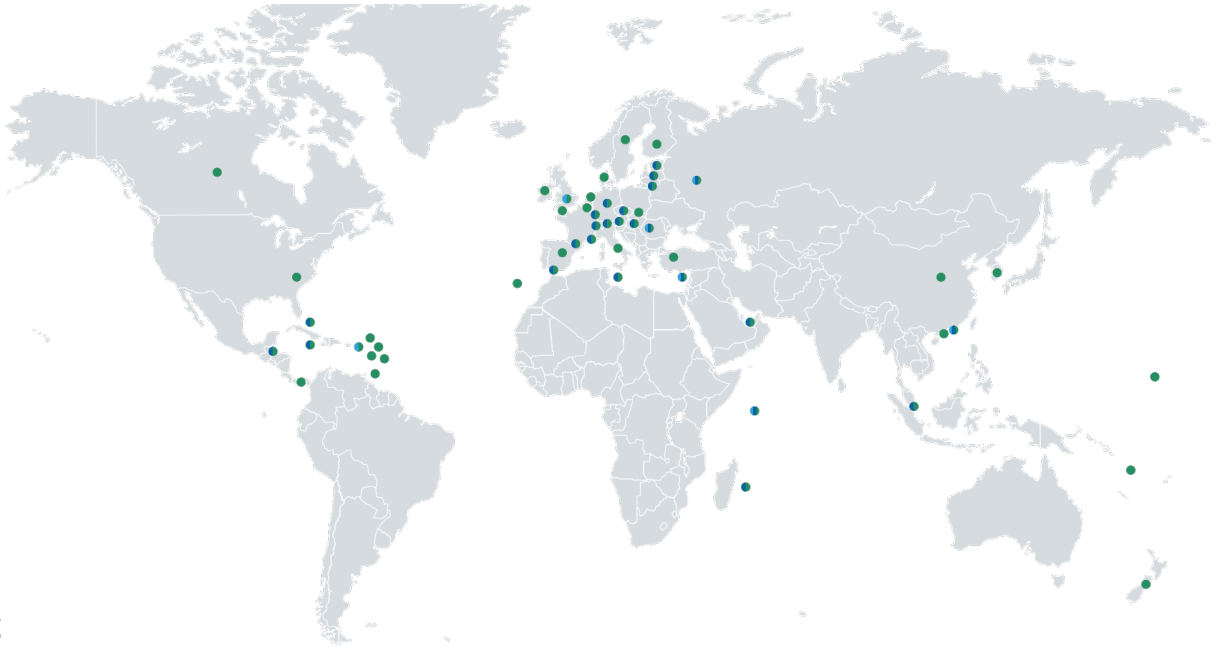
option 2

USD 350 (rate for High Risk companies, includes check of 1 individual)

- + USD 150 for each additional individual (director, shareholder or beneficiary) or legal entity (director or shareholder) if legal entity is serviced by GSL
- + USD 200 for each additional legal entity (director or shareholder) if legal entity is not serviced by GSL
- + USD 100 for signing documents

Global presence

- Andorra
- Anguilla
- Antigua
- Austria
- Bahamas
- Belgium
- Belize
- BVI
- Canada
- Caymans
- China
- Cyprus
- Czech
- Denmark
- Dominica
- Estonia
- Finland
- Germany
- Gibraltar
- Guernsey
- Hong Kong
- Hungary
- Ireland
- Italy
- Jersey
- Latvia
- Lithuania
- Liechtenstein
- Luxembourg



- Macau
- Madeira
- Malta
- Marshalls
- Mauritius
- Monaco
- Netherlands

- Nevis
- New Zealand
- Panama
- Romania
- Russia
- Saint Lucia
- Seychelles

- Singapore
- Slovakia
- South Korea
- Spain
- Sweden
- Switzerland
- Turkey

- UAE
- UK
- USA
- Vanuatu

● GSL offices

● Banks and payment systems where GSL opens accounts

● Jurisdictions where GSL registers companies

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