

The Rising Free Zone: Dubai World Trade Centre

Sherif Rahman - Partner - Corporate Structuring

s.rahman@tamimi.com - Dubai International Financial Centre

Khadija Hussain

k.hussain@tamimi.com - k.hussain@tamimi.com



His Highness Sheikh Mohammed Bin Rashid Al Maktoum UAE President and Prime Minister, Ruler of Dubai established the Dubai World Trade Centre ('DWTC') free zone in May 2015. The primary aim of DWTC is to further diversify and attract foreign investors in order to boost economic capabilities of the Dubai Trade Centre by capitalising on its networking platform which is frequently used for hosting international events and exhibitions such as Cityscape Global, Arab Health and GulfFood.

The key feature of DWTC is its location. Situated in the prime business district of Dubai with easy access to public transport and a short drive from Dubai International Airport, it is attractive for foreign investors wanting to establish a corporate presence in the region, especially for representative or marketing offices, holding companies and IT related services, which do not require extensive office space or a large number of staff. That said, if a foreign investor does need extensive office space to house a large number of staff, DWTC also offers office and visa facilities to cater to such requirements. Therefore, DWTC can serve clients and businesses with multiple needs.

Benefits of DWTC

Like other free zones in the United Arab Emirates, DWTC offers 100 percent foreign ownership and other benefits generally offered by free zones across the UAE, such as a simplified and a straightforward

incorporation process, and a single point of contact for all services, from registration and licensing to leasing and immigration.

DWTC regulations permit foreign companies to migrate to the DWTC. This is very attractive for companies incorporated in international jurisdictions that wish to migrate into a free zone in Dubai in order to take advantage of its tax-free environment, and yet still wishing to maintain their operational and accounting legacy. The procedure for migration is subject to the fulfilment of certain requirements and can be completed seamlessly as long as the jurisdiction from where the foreign company intends to migrate also recognises the concept of migration.

Type of Companies

The DWTC allows for three types of companies to be established:

1. Free Zone Establishment ('FZE'): a single shareholder company with limited liability;
2. Free Zone Company ('FZCO'): a company with limited liability with minimum of two and a maximum of 10 shareholders; and
3. a branch of a limited liability company registered in UAE mainland or a foreign company.

Business Activities

DWTC mirrors most of the activities licenced by the Dubai Economy ('DE') under various categories such as commercial, trading consultancy and/or event management. This allows for a business to conduct up to 10 similar activities as well as obtain a business-operating permit for entities already licensed by the DE that require an additional presence in a free zone.

Setting-up

The incorporation process begins with the submission of the application form which contains a business plan and a brief summary of the proposed business activities, supported by documents of the shareholder and officers to be appointed for the DWTC entity.

There are no minimum capital requirements. The paid-up capital is only mandatory if the intended share capital is more than AED 300,000 (US\$82,000) or in case where issuance of a share certificate is required.

After receiving a pre-approval for the application, DWTC authority requires submission of final documents inclusive of a signed office lease. DWTC offers the following options for office space:

1. hot desk;
2. executive office.;
3. standard and flexible offices/shell and core offices in One Central; and
4. various serviced business centres located at One Central.

Conclusion

DWTC is an important inclusion in the list of free zones in the UAE, offering quick, economical and effective setting up options.

Al Tamimi & Company's [Corporate Structuring team](#) regularly advises on setting up companies in DWTC free zone. For further information, please contact [Sherif Rahman](#) (s.rahman@tamimi.com) or Khadija Hussain (k.hussain@tamimi.com).