

Deregistration of Companies in the Jebel Ali Free Zone

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Whilst the Jebel Ali Free Zone (“JAFZ”) in Dubai is probably the most successful free zone in the Emirate of Dubai,

given the number of companies which have registered there since it was formed in 1985, it is not uncommon to see companies ‘shutting up shop’ in JAFZ for numerous reasons. In this article we look at factors, procedures and requirements which need to be addressed by a company wishing to deregister their business within JAFZ. Whilst the procedures and requirements listed in this article may look and seem to form a systematic approach to deregistering a company, from our practical experience, many obstacles may lie in hiding which require professional legal advice and assistance to resolve.

Procedures and Requirements

1. Firstly the shareholder/s must take the decision to deregister their company in JAFZ – this decision should be in the form of a board resolution with the proper legalization procedure adhered to where applicable.
2. Jebel Ali Free Zone Authority (“JAFZA”) should be notified of the shareholders desire to deregister their company in the free zone by arranging for an exit interview with the Customer Relations Department at JAFZA.
3. The leasing department at JAFZA is contacted by the company to provide sufficient notice to terminate any existing lease agreement in accordance with such terms entered into with JAFZA. The leased premises should be returned to the original condition and state in which the company first occupied it. This has to be done before the keys to the property are returned to the landlord.
4. Customs clearance (in the form of an official letter) should be obtained from Dubai Customs to ensure all goods and products imported and/or exported by the company have been cleared and any and all customs duties have been settled.
5. Clearance by DEWA, Etisalat and the RTA should be obtained to ensure no outstanding dues or registered vehicles remain against or under the name of the company.
6. Clearance from JAFZA Finance Department should be obtained and a liquidator report should be filed, reviewed and approved by JAFZA Finance Department before any clearance can be obtained. JAFZA Finance Department clearance can be relatively time consuming as the local auditor of the company should formulate and file a liquidation report for clearance.
7. Visa and Immigration clearance can also be time consuming and problematic as all employees of the company should be transferred or their visa should be cancelled with all the appropriate filing of applications. To this end, their end of service benefits should be settled and all bank guarantees of employees should be recouped. Please note that the General Manager of the company can only have his/her visa cancelled as a last step in the deregistration process.
8. Once the above clearances have been obtained, JAFZA will advertise the deregistration of the

company in the local daily (Al Bayan) for a period of 15 calendar days to ensure there are no objections or claims by third parties towards the company's proposed deregistration.

9. Once the advertisement period has expired without any objections, the General Manager's visa shall be cancelled and thereafter the license and registration of the company is cancelled. Where the license of the company is expired at the time of applying for deregistration, the company must either renew or suffer a penalty of AED 500 per month until the time it is deregistered.

Please note that the above list of requirements is not exhaustive and JAFZA has the right to request additional requirements and information at any time.

The Corporate Structuring Team, led by Partner Mr. Samer Qudah, has extensive practical experience in advising and assisting clients with deregistration issues in the JAFZ.